MINERAL RESOURCES REPORT

UGUR GOLD DEPOSIT

AZERBAIJAN INTERNATIONAL MINING COMPANY

September 2017

1 EXECUTIVE SUMMARY

Datamine International was requested by Azerbaijan International Mining Company Limited (Anglo Asian Mining plc), to carry out an estimation of the mineral resources of the Ugur mineral deposit located in the Republic of Azerbaijan. This is the first resource estimate of the deposit given its recent discovery in 2016. The estimation was completed in accordance with The Joint Ore Reserves Committee (JORC), 2012, Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The mineral resources estimation was carried out by taking into consideration all exploration data from the time of the discovery of the deposit in 2016. This report has been prepared taking into consideration the guideline of the JORC Table 1.

The “Ugur” deposit is located within the locally defined Ugur exploration area. The Ugur gold deposit was discovered in 2016 by the Gedabek Exploration Group of Anglo Asian Mining who worked on the regional area of Ugur from 2014 year.

Historical work on the area included regional mapping and large-scale regional geophysical programmes (magnetic and gravity) by Soviet geologists (however, the Ugur deposit itself was not discovered during this period of exploration).

Prior to the drill programme for resource estimation, Anglo Asian Mining carried out the following work:

- Stream sediment sampling 7 samples (2014), 16 samples (2016),
- Stream Grab sampling 37 samples (2016)
- Geological mapping, 90 000m2 1:10 000 (2014-2015), 35 000m2 1:1 000 (2016)
- Outcrop sampling 1,460 samples (2016)
- Trenching & shallow pits 610 samples (2016)

A summary of the type and metres of drilling completed is shown below:

Type of drill-hole	Type	Start date	Finish date	Number of drill holes	Length (metres)
Reverse circulation	Reverse circulation	23-Sep-16	14-Nov-16	56	1,842
Core	Diamond	04-Oct-16	25-Jun-17	50	6,355
Geotechnical	Diamond	16-Apr-17	27-Apr-17	2	164
Reverse circulation	Reverse circulation	19-Mar-17	09-Jul-17	33	2,766
TOTAL DRILLING				141	11,127

The Ugur Exploration Area is located at 4.7km to the northwest of the Gedabek high sulfidation epithermal deposit. The Ugur gold deposit is located within the Gedabek-Bittibulag regional deeper fault system. The major elongate structural zones within the system form the framework for the regional geology.

The Ugur gold deposit is considered as a high sulfidation gold deposit located in rocks ranging from Bajocian (Mid-Jurassic) to Tithonian (Upper-Jurassic) in age. The gold mineralisation is hosted by an Upper Bajocian age sub-volcanic rocks, that comprise rhyo-dacitic breccias.

The deposit was emplaced at the intersection of NW, NE, N and E trending structural systems regionally controlled by a first order NW transcurrent fault structure. The fault dips between 70º to 80° to the north-west. The faults of the central zone control the hydrothermal metasomatic alteration and gold mineralisation.

Independent consultants "Datamine" carried out the resource estimation of Ugur deposit. The parameters used for classifying the block model blocks according measured, indicated and inferred categories (within the defined mineral boundary, unless otherwise stated) are presented below:

- Measured: Blocks estimated in search volume 1 (30 x 25 x 10m) with minimum 5 samples from at least 2 drill holes.
- Indicated: Blocks estimated in search volume 2 (44 x 37.5 x 15m) with minimum 5 samples from at least 2 drill holes.
- Inferred: Blocks estimated in search volume 3 (60 x 50 x 20m) with minimum 1 samples. All blocks out of the mineral boundary that contain mineralisation above cut-off are also classified as Inferred (with search volume 30 x 25 x 10m).

A JORC resource estimate comprising Measured, Indicated and Inferred Resources has been made for the Ugur Deposit. The mineral resources based on a cut-off grade greater than or equal to 0.2g/t of gold is stated in the following table:

Mineral Resources	Tonnage	Gold Grade	Silver Grade	Gold	Silver
	Mt	(g/t)	(g/t)	(K oz)	(K oz)
Measured	4.12	1.2	6.3	164	841
Indicated	0.34	0.8	3.9	8	44
Measured + Indicated	4.46	1.2	6.2	172	884
Inferred	2.50	0.3	2.1	27	165
Total	6.96	0.9	4.7	199	1049

It is concluded that the resource is appropriate to be utilised for Ore Reserves estimation to determine the mineable potential of the deposit.

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1 INTRODUCTION

Datamine International was requested by the Azerbaijan International Mining Company Limited (Anglo Asian Mining), to carry out an estimation of the mineral resources of the Ugur mineral deposit located in the Republic of Azerbaijan.

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Table 1-1 type and metres of drilling

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This document consists of information relating to exploration activity, mineral deposit study, estimation and mineral resources sections, which describe the contribution of the exploration drilling campaigns carried out so far at the Ugur mineral deposit.

1.1 Qualification of Consultants

Jamal Keivanian is a Mine engineer with 22 years experience in mining and exploration. He specialises in advanced exploration management, drilling programme management, resource modelling, resource estimation, exploration and mining database management, mine improvements studies and reconciliation, ore control procedures and modelling, script programming for customisation of Datamine software.

Jamal graduated from the Amir Kabir University (Tehran Polytechnic) 1995 with a Bachelor degree (B.Sc.) in Mining Engineering.

In 1993, Jamal started work as IT manager and Network Administrator at the computer centre of the mining department in Tehran Polytechnic University (Iran). After graduation in 1995, he started work as mine engineer at Ahar Complex Copper Mines Co. in Sungun Copper Project (a world class mine in Iran). After 5 years experience at Sungun Mine, was made Head of Exploration at Pars Olang Company, that consults to the National Iranian Copper Industries Co (for exploration of Sungun deposit and other copper projects). Jamal commenced his international experience from 2006, working on various international exploration and mining projects, but mostly gold projects in Africa.

Jamal moved to Germany in 2010 and started co-operation in a research project in Tu-Clausthal University (Germany) for designing and implementation of a dynamic model updating system with integration of an online analysis system. In parallel, Jamal was Resource Engineer of Reservoir Mineral Inc. (Canada) and worked on the Timok project (Chukaru Peki deposit) in Serbia.

Over the last 7 years, Jamal has worked as an independent consultant to many international projects, mainly related to gold and copper commodities. Activities in this period, cover subjects related to exploration and mining, providing resources and reserve estimates and performance improvement with expert utilisation of Datamine Studio software.

Jamal has been acting as a consultant with Datamine International to Azerbaijan International Mining Company (Anglo Asian Mining) since 2015, mainly working on projects relating to the Gedabek Contract Area. He has been closely involved with the resources development of the Ugur deposit, since the commencement of drilling.

1.2 Qualification of Competent Person

Stephen Westhead is a geologist who earned an extractive industries Doctorate (PhD) in “Structural Controls on Mineralisation”, a Master’s degree (MSc) in “Mineral Exploration and Mining Geology”, a European Union Certificate in “Environmental Technology” and an Honours Bachelor Degree (BSc) in “Applied Geology”.

In 1989, Stephen started his career in the mining sector as a Geologist with Anglesey Mining working at the Parys Mountain property in Wales. Following completion of a PhD in 1993, worked in India for five years as a consultant geologist focusing on cement and base metals sectors. For the final year in India, was a founder member of Fluor Daniel India (Pvt) Ltd working in resource analysis for the group mining and metals division, infrastructure and project development.

In 1997, Stephen moved to work in Central Asia for a period of 10 years, working in Tajikistan, Uzbekistan, Kyrgyzstan and Kazakhstan. The positions held included Project Geologist, Country Chief Geologist, Subsidiary mining company Director, Group Chief Geologist, and General Director. The focus of this period was gold, silver and base metals projects, including resources and reserves management, project development and production.

In 2006, Stephen worked in Ukraine, Eastern Europe, and Kazakhstan as Group Chief Geologist and Project Manager, again focusing on gold and silver commodities. In 2009, Stephen joined the Polyus Gold Group as Group Project Manager and subsequently as Technical Adviser to the Managing Director of the group's largest business production unit, covering exploration and mining geology, mining, material handling and processing.

In April 2016, Stephen consulted to Azerbaijan International Mining Company (Anglo Asian Mining plc), and joined the group in May 2016 as Director of Geology. Subsequently in January 2017, became Director of Geology and Mining (current position).

Stephen has expertise heading project management from exploration stages to construction and mine production. Has been part of teams that have taken projects through feasibility study, raised finance, constructed mines/plants and brought into production.

Professional accreditations include being a Chartered Geologist (CGeol) and Fellow of The Geological Society (FGS), Professional Member of the Institution of Materials, Minerals and Mining (MIMMM), Fellow of the Society of Economic Geologists (FSEG) and Member of the Institute of Directors (MIoD). Recently awarded the Institute of Directors Certificate in Company Direction (August 2017), with awards in; The Role of the Director and the Board, Finance for Non-Financial Directors; The Director's Role in Strategy and Marketing, and Leadership for Directors.

2 PROPERTY DESCRIPTION AND LOCATION

2.1 Introduction

The Ugur gold deposit is located in Gedabek Ore District of the Lesser Caucasus in the north-west of Azerbaijan, 48 kilometres east of the city of Ganja, and 4.7 kilometres northwest of Gedabek open-pit gold copper mine.

The location of the Gedabek Licence in which the Ugur deposit is located is shown in Figure 2-1.

Figure 2-1 Location of the Gedabek Contract Area

2.2 Mineral Tenement and Land Tenure Status

The project is located within a current contract area that is managed under a “PSA” production sharing agreement.

The PSA grants the Company a number of periods to exploit defined licence areas, known as Contract Areas, agreed on the initial signing with the Azerbaijan Ministry of Ecology and Natural Resources ('MENR'). The exploration period allowed for the early exploration of the Contract Areas to assess prospectivity can be extended.

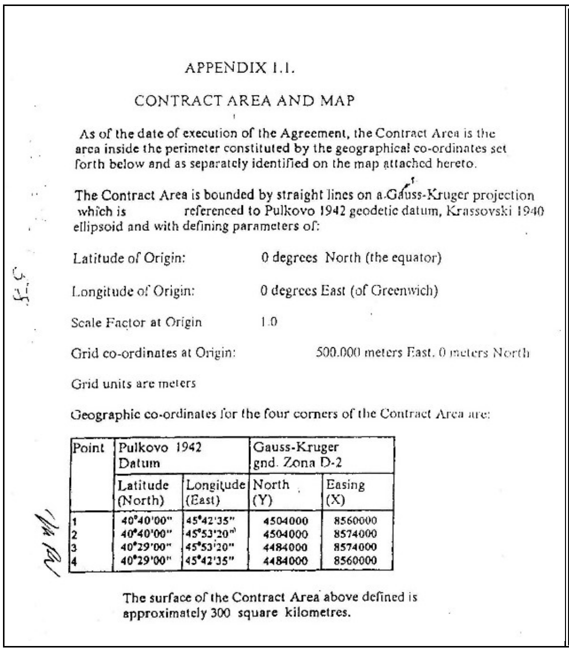
A 'development and production period' commences on the date that the Company issues a notice of discovery, which runs for 15 years with two extensions of five years each at the option of the Company. Full management control of mining in the Contract Areas rests with Anglo Asian Mining.

Under the PSA, Anglo Asian is not subject to currency exchange restrictions and all imports and exports are free of tax or other restriction. In addition, MENR is to use its best endeavours to make available all necessary land, its own facilities and equipment and to assist with infrastructure.

The deposit is not located in any national park.

At the time of reporting no known impediments to obtaining a licence to operate in the area exist and the contract (licence) area agreement is in good standing.

An extract of the contract area boundary is shown in Figure 2-2.



APPENDIX 1.1.

CONTRACT AREA AND MAP

As of the date of execution of the Agreement, the Contract Area is the area inside the perimeter constituted by the geographical co-ordinates set forth below and as separately identified on the map attached hereto.

The Contract Area is bounded by straight lines on a Gauss-Kruger projection which is referenced to Pulkovo 1942 geodetic datum, Krassovski 1940 ellipsoid and with defining parameters of:

Latitude of Origin:	0 degrees North (the equator)
Longitude of Origin:	0 degrees East (of Greenwich)
Scale Factor at Origin	1.0
Grid co-ordinates at Origin:	500.000 meters East, 0 meters North

Grid units are meters

Geographic co-ordinates for the four corners of the Contract Area are:

Point	Pulkovo 1942 Datum		Gauss-Kruger gnd. Zona D-2	
	Latitude (North)	Longitude (East)	North (Y)	Easing (X)
1	40°40'00"	45°42'35"	4504000	8560000
2	40°40'00"	45°53'20"	4504000	8574000
3	40°29'00"	45°53'20"	4484000	8574000
4	40°29'00"	45°42'35"	4484000	8560000

The surface of the Contract Area above defined is approximately 300 square kilometres.

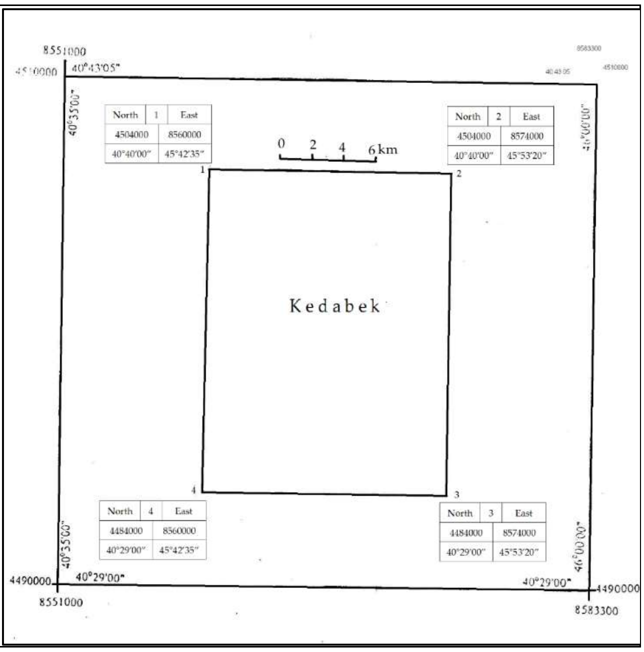


Figure 2-2 Location coordinates of the Gedabek Contract Area

2.3 Site Visits

Datamine International company developed and audited the Mineral Resource block model. Two Datamine engineers worked on the resources and reserves and were able to verify work practice and procedure. During the period from discovery to reserve estimation, the Datamine engineer working on the Ugur resources carried out 7 trips to Gedabek that comprised 58 on site days.

Datamine have been involved with other mining projects of the company within the same licence area as Ugur and as such are familiar with the processing methods available, value chain of the mining and cost structure. The data has been audited and considered robust for Mineral Resource estimates.

Internal company and external reviews of the Mineral Resources yield estimates that are consistent with the Mineral Resource results. The methods used include sectional estimation, and three-dimensional modelling utilising both geostatistical and inverse distance methodologies. All results showed good correlation.

The Competent Person (CP), Stephen Westhead is an employee of the company and as such has been actively in a position to be fully aware of all stages of the exploration and project development. The CP has worked very closely with the independent resource and reserve estimation staff of Datamine, both on site and remotely, to ensure knowledge transfer of the geological situation, to allow geological "credibility" to the modelling process. Extensive visits have been carried out by two staff of Datamine over the last year and have been fully aware of the Ugur project development. All aspects of the data collection and data management has been observed.

3 PROJECT EXPLORATION HISTORY

The “Ugur” deposit is located within the locally defined Ugur exploration area. The Ugur gold deposit was discovered in 2016 by the Gedabek Exploration Group of Anglo Asian Mining who worked on the regional area of Ugur from 2014 year.

The exploration “centre” of the project is the outcrop, independently located on Google Earth at Latitude 40°37'13.10"N and Longitude 45°46'15.34"E. The known gold mineralisation has an estimated north-south strike length of 400 metres and a total area of approximately 20 hectares or 0.2 km². The deposit was found based on gold-silver assays of surface outcrop rock chip samples over an area of 2.5 kilometres north-south by 2 kilometres east-west, with the Ugur gold deposit located on the central part.

Historical work on the area included regional mapping and large-scale regional geophysical programmes (magnetic and gravity) by Soviet geologists, however, the deposit itself was not discovered.

The Ugur gold deposit was discovered in 2016 by the Gedabek Exploration Group (GEG). The Anglo Asian Mining work programmes included:

- regional and detailed geologic mapping (1:1000, only Ugur gold deposit),
- road building,
- stream, grab, channels, trench and road cut sampling,
- alteration mapping,
- structural interpretation
- preliminary metallurgical tests,
- Diamond drilling and reverse circulation drilling.

Surface exploration and sampling was carried out by means of trenches and bell-pits, spaced at 50 to 200 m.

Following on from previous regional stream sediment sampling and outcrop sampling in 2014 and 2015, a programme of systematic and expanded grab, channel and trenches sampling was carried out (from May to October 2016). Road construction, road-cut sampling, and geological mapping (1:1000 scale) continued. Volcanic and intrusive samples were submitted for chemical analysis. The first stage of petrographic and mineralogical studies conducted on a suite of volcanic and intrusive rocks and a structural interpretation was completed by using Leica binocular microscope and XRF.

Lithological-structural and hydrothermal alteration-mineralisation studies continued. Geologic base maps were upgraded by establishment of a 100-metre grid and the integration of lithologic structural details with XRF sampling. Drilling by the AIMC reverse circulation (RC) team commenced on 23 September 2016.

Prior to the drill programme for resource estimate, Anglo Asian Mining carried out the following work:

- Stream sediment sampling; 7 samples (2014), 16 samples (2016),
- Stream Grab sampling; 37 samples (2016)

- Geological mapping; 90 000m2 1:10 000 (2014-2015), 35 000m2 1:1 000 (2016)
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A summary of the type and metres of drilling completed is shown below:

Table 3-1 type and metres of drilling

Type of drill-hole	Type	Start date	Finish date	Number of drill holes	Length (metres)
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TOTAL DRILLING				141	11,127

4 DEPOSIT GEOLOGY

4.1 Regional Geological and Structural Setting

The Ugur Exploration Area is located at 4.7km to the northwest of the Gedabek high sulfidation epithermal deposit, on Mountain Gyzyldjadag (see Figure 4.1). The Ugur gold deposit is located within the Gedabek-Bittibulag regional deeper fault system. The major elongate structural zones within the system form the framework for the regional geology.

Middle Jurassic to Upper Jurassic volcano-sedimentary, magmatic and metamorphic rocks forms the basement of the region. These are intruded by Upper Bajocian to Kimmeridgian age plagiogranites, gabbros, diorites, granodiorites and granites.

Host rocks to the mineralisation comprise Upper Bajocian rhyolite-dacites and their agglomerated tuffs and secondary quartzites (hydrothermal altered rocks), with widely developed contact hydrothermal alteration along with evidence of fumarole type acid volcanism of Upper Bajocian Age. Contact hydrothermal alteration originates due to plagiogranite intrusions that are exposed in adjacent hills to the Ugur deposit.

Within the mineralised area, the Gyzyldjadag fault of latitudinal strike is defined with a zone thickness up to 15 metres wide in which the rocks are brecciated, and show silicification and limonite alteration.

Figure 4-1 Ugur Exploration Area in relation to the Gedabek-Bittibulag fault system.

Rocks within the mineralised zone, located between tectonic structures, are strongly kaolinised and impregnated by phenocrysts of pyrite and rarely chalcopyrite, that exhibit oxidation resulting in a gossan composed of strongly limonitic and ocherous rocks.

4.2 Deposit Geology

“Secondary quartzites” were formed under the influence of Atabek-Slavyanka plagiogranite intrusion with exposures observed to the north from the gold mineralisation area. The area in tectonic attitude is confined to Gyzyldjadag fault of North-eastern sub-latitudinal strike 080° with a vertical dip.

Rocks in the alteration zone area locally brecciated, show argillic alteration, with strong limonite and haematite alteration, where crystalline haematite is observed. Intensive barite and barite-hematite vein and veinlets and also gossan zones are present in outcrop. The main mineralisation zones have been sampled in three trenches with a total length of 270 metres (trenches #1, #2 and #3) and received positive results for gold and silver. About 550 samples from main outcrops #1 and #2 were taken.

The main mineralised zone comprises secondary quartzites with vein-veinlets barite-haematite mineralisation over which remain accumulations of hydrous ferric oxides cementing breccias of quartz and secondary quartzites. Erosion surfaces exhibit “reddish mass” being an oxidation product of stock and stockwork haematite ores.

A Lithological-structural map of the Gedabek Ore District is presented below (Figure 4-2)

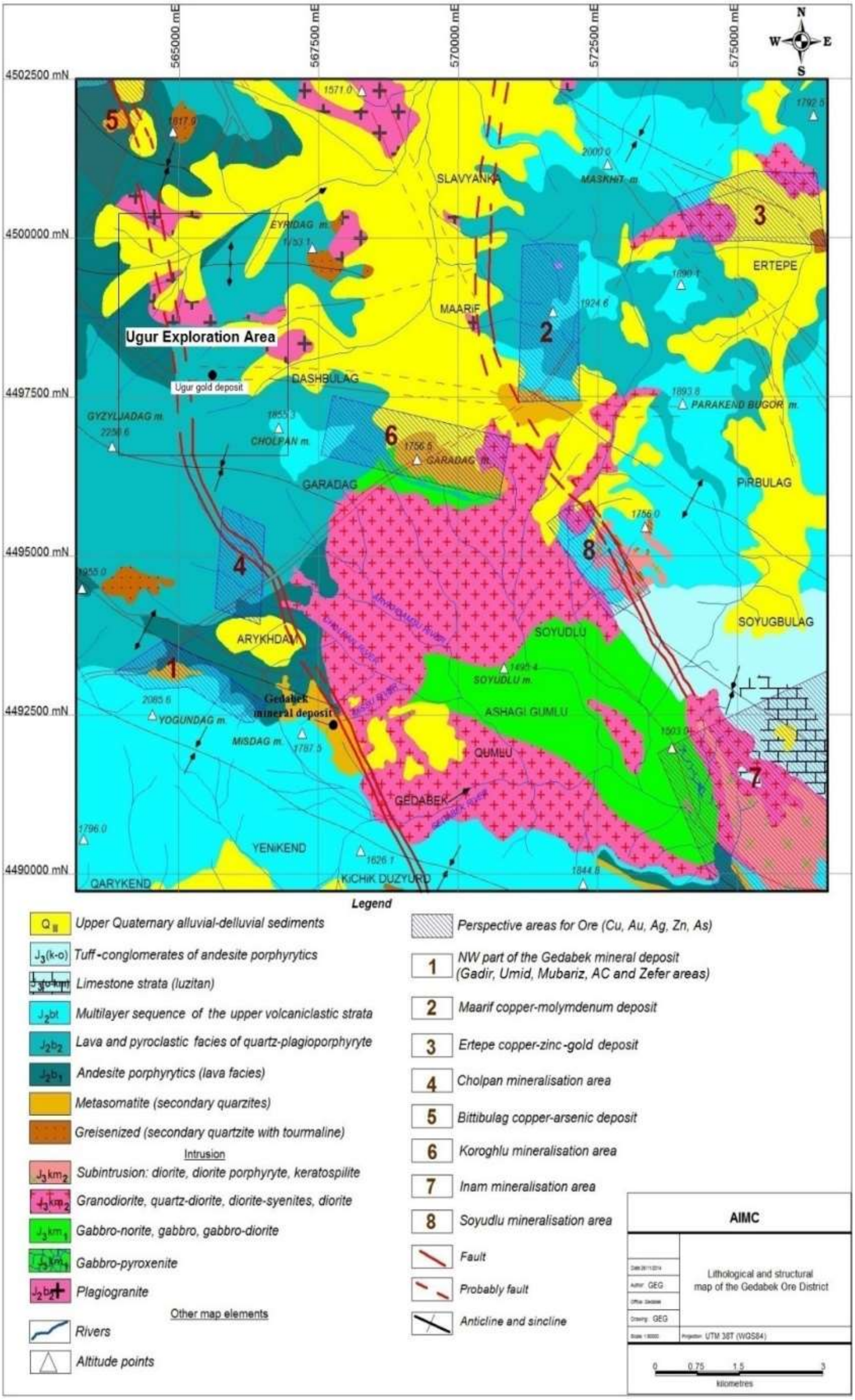


Figure 4-2 Lithological-structural map

4.3 Mineralisation features

The Ugur gold deposit is considered as a high sulfidation gold deposit located in rocks ranging from Bajocian (Mid-Jurassic) to Tithonian (Upper-Jurassic) in age. The gold mineralisation is hosted by an Upper Bajocian age sub-volcanic rocks, that comprise rhyo-dacitic breccias. These rocks have been intruded into a sub-volcanic sequence that was subsequently subjected to strong hydrothermal alteration.

The Ugur primary mineralisation is hosted in acidic volcanic rocks, that consists of haematite-barite-quartz-kaolin veins-veinlets and breccia, pyritic stock-stockwork and quartz-sulphide veins. The central surface expression of the mineralisation exhibit accumulations of hydrous ferric oxides cementing breccias of silica with vein-veinlets barite-haematite mineralisation.

The deposit was emplaced at the intersection of NW, NE, N and E trending structural systems regionally controlled by a first order NW transcurrent fault structure. The fault dips between 70º to 80° to the north-west. The faults of the central zone control the hydrothermal metasomatic alteration and gold mineralisation.

5 SAMPLING AND EXPLORATION

5.1 Sampling techniques

Full core was split longitudinally 50% using a rock diamond saw and half-core samples were taken at typically 100 centimetre intervals, or to rock contacts if present in the core run for both mineralisation and wall rock. The drill core was rotated prior to cutting to maximise structure to core axis of the cut core.

Reverse Circulation (RC) drill samples were collected via a cyclone system in calico sample bags following on site splitting using a standard riffle “Jones” splitter attached to the RC drill rig cyclone, and into plastic chip trays for every one metre interval.

To ensure representative sampling, diamond drill core was marked considering mineralisation and alteration intensity, after ensuring correct core run marking with regards recovery.

RC samples were routinely weighed to ensure sample is representative of the metre run.

Sampling of drill core and RC cutting were systematic and unbiased.

RC samples varies from 3kg to 6kg in weight, the smaller weight sample related to losses where water was present. The average sample size by weight was 4.7kg, and pulverised to produce a 50g sample for routine Atomic Absorption analysis and check fire assaying.

Handheld XRF (model THERMO Niton XL3t) was used to assist with mineral identification during field mapping and core logging procedures.

5.2 Drilling techniques

Both diamond core drilling and reverse circulation (RC) drilling were completed.

Upper levels of core drilling from collar to an average depth of 35metres were drilled at PQ size diameter (85.0 mm) core single barrel wireline, stepping down to HQ size (63.5mm) when necessary.

Diamond Core Drilling with HQ diameter (63.5mm) core single tube barrel, stepping down to NQ (47.6mm) core barrel when necessary

Diamond Core drilling with NQ (47.6mm) core single tube barrel

The proportions of PQ:HQ:NQ drilling were 17:60:23 percentage.

Oriented drill coring was not used.

Reverse Circulation drilling was carried out using 133 millimetre diameter face sampling drill bits.

Downhole surveying was carried out on 92% of core drillholes utilising Reflex EZ-TRAC equipment at a downhole interval of every 9 metres.

Drilling penetration speeds were also noted to assist with rock hardness indications.

5.3 Drill sample recovery

Core recovery (TCR – total core recovery) was recorded at site, verified at the core logging facility and subsequently entered into the database. The average core recovery was 93%. Recovery measurements were poor in fractured and faulted rocks, however the contract drill crew maximised capability with use of drill muds and reduced core runs to enure best recovery. In these zones where oxidised friable mineralisation was present, average recovery was 86%.

RC recovery was periodically checked by weighing the sample per metre for RC drill cuttings and compared to theoretical weight.

Geological information was passed to the drilling crews to make the drillers aware of areas of geological complexity, to maximise recovery of sample through the technical management of drilling (downward pressures, rotation speeds, water flushing, use of clays).

Zones of faulting and presence of water resulted in variable weights of RC sample, suggesting losses of fines. Historical drilling at adjacent deposits with similar situations tended to underestimate the in-situ gold grades.

There is no direct relationship between recovery and grade variation, however in core drilling, losses of fines is believed to result in lower gold grades due to washout of fines in fracture zones. This is likely to result in an underestimation of grade, which will be checked during production.

5.4 Geological logging

Drill core was logged in detail for lithology, alteration, mineralisation, geological structure, and oxidation state by Anglo Asian Mining geologists, utilising logging codes and data sheets as supervised by the competent person.

RC cuttings were logged for lithology, alteration, mineralisation, and oxidation state.

Logging was considered sufficient to support Mineral Resource estimation, mining studies and metallurgical studies.

Rock Quality Designation (RQD) logs were produced for all core drilling for geotechnical purposes. Fracture intensity and fragmentation proportion analysis was also used for geotechnical information.

Additionally, two “geotechnical” core drillholes were targeted and drilled to pass through mineralisation into wall rocks of the “planned” backwall to the open pit. This ensured geotechnical data collected related to open pit design work.

Point load testing and unconfined compressive strength (UCS) tests were conducted on all major rock (mineralised and wall rock) types. This data was utilised in establishing the open pit design parameters.

Independent geotechnical studies have been completed by the environmental engineering company, CQA International Limited (CQA), to assess rock mass strength and structural geological relationships for mine design parameters.

Logging was both quantitative and qualitative in nature. All core was photographed in the core boxes to show the core box number, core run markers and a scale, and all RC chip trays were photographed.

100% of the core drilling were logged with a total of 6,354.75 metres of core and 100% of RC drilling with a total of 4,608 metres, that is included in the resource model.

5.5 Sample preparation

Full core was split longitudinally 50% using a rock diamond saw and half-core samples were taken at typically 100 centimetre intervals or to rock contacts if present in the core run for both mineralisation and wall rock. The drill core was rotated prior to cutting to maximise structure to core axis of the cut core.

Half the longitudinal core was taken for sampling and assaying, and the other half remaining in the core box as reference material.

Reverse Circulation (RC) drill samples were collected in calico sample bags following on site splitting using a standard riffle “Jones” splitter, and into plastic chip trays for every one metre interval.

Where RC samples were wet, the total sample was collected for drying at the laboratory, following which, sample splitting took place. Primary duplicates have also been retained as reference material.

RC field sampling equipment was regularly cleaned to reduce the chance of sample contamination by previous samples, on a metre basis by compressed air.

Both core and RC samples were prepared according best practice, with initial geological control of the half core or RC samples, followed by crushing and grinding at the laboratory sample preparation facility that is routinely managed for contamination and cleanliness control. Sampling practice is considered as appropriate for Mineral Resource Estimation.

Sample preparation at the laboratory is subject to the following procedure.

- After receiving samples at the laboratory from the geology department, all samples are cross referenced with the sample order list.
- All samples are dried in the oven at 105-110 degree centigrade temperature
- First stage sample crushing to -25mm size
- Second stage sample crushing to -10mm size.
- Third stage sample crushing to -2mm size.
- After crushing the samples are split and 200-250 gramme sample taken.
- A 75 micron sized prepared pulp is produced that is subsequently sent for assay preparation.

Quality control procedures were used for all sub-sampling preparation. This included geological control over the core cutting, and sampling to ensure representativeness of the geological interval.

127 Field duplicates of the reverse circulation (RC) samples were collected, representing 2.6% of the total RC metres drilled.

Sample sizes are considered appropriate to the grain size of the material and style of mineralisation being sampled, by maximising the sample size, hence the total absence of any BQ drill core.

5.6 QUALITY ASSURANCE/QUALITY CONTROL (QA/QC)

Laboratory procedures and assaying and analysis methods are industry standard. They are well documented and supervised by a dedicated laboratory team. The techniques of Atomic Absorption and Fire Assay were utilised, and as such both partial and total analytical techniques were employed.

Handheld XRF (model THERMO Niton XL3t) was used to assist with mineral identification during field mapping and core logging procedures.

Commencement of drilling was on 23/09/2016 and completion was 15/07/2017 being 295 days, during which period 4,928 RC samples and 6,447 core drill samples (a total of 11,375 samples) were taken. A total of 1,740 QA/QC samples were measured, equivalent to 15.3%.

QA/QC procedures included the use of field duplicates of RC samples, blanks, certified standards or certified reference material (CRMs) from OREAS (Ore Research & Exploration Pty Ltd Assay Standards, Australia), in addition to the laboratory control that comprised pulp duplicates, check samples, and replicate samples. This QA/QC system allowed for the monitoring of precision and accuracy of assaying for the Ugur deposit.

The quality of the QA/QC is considered adequate for resource and reserve estimation purposes.

Pulp duplicates analysis showed the largest error in waste or very higher grade samples (Table 5-1), Note: with silver classified by gold grade:

Table 5-1 Pulp Duplicates for gold and silver

Gold Grade Range g/t	Au (1) Average g/t Au	Au (2) Average g/t Au	Ag (1) Average g/t Ag	Ag (2) Average g/t Ag
Average	1.46	1.48	1.86	1.77
0.0 to ≤0.3	0.10	0.21	1.86	1.77
0.3 to ≤1.0	0.64	0.69	4.51	4.33
1.0 to ≤2.0	1.44	1.44	8.10	7.93
2.0 to ≤5.0	2.82	2.74	13.62	13.52
5.0 to ≤20.0	7.27	7.23	32.09	29.91

External check assay was carried out by ALS Minerals (OMAC) based in Ireland. The following analytical work was conducted for each sample:

- Sample login / pulverize split to 85% < 75 micron / pulverizing QC test / Received sample weight
- Ore grade for Gold 30g AA finish

- 35 Element Aqua Regia ICP-AES analysis (to include the following elements: Ag, Al, As, B, Ba, Be, Bi, Ca, Cd, Co, Cr, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, Zn.

Comparison of average gold grades between the on-site laboratory and ALS shows a general bias towards the on-site laboratory under-estimating grade with the exception of high grade (Table 5-2).

Table 5-2 Comparison On-site lab and ALS lab

Gold Grade Range	AAZ Average g/t Au	ALS Average g/t Au
Average	0.83	0.90
0.0 to≤0.3	0.08	0.08
0.3 to ≤1.0	0.60	0.70
1.0 to ≤2.0	1.31	1.36
2.0 to ≤5.0	2.97	3.76
5.0 to ≤20.0	12.21	11.16

Based on QA/QC work, and instances of poor repeatability, it is recommended to carry out thorough QA/QC of all samples during the extraction process and assess laboratory capacities.

5.7 Verification of sampling and assaying

Significant intersections were verified by a number of company personnel within the management structure of the Exploration Department. Intersections were defined by the exploration geologists, and subsequently verified by the Exploration Manager. Further, independent verification was carried out as part of the due diligence for resource estimation. Assay intersection were cross validated with drill core visual intersections.

An initial programme of RC drilling was followed up by a core drilling programme where two drillholes were twinned and validated the presence of mineralisation. Reverse circulation drilling as compared with the core showed a positive grade bias of up to 10%. It is suspected that losses may have occurred during the core drilling process especially in very strongly oxidised mineralised zones due to drilling fluid interaction.

Data entry is supervised by a data manager, and verification and checking procedures are in place. The format of the data is appropriate for direct import into "Datamine"® software. All data is stored in electronic databases within the geology department and backed up to the secure company electronic server that has limited and restricted access. Four main files are created relating to "collar", "survey", "assay" and "geology". Laboratory data is loaded electronically by the laboratory department and validated by the geology department. Any outlier assays are re-assayed.

Independent validation of the database was made as part of the resource model generation process, where all data was checked for errors, missing data, misspelling, interval validation, and management of zero versus no data entries.

All databases were considered accurate for the Mineral Resource Estimate.

No adjustments were made to the assay data.

5.8 Survey positions and topographic control

The exploration area was initially topographically surveyed by high resolution drone. Five topographic base stations were installed and accurately surveyed using high precision GPS, that was subsequently tied into the local mine grid using ground based total station surveying (LEICA TS02) equipment. All trench, drill holes collars were then surveyed using total station survey equipment.

Downhole surveying was carried out on 92% of core drillholes utilising Reflex EZ-TRAC equipment at a downhole interval of every 9 metres.

The grid system used is Universal Transverse Mercator (UTM)WGS84 zone 38T (Azerbaijan)

The adequacy of topographic control is adequate for the purposes of resource and reserve modeling (having been validated by both aerial and ground based survey techniques), with a contour interval of 2m metres.

5.9 Drill hole information

A summary of the type and metres of drilling completed is shown below:

Table 5-3 Drilling summary

Type of drill-hole	Type	Start date	Finish date	Number of drill holes	Length (metres)
Reverse circulation	Reverse circulation	23-Sep-16	14-Nov-16	56	1,842
Core	Diamond	04-Oct-16	25-Jun-17	50	6,355
Geotechnical	Diamond	16-Apr-17	27-Apr-17	2	164
Reverse circulation	Reverse circulation	19-Mar-17	09-Jul-17	33	2,766
TOTAL DRILLING				141	11,127

A schematic plan of trench, core and RC drill holes for interpretation are shown in Figure 5-1.

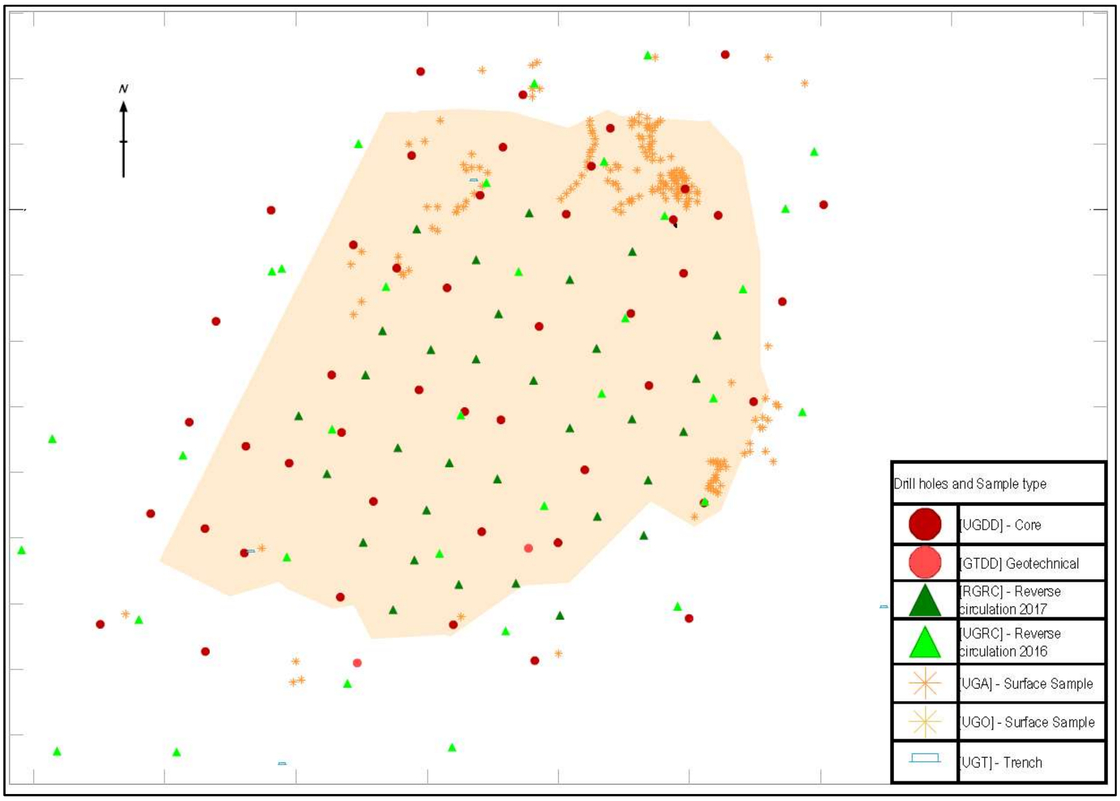


Figure 5-1 Drill holes and sample layout map

5.9.1 Drill spacing

Drill hole spacing carried out was from 20 metres over the main mineralised zone to 45 metres on the periphery of the resource.

The data spacing and distribution (20 x 20 metre grid) over the mineralised zones is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. The depth and spacing is considered appropriate for defining geological and grade continuity as required for a JORC Mineral Resource estimate.

No physical sample compositing has been applied for assay purposes, however for some metallurgical tests, 4 to 5 metre composites were applied.

5.9.2 Drill collar

Coordinates and RL of the drill collars and depth to end of drill hole are presented in appendix C.

5.9.3 Downholes survey

A downhole deviation measurements surveying procedure was implemented in 92% of core drillholes. The Reflex EZ-Trac instrument was acquired and implemented by the Exploration Department to measure systematically the downhole azimuth and dip at a downhole interval of every 9 metres.

Regarding dip and azimuth data of the core drill holes, all drill holes were vertical. The largest variation of all drill holes was 3.2 degrees off the vertical confirmed by downhole surveying.

5.9.4 Drilling Diameter

During the exploration drilling program core and reverse circulation drilling were considered and for the core drilling the PQ, HQ and NQ diameters of the drill holes were used.

The diameter of the drill core for each drill hole is presented in JORC Table 1 (Appendix D).

5.9.5 Assay

Drill sample intervals are based on a 1 metre sample interval, unless stated in the table of drill intersections as previously reported. Sampling methodology is explained in previous sections.

Drilling results have been reported using intersection intervals based on a gold grade above 0.3 gramme per tonne, and internal waste greater or equal to 1 metre thickness. Grade of both gold and silver within the intersections have been stated.

No data aggregation and no sample compositing was performed.

No metal equivalent values have been reported.

5.10 Orientation of data in relation to geological structure

Detailed surface mapping and subsequent drilling has provided the orientation characteristics of the deposit. The orientation of the drill grid to NNE was designed to maximise the geological interpretation in terms of true contact orientations.

The Ugur gold deposit is considered as a high sulfidation gold deposit located in rocks ranging from Bajocian (Mid-Jurassic) to Tithonian (Upper-Jurassic) in age. The gold mineralisation is hosted by Upper Bajocian age sub-volcanic rocks, that comprise rhyo-dacitic breccias. These rocks have been intruded into a sub-volcanic sequence that was subsequently subjected to strong hydrothermal alteration.

The Ugur primary mineralisation is hosted in acidic volcanic rocks, that consists of haematite-barite-quartz-kaolin veins-veinlets and breccia, pyritic stock-stockwork and quartz-sulphide veins. The central surface expression of the mineralisation exhibit accumulations of hydrous ferric oxides cementing breccias of silica with vein-veinlets barite-haematite mineralisation.

The deposit was emplaced at the intersection of NW, NE, N and E trending structural systems regionally controlled by a first order NW transcurrent fault structure. The fault dips between 70º to 80° to the north-west. The faults of the central zone control the hydrothermal metasomatic alteration and gold mineralisation.

Given the geological understanding and the application of the drilling grid orientation, grid spacing and vertical drilling, no orientation based sample bias has been identified in the data which resulted in unbiased sampling of structures considering the deposit type.

5.11 Sample Security

Regarding drill core, at the drilling site which was supervised by a geologist, the drill core is placed into wooden core boxes that are sized specifically for the drill core diameter. Once the box is full, a wooden lid is fixed to the box to ensure no spillage. Core box number, drill hole number and from/to metres are written on both the box and the lid. The core is then transported to the core storage area and logging facility, where it is received and logged into a data sheet. Core logging, cutting, and sampling takes place at the secure core management area. The core samples are bagged with labels both in the bag and on the bag, and data recorded on a sample sheet. The samples are transferred to the laboratory where they are registered as received, for laboratory sample preparation works and assaying. Hence, a chain of custody procedure has been followed from core collection to assaying and storage of reference material.

Reverse Circulation samples are bagged at the drill site and sample numbers recorded on the bags. Batches of 10 metre samples are boxed for transport to the logging facility where the geological study and sample preparation for transfer to the laboratory take place.

All samples received at the core facility are logged in and registered with the completion of an “act”. The act is signed by the drilling team supervisor and core facility supervisor (responsible person). All core is photographed, subjected to geotechnical logging, geological logging, samples interval determinations, bulk density, core cutting, and sample preparation (size 3-5 centimetre).

Daily, all samples are weighed and Laboratory order prepared which is signed by the core facility supervisor prior to release to the laboratory. On receipt at the laboratory, the responsible person countersigns the order.

After assaying, all reject duplicate samples are received from laboratory to core facility (recorded on a signed act). All reject samples are placed into boxes referencing the sample identities and stored in the core facility.

In the event of external assaying, Anglo Asian Mining utilised ALS-OMAC in Ireland. Samples selected for external assay are recorded on a data sheet, and sealed in appropriate boxes for shipping by air freight. Communication between the geological department of the Company and ALS monitor the shipment, customs clearance, and receipt of samples. Results are sent electronically by ALS and loaded to the Company database for study.

5.12 Audits or reviews

Reviews on sampling and assaying techniques were conducted for all data internally and externally as part of the resource and reserve estimation validation procedure. No concerns were raised as to the procedures or the data results. All procedures were considered industry standard and well conducted. QA/QC tolerance concerns of some of batches of assaying has been raised.

5.12.1 Further works

No further exploration drilling is planned at the Ugur deposit. Exploration will continue in the Ugur exploration area to test for extensions of the mineralised zones and for other “centres” of mineralisation. Details of this work has not been planned yet.

6 MODELLING AND RESOURCE ESTIMATION

6.1 Introduction

Independent consultants "Datamine" carried out the resource estimation of Ugur deposit.

The following steps have been carried out to prepare geological models and resource estimation.

6.2 Database

The Ugur database is stored in Excel ® software. A dedicated database manager has been assigned and checks the data entry against the laboratory report and survey data.

Geological data is entered by a geologist to ensure no confusion over terminology, while laboratory assay data is entered by the data entry staff.

A variety of checks are in place to check against human error of data entry.

All original geological logs, survey data and laboratory results sheets are retained in a secure location.

The validation procedures used include random checking of data as compared to the original data sheet, validation of position of drillholes in 3D models, and targeting figures deemed "anomalous" following statistical analysis. Hence there are several levels of control.

All data is imported to Datamine Studio RM software and validation processes had been completed and minor errors like typos etc. corrected. Rock types groups have been simplified by site geologists based on the broad geological characteristics.

The final database in Datamine comprises the following data files: Collar, Survey, Geology, Assays, Density and RQD-Recovery tables. Faults and topographic features were imported as wireframes.

Table 6-1 and Table 6-2 shows the number of records and total lengths of samples in the resultant database tables.

Table 6-1 number of records in tables/files.

	Type	ASSAY	GEOLOGY	DENSITY	Recovery	COLLAR	SURVEY
DD holes	DD	6447	7069	538	3923	50	365
Geotechnical holes	GTDD	163	29	0	0	2	15
RC holes	RGRC	2637	2684	0	0	32	32
RC holes	UGRC	1795	1815	0	0	56	56
Surface sample	UGA	248	136	0	0	248	248
Outcrop Sample	UGO	3	1	0	0	3	3
Trenches	UGT	251	23	0	0	5	18
Total		11544	11757	538	3923	396	737

Table 6-2 Length of samples in tables/files.

	Type	ASSAY metres	GEOLOGY metres	DENSITY metres	Recovery metres
DD holes	DD	6289.25	6354.75	529	6303.75
Geotechnical holes	GTDD	163.25	163.75	0	0
RC holes	RGRC	2637	2737	0	0
RC holes	UGRC	1795	1842	0	0
Surface sample	UGA	24.8	13.6	0	0
Outcrop Sample	UGO	0.3	0.1	0	0
Trenches	UGT	366.86	366.8	0	0
Total		11276.46	11478	529	6303.75

6.3 Raw statistics

The global database consists of 11,042 assayed samples, comprising of a combination of all type of drillholes (DD, RGRC, UGRC, GTDD). In this step, there is no location limitation for the selected data analysis and only surface and trenches samples removed.

Table 6-3 shows Statistics of four main elements (Au, Ag, Cu, Zn).

Table 6-3 General Statistic on assay data (All data)

Statistics Analyses				
Parameter	AU g/t	AG g/t	CU%	ZN%
Length m	10885	10885	10885	1795
Mean	0.500	3.00	0.03	0.08
Minimum	0.03	0.38	0.00	0.00
Maximum	34.79	190.40	1.75	1.38
Std. Deviation	1.168	7.657	0.054	0.084
Variance	1.365	58.633	0.003	0.007
Skewness	9.879	9.210	8.595	3.702

Table 6-4 and Figure 6-1 show statistics of grades based on rock types. The results show that highest component rock type is SQ (Secondary Quartzite), being 43.9%, followed by BCSQ (Breccia of Secondary Quartzite) with 38.2% of drilled length. This means that more than 82% of data are related to SQ. Also, importantly, the maximum gold and silver mineralisation occurs in BCSQ rock type with average grades of 1.15 g/t for gold and 5.89 g/t for silver.

Table 6-4 General Statistic on rock type data (All data)

ROCK	TOT_LEN	LENGTH%	AU g/t	AG g/t	CU%	ZN%
AF	284.2	2.56	0.04	0.72	0.03	0.07
AP	418.2	3.77	0.05	0.65	0.01	
BCSQ	4234.05	38.15	1.15	5.89	0.04	0.08
DYKE	74.7	0.67	0.04	1.06	0.03	
DYKE_DI	16.3	0.15	0.04	0.75	0.02	
DYKE_MDI	105.15	0.95	0.08	1.38	0.03	
FAU	503.3	4.54	0.04	1.22	0.04	0.08
NS	126	1.14				
OVB	29.6	0.27	0.12	1.84	0.02	0.09
QP	351.8	3.17	0.04	0.47	0.02	
SQ	4871.05	43.89	0.10	1.26	0.03	0.08
VOID	83.15	0.75				

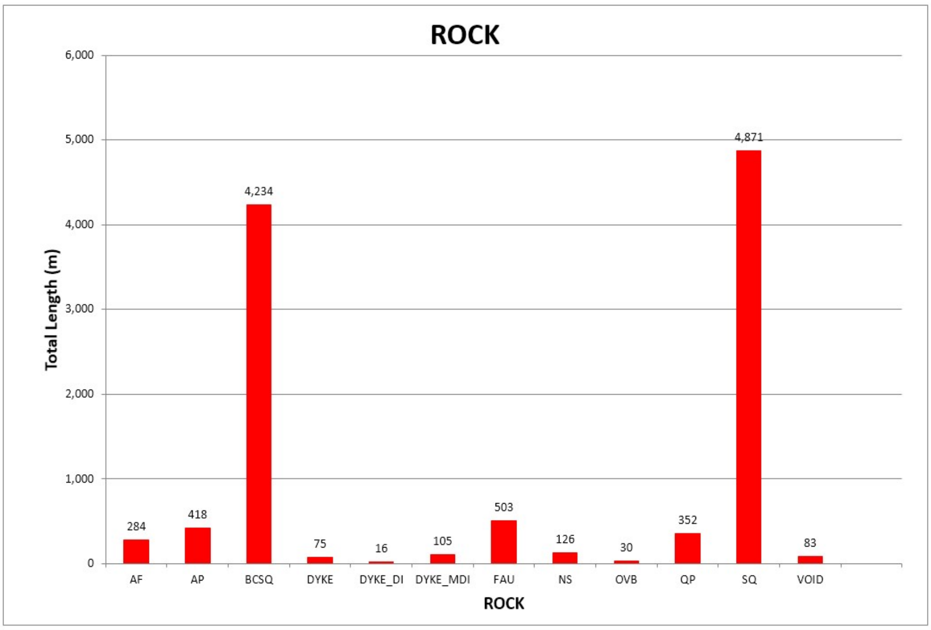


Figure 6-1 Rock types populations

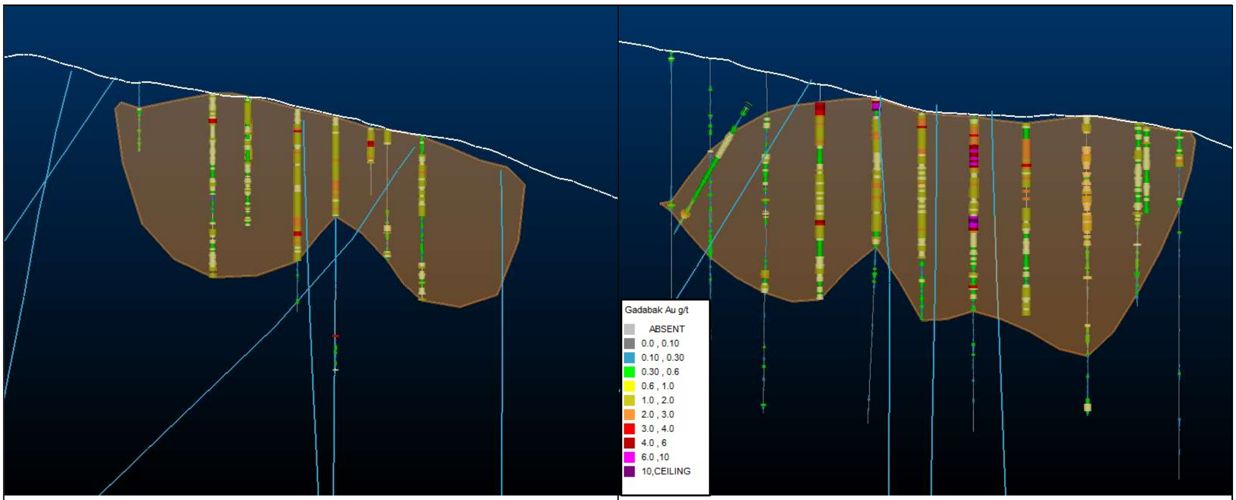
6.4 Geological interpretation and modelling

6.4.1 Mineral Zone model

Grade and geological continuity has been established by the extensive 3D data collection. The deposit is relatively small (300 metres by 200 metres), and the continuity is well understood, especially in relation to structural effects.

A geological interpretation of the main mineralised body was completed utilising geological sections typically at spacings of about 20m (Figure 6-2). These interpretations were used to form a wireframe (solid) in Datamine, that was subsequently used as the main domain/mineralised zones for resource estimation (Figure 6-3).

The footprint of the whole mineralisation is about 300 metres by 200 metres, with about 110 metres overall thickness. The main mineralised domain as defined for modelling is 230 metres by 170 metres in plan and about 100 metres thickness.



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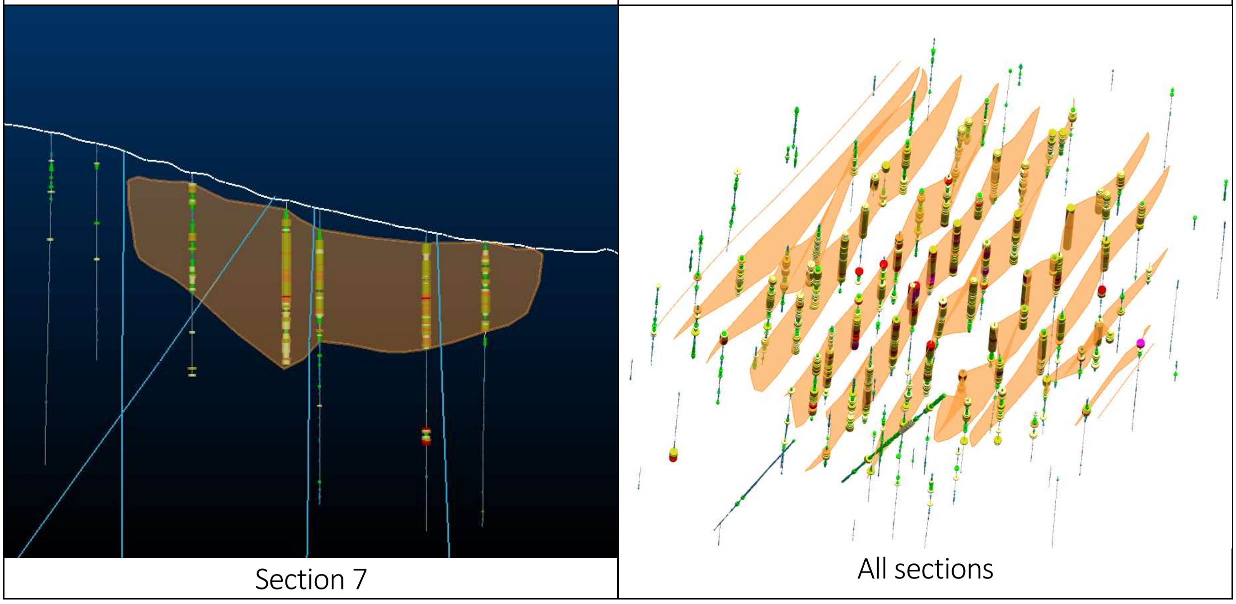


Section 7

All sections

Figure 6-2 Examples of models for mineral zone interpretation

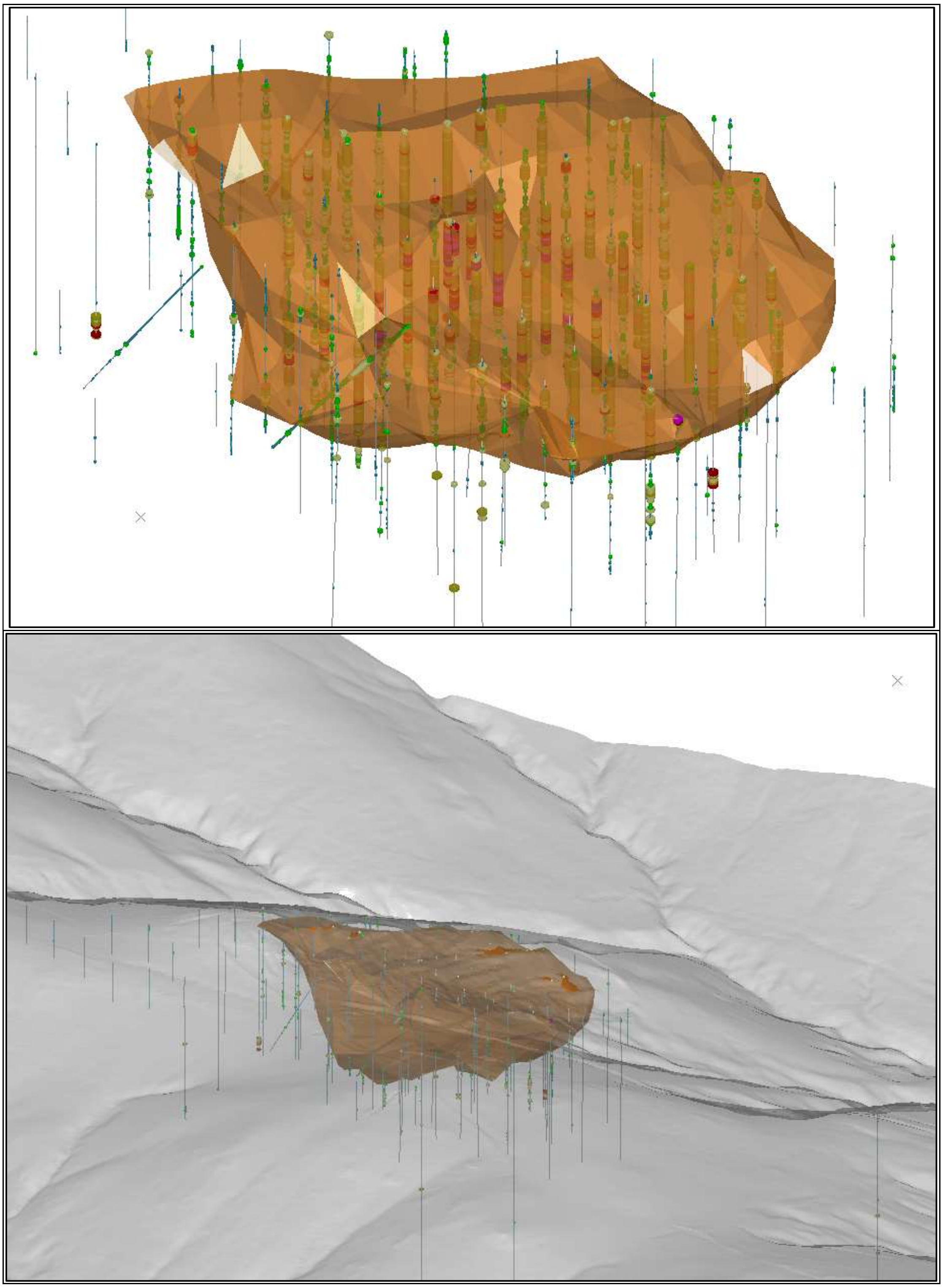
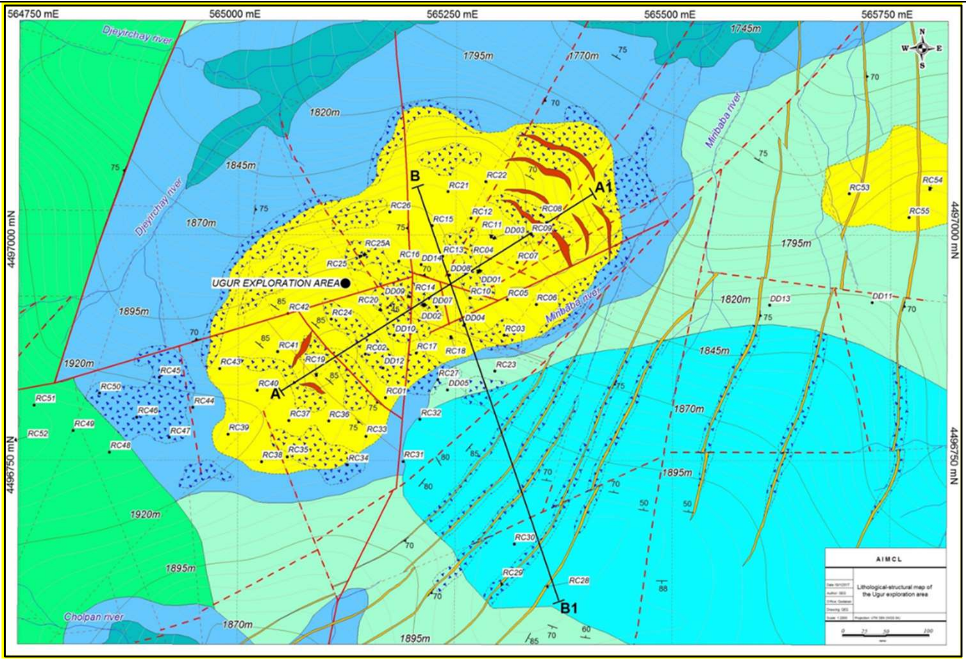


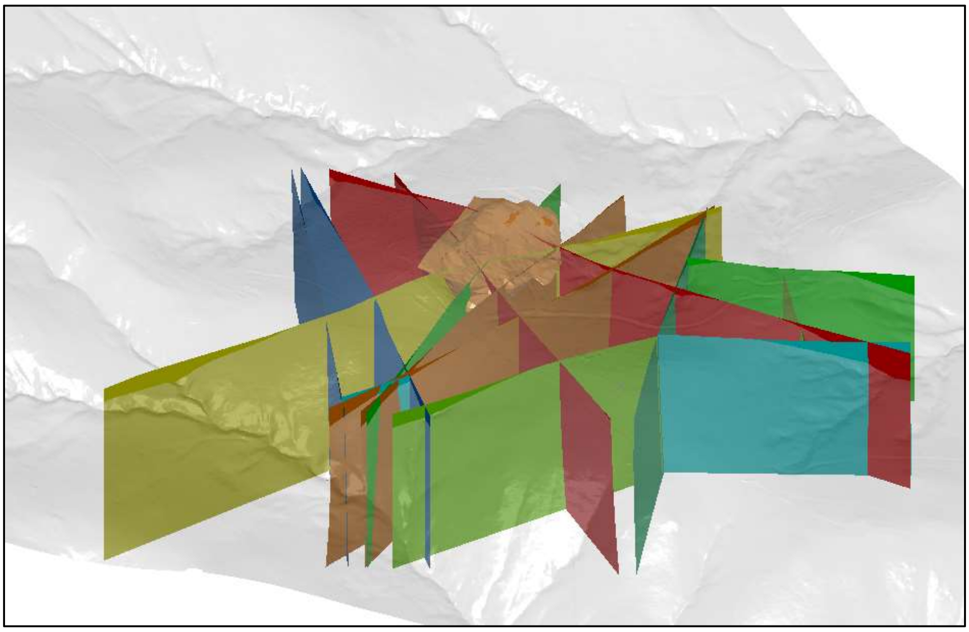
Figure 6-3 Mineral zone 3D model

6.4.2 Fault model

Geological and structural maps were prepared by the geology and exploration team in Gedabek and a 3D model of faults generated that was subsequently imported to Datamine Studio RM. (Figure 6-4)



Geology and faults map



Faults 3D model

Figure 6-4 Fault model

6.5 Mineral Zone Statistics

The mineralisation data was separated out using the mineral zone wireframes. Below is the statistical analysis of the raw data within the mineralised zone, (Table 6-5). Figure 6-5 shows the Au grade histogram.

Table 6-5 Basic statistics of the mineralised zone

Statistics Analyses - inside orebody				
Parameter	AU	AG	CU	ZN
Length m	3870	3870	3870	391
Mean	1.219	6.41	0.04	0.06
Minimum	0.03	0.38	0.00	0.00
Maximum	34.79	190.40	1.75	0.37
Std. Deviation	1.727	11.743	0.065	0.060
Variance	2.981	137.903	0.004	0.004
Skewness	7.303	5.966	9.470	2.478

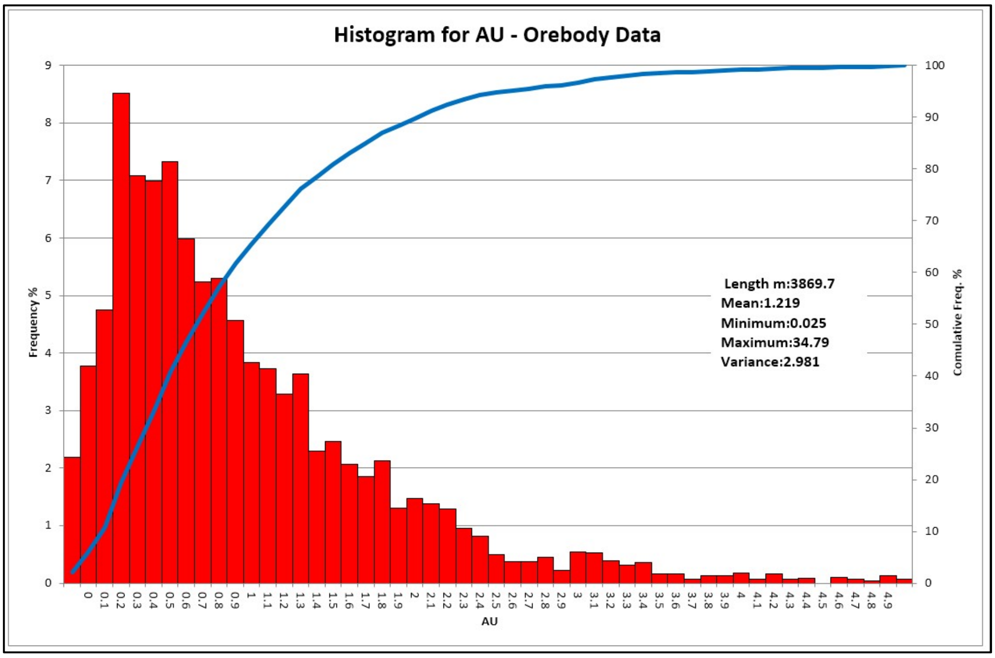


Figure 6-5 Au grade histogram in the mineralised zone

Table 6-6 and Figure 6-6 shows statistics of grades based on rock types in the mineralised zone. It shows that rock type containing the most significant gold grade is BCSQ (Breccia of Secondary Quartzite) with 83% of drilled length. This means that mineralisation is mostly located in brecciated zones within SQ. The average grade of gold and silver mineralisation in BCSQ is 1.41g/t for gold and 7.18g/t for silver. The next highest percentage rock type in the mineralised zone is classed as SQ (Secondary Quartzite) with 13.1% of samples length with an average grade of gold and silver of 0.18g/t gold and 2.0g/t silver. The total portion of BCSQ and SQ rock types in the mineralised zone comprises about 96% of data.

These statistics show that geologically the mineralisation occurred within breccia zones and within the main/host rock (SQ).

Table 6-6 Statistic on rock type data in mineralised zone

ROCK	Length m	Length %	Sampled Length	MIN_AU g/t	MAX_AU g/t	AU g/t	AG g/t	CU %	ZN %
AF	12.90	0.3%	12.90	0.03	0.08	0.04	2.138	0.015	0.137
AP	0.55	0.0%	0.55	0.26	0.26	0.26	1.560	0.004	0.0
BCSQ	3282.70	83.0%	3282.70	0.03	34.79	1.41	7.175	0.040	0.060
FAU	53.50	1.4%	53.50	0.03	1.16	0.07	3.171	0.022	0.0
NS	43.00	1.1%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OVB	0.80	0.0%	0.80	0.52	0.52	0.52	0.375	0.022	0.0
SQ	519.25	13.1%	519.25	0.03	0.29	0.18	2.003	0.040	0.046
VOID	41.25	1.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0

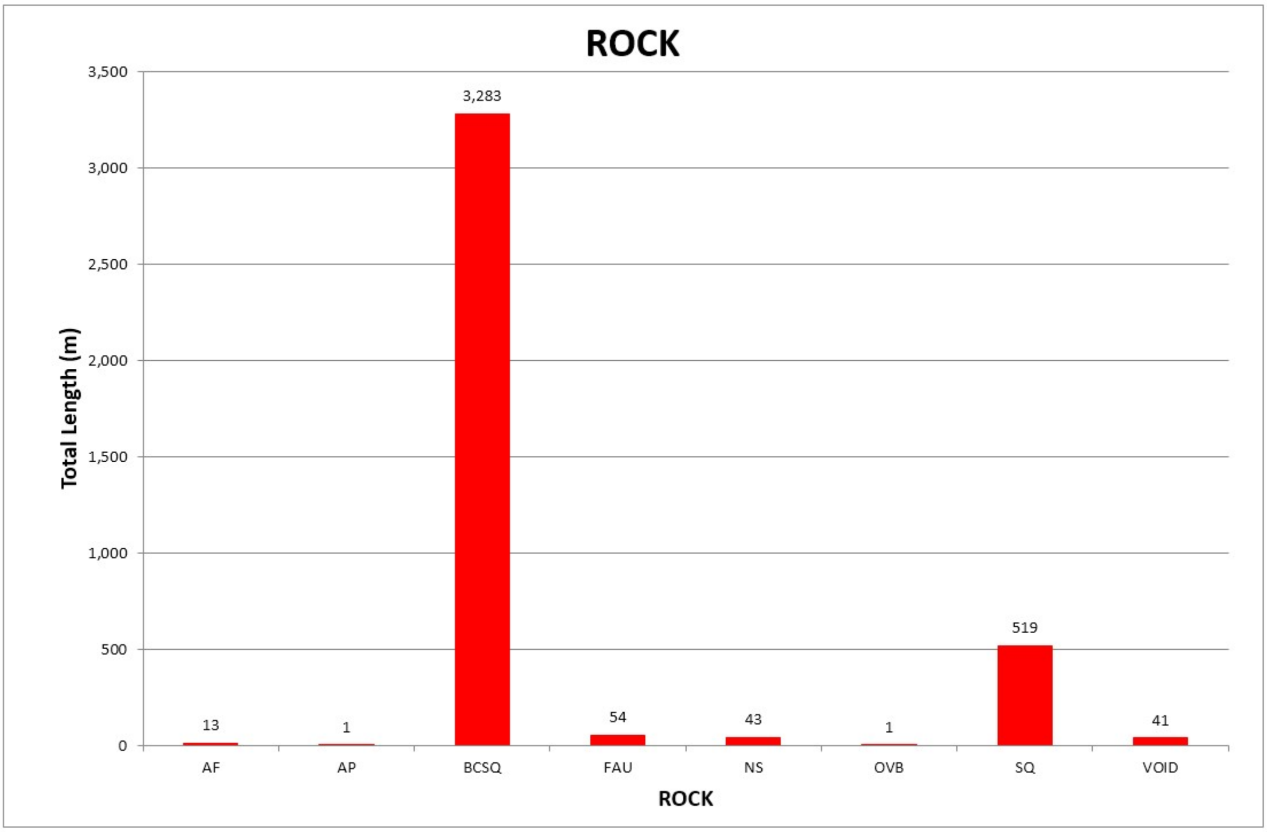


Figure 6-6 Rock types population in mineralised zone

Table 6-7 shows mineral zone sample statistics inside the mineralised zone as classified according to oxidation level; oxide (O), transition (T) or sulphide (S). It is obvious that excluding unclassified samples (U), about 97% of samples are located within the oxide zone (Table 6-8). With this situation, the model of oxide level is not likely to have a significant effect on resource estimation.

Table 6-7 Statistic of Oxidation zone

min_ZONE	Total Length	Total Length %	AU	AG	CU	ZN
U	389.8	9.86	1.06	4.862	0.043	0.062
O	3445.6	87.14	1.25	6.659	0.037	0.058
S	114.55	2.90	0.65	3.070	0.122	
T	4	0.10	0.54	2.690	0.007	
Total	3953.95	100.00	1.22	6.37	0.04	0.06

Table 6-8 Statistic of classified Oxidation zone

min_ZONE	Total Length	Total Length %	AU	AG	CU	ZN
O	3445.6	96.7%	1.25	6.659	0.037	0.058
S	114.55	3.2%	0.65	3.070	0.122	
T	4	0.1%	0.54	2.690	0.007	
Total	3564.15	100.0%	1.23	6.54	0.04	

6.6 Outliers and Top cuts

Drill hole data were flagged as inside and outside of main zones of mineralisation. An outlier study of gold and silver showed a few samples out of an accepted range (Figure 6-7 to Figure 6-10). A top-cut grade of 16.0g/t for gold and 108.0g/t for silver was applied for data inside the main mineralised zone (Table 6-12). The Quantile study results in losses of gold metal being less than 5% with this top cut (Table 6-9 to Table 6-11).

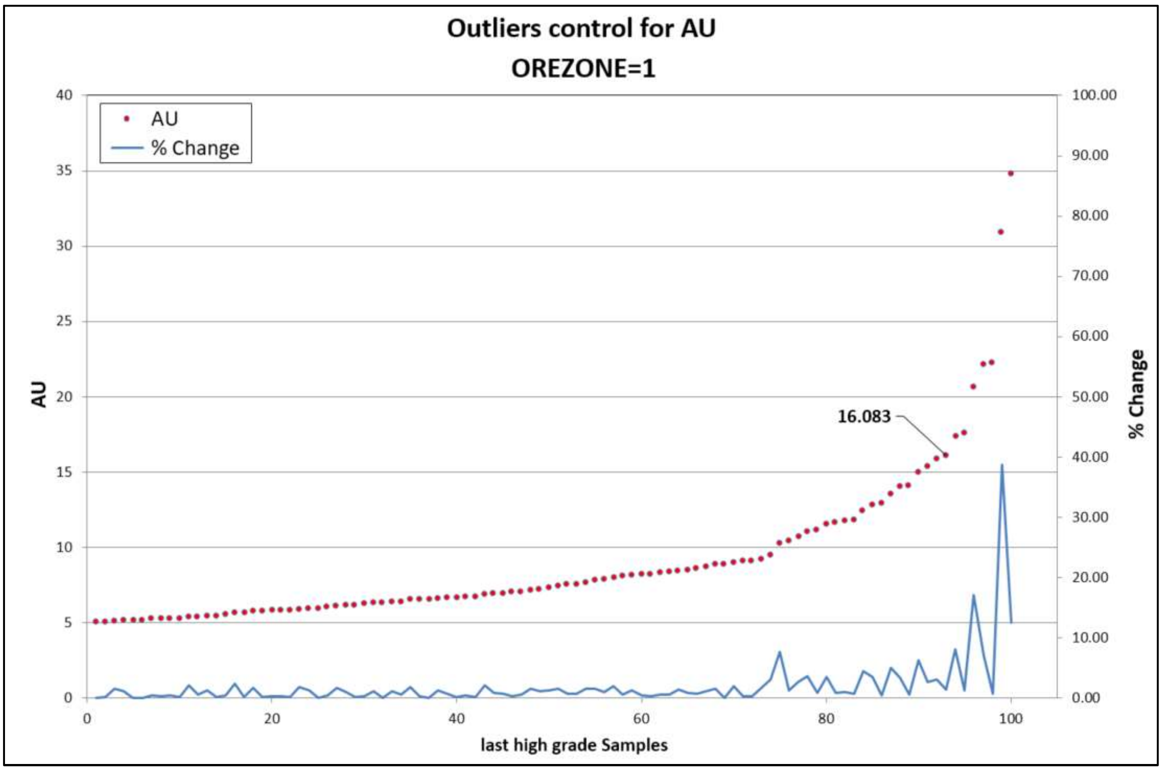


Figure 6-7 Outliers of Au in the mineralised zone

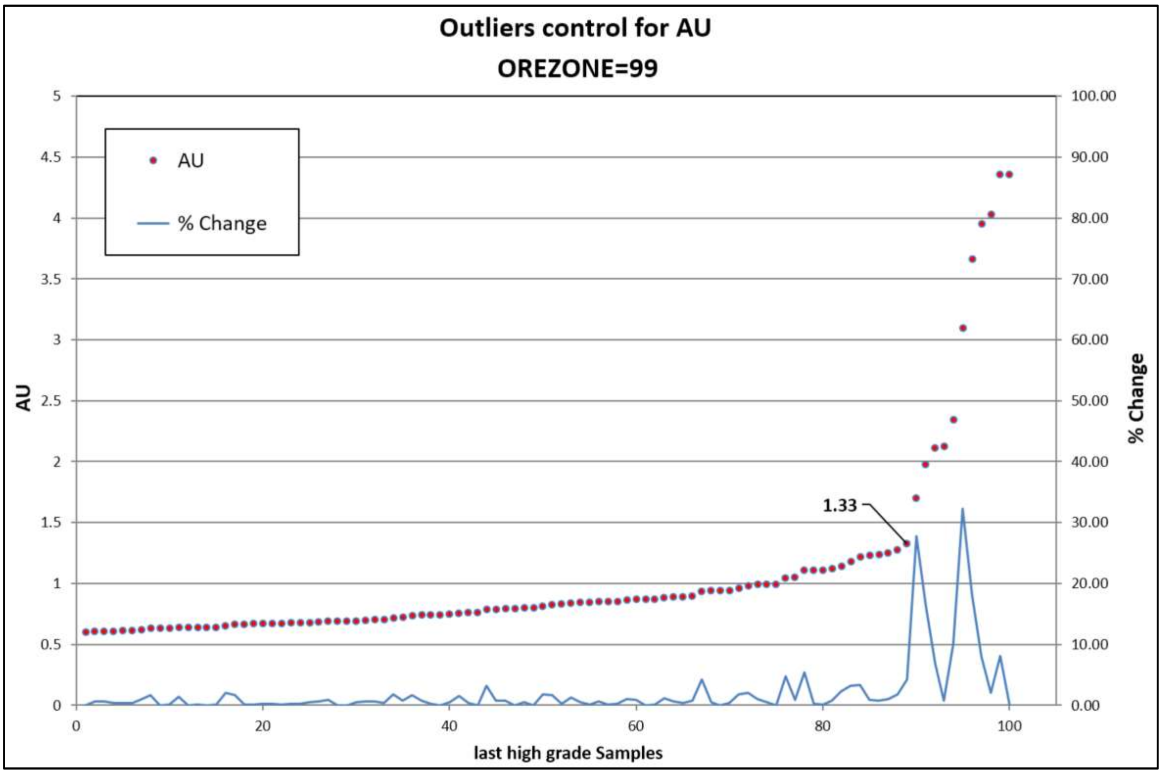


Figure 6-8 Outliers of Au outside of the mineralised zone

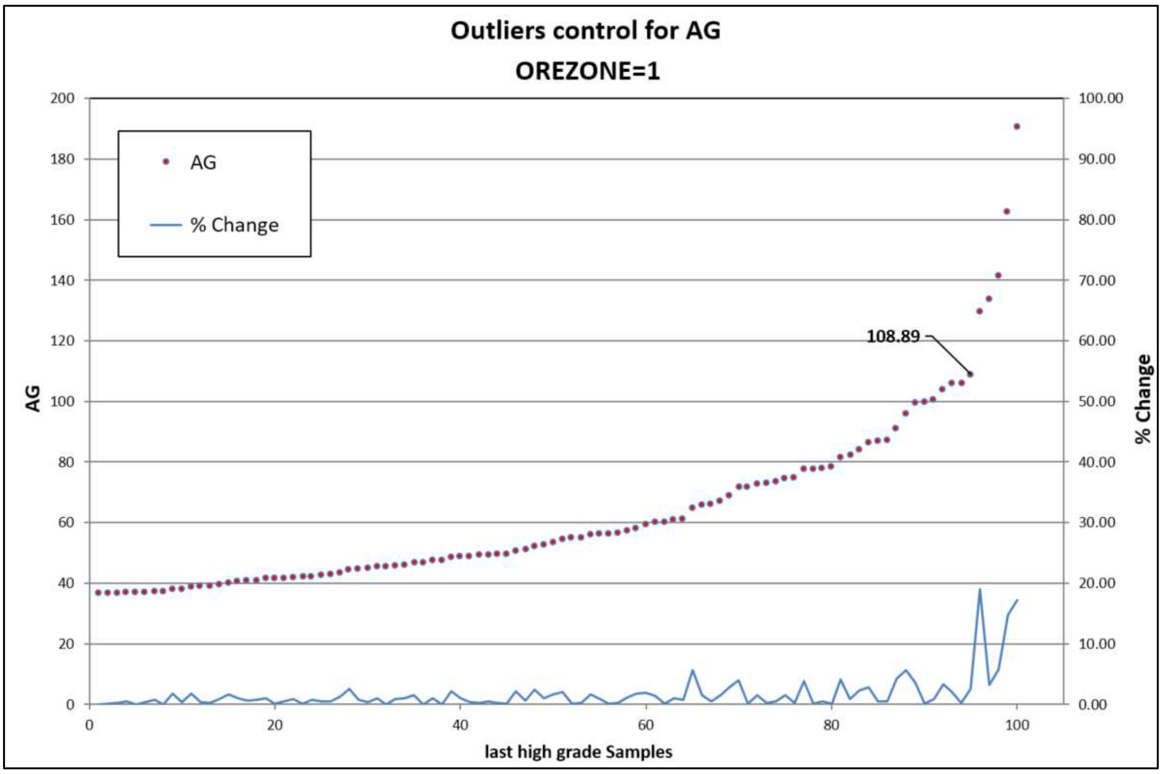


Figure 6-9 Outliers of Ag in the mineralised zone

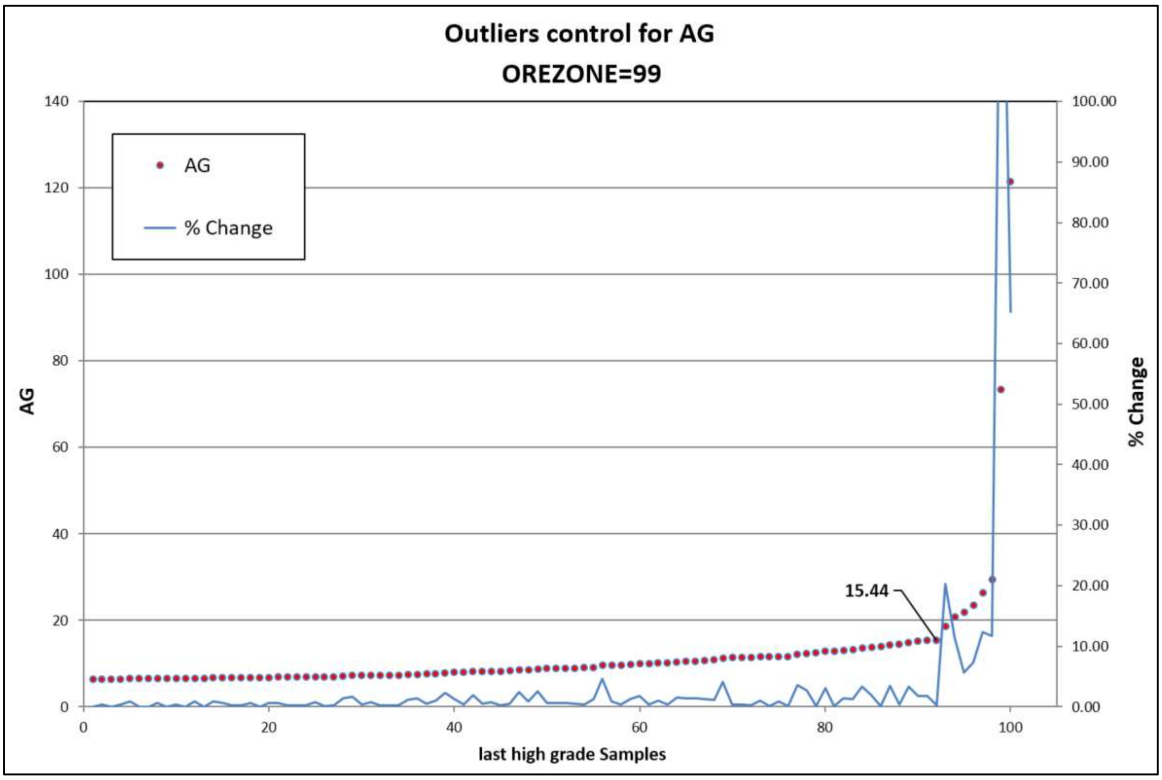


Figure 6-10 Outliers of Ag outside of the mineralised zone

Table 6-9 Quantile Analysis of Au grade in the mineralised zone

Q%_FROM	Q%_TO	NSAMPLES	MEAN	MINIMUM	MAXIMUM	METAL	METAL%
0	10	469	0.12	0.03	0.22	45.42	0.96
10	20	461	0.28	0.22	0.34	108.76	2.31
20	30	466	0.41	0.34	0.48	156.79	3.32
30	40	462	0.55	0.48	0.63	214.11	4.54
40	50	460	0.72	0.63	0.81	276.92	5.87
50	60	464	0.90	0.81	1.01	349.13	7.40
60	70	453	1.15	1.01	1.30	443.92	9.41
70	80	465	1.46	1.30	1.66	566.16	12.00
80	90	418	1.95	1.67	2.30	755.04	16.01
90	100	451	4.64	2.30	34.79	1800.53	38.17

Table 6-10 Quantile Analysis of Au grade in the mineralised zone – top 10%

Q%_FROM	Q%_TO	NSAMPLES	MEAN	MINIMUM	MAXIMUM	METAL	METAL%
90	91	42	2.36	2.30	2.41	89.60	1.90
91	92	41	2.46	2.41	2.55	95.23	2.02
92	93	48	2.67	2.55	2.79	105.41	2.23
93	94	49	2.93	2.80	3.05	111.77	2.37
94	95	44	3.14	3.05	3.25	120.99	2.57
95	96	44	3.40	3.28	3.58	132.71	2.81
96	97	41	4.00	3.60	4.49	156.75	3.32
97	98	48	5.14	4.49	5.81	200.30	4.25
98	99	46	6.90	5.92	8.23	262.13	5.56
99	100	48	13.26	8.26	34.79	525.66	11.14

Table 6-11 Quantile Analysis of Au grade in the mineralised zone – top 1%

Q%_FROM	Q%_TO	NSAMPLES	MEAN	MINIMUM	MAXIMUM	METAL	METAL%
99	99.25	10	8.60	8.26	9.04	85.99	1.82
99.25	99.5	11	10.21	9.07	11.56	102.12	2.16
99.5	99.75	14	12.81	11.66	14.10	117.25	2.49
99.75	100	13	20.98	14.98	34.79	220.31	4.67
0	100	4569	1.22	0.03	34.79	4716.77	100.00

Table 6-12 Final top cuts for Au and Ag

Sample type	Au top cut	Ag top cut
Inside orebody (OREZONE=1)	16	108
Outside orebody (OREZONE=99)	1.5	15

6.7 Compositing

The original sample lengths are mostly 1 metre but there are some samples with different lengths (due to rock contacts and technical reasons) (Figure 6-11). For selecting the optimum composite length, statistics of different composite lengths were calculated and compared. The result are shown in Figure 6-12.

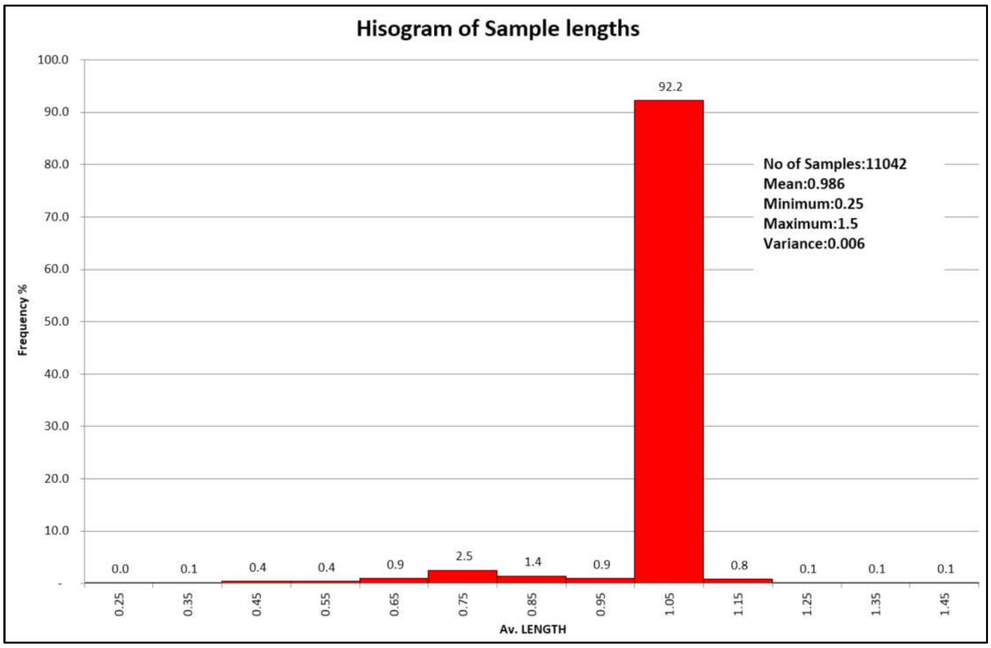


Figure 6-11 Original sample length

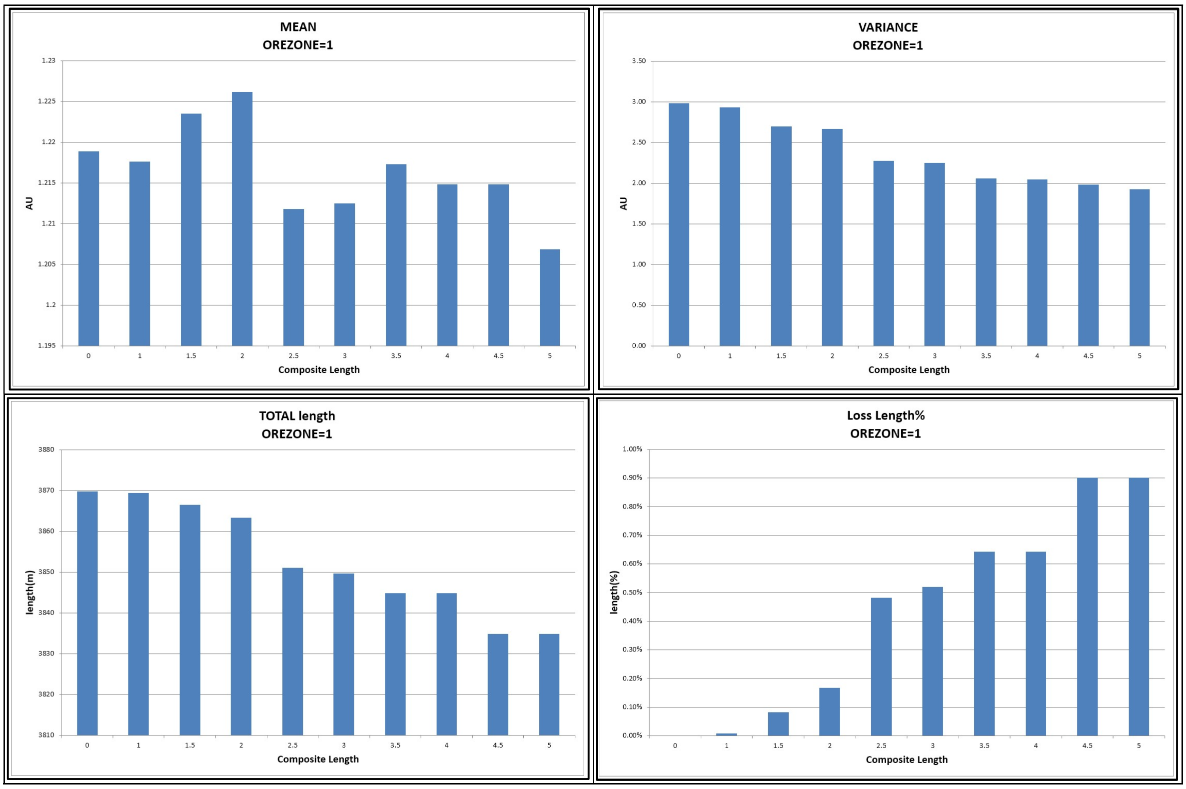


Figure 6-12 Composite length analyses

Analysis of the data shows that the optimum compositing length is 2 metres. This represents 2 samples per composite and the loss length of it is deemed acceptable.

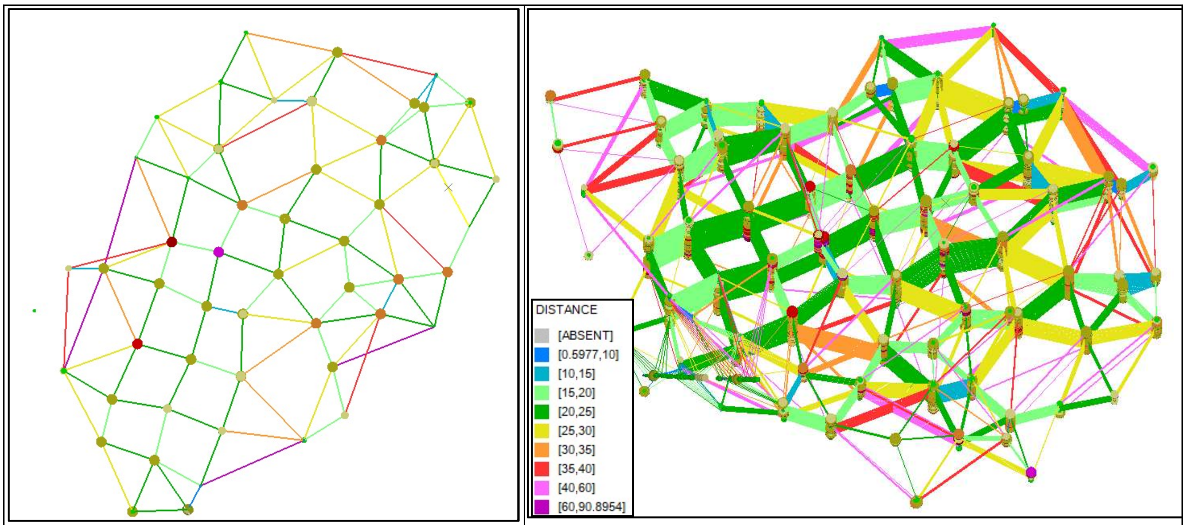
Drill hole data was composited by 2m lengths along the holes. The minimum acceptable composite length was set to 1 metre, with gap length to be ignored set to 0.1 metre and maximum gap set 0.12 metre.

It should be noted that compositing was carried out within the limits of mineralised zone after recoding of the data controlled by the mineralised zone wireframe.

6.8 Geostatistical analyses

6.8.1 Sample distance analyse

Sample distance analyses was carried out on the composited data. The first step in this analytical procedure is to calculate distance between of each sample (drill hole) to the nearest neighbour sample (Figure 6-13) Statistical parameters of distances between samples were calculated (Figure 6-14, Figure 6-15). The results show that most of samples are located between 10 to 30 metre intervals, with an average distance of 23 metres.



Level 1835

All Level (3D view)

Figure 6-13 Check sample distance in 2m levels

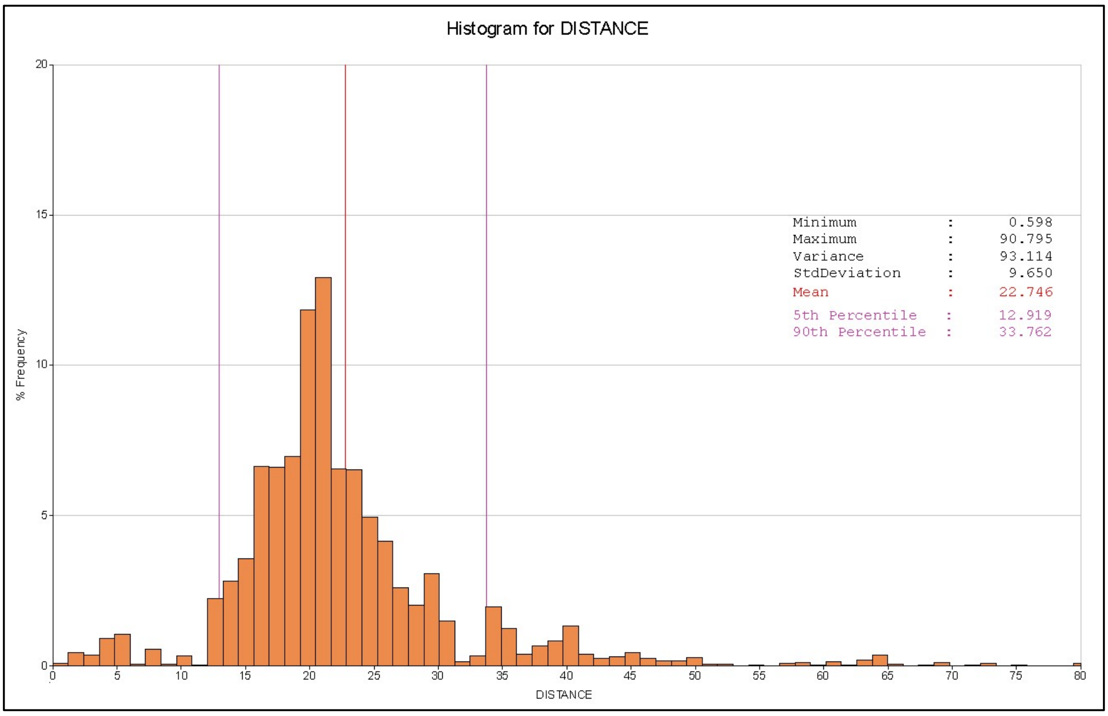


Figure 6-14 Sample distance Histogram

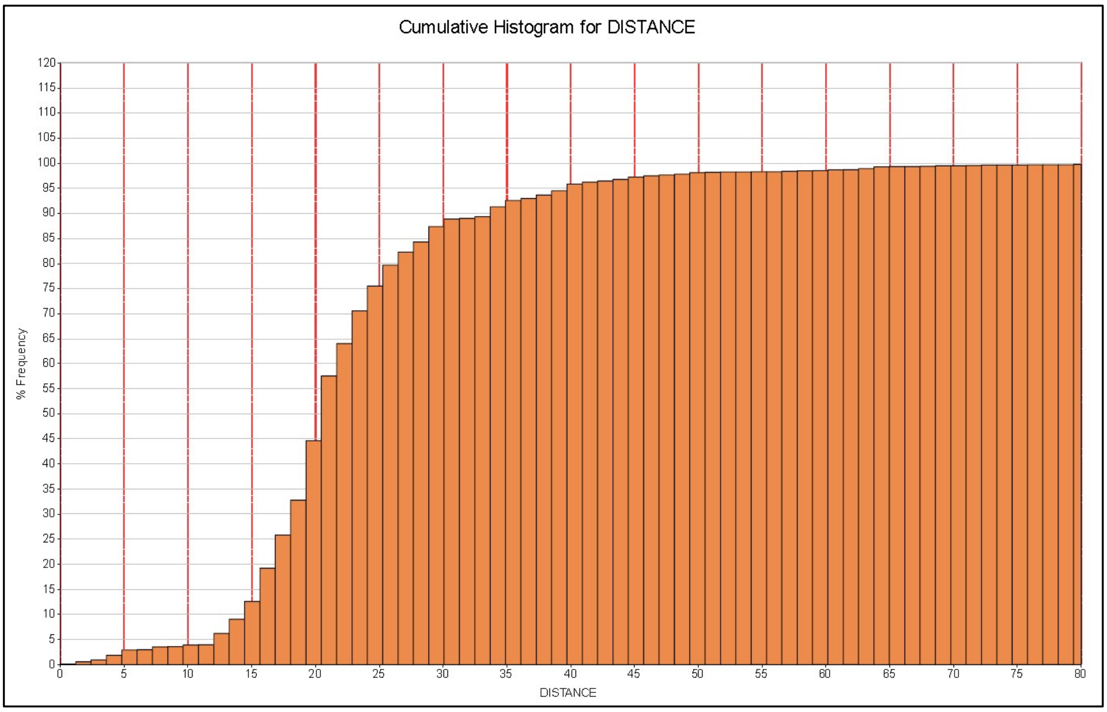
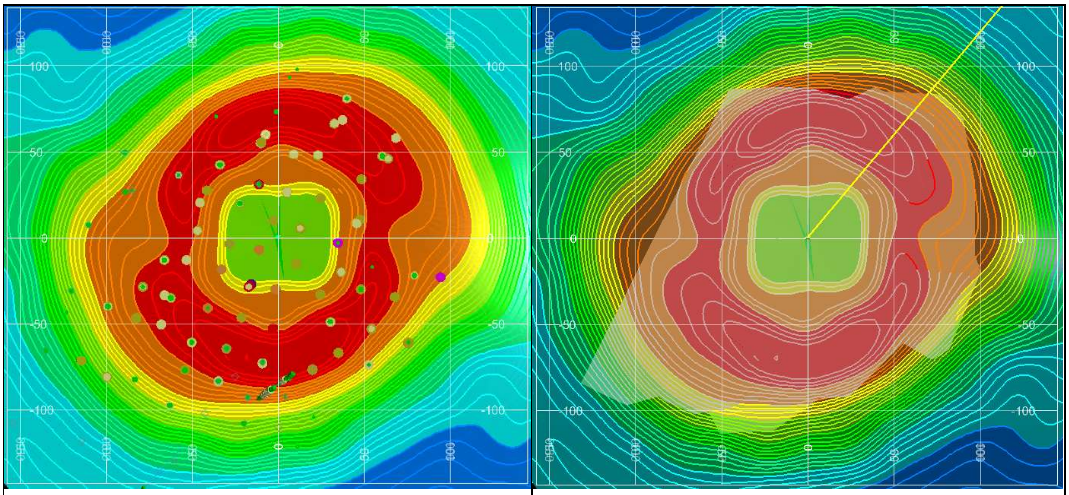


Figure 6-15 Sample distance cumulative Histogram

6.8.2 Variography

Variogram analyses of gold data has been carried out using Datamine software. The ranges of variograms at major and semi-major direction are 30 metres and 23 metres. Minor directions show poor continuity and it considered as 10m. The major Azimuth is 040 degrees with 20 degree dip.



Variogram contour and drill holes

Variogram contour and orebody model

Figure 6-16 Variogram contour plan and drill holes in the defined mineral zone

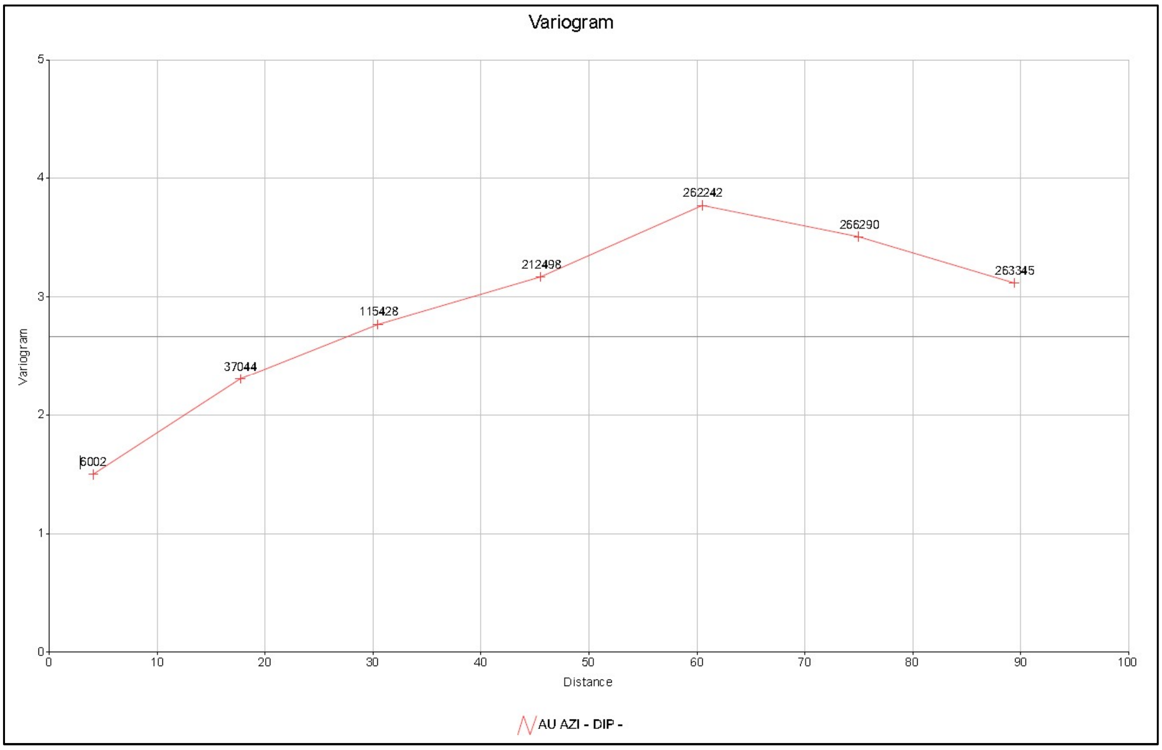


Figure 6-17 Omni direction Variogram

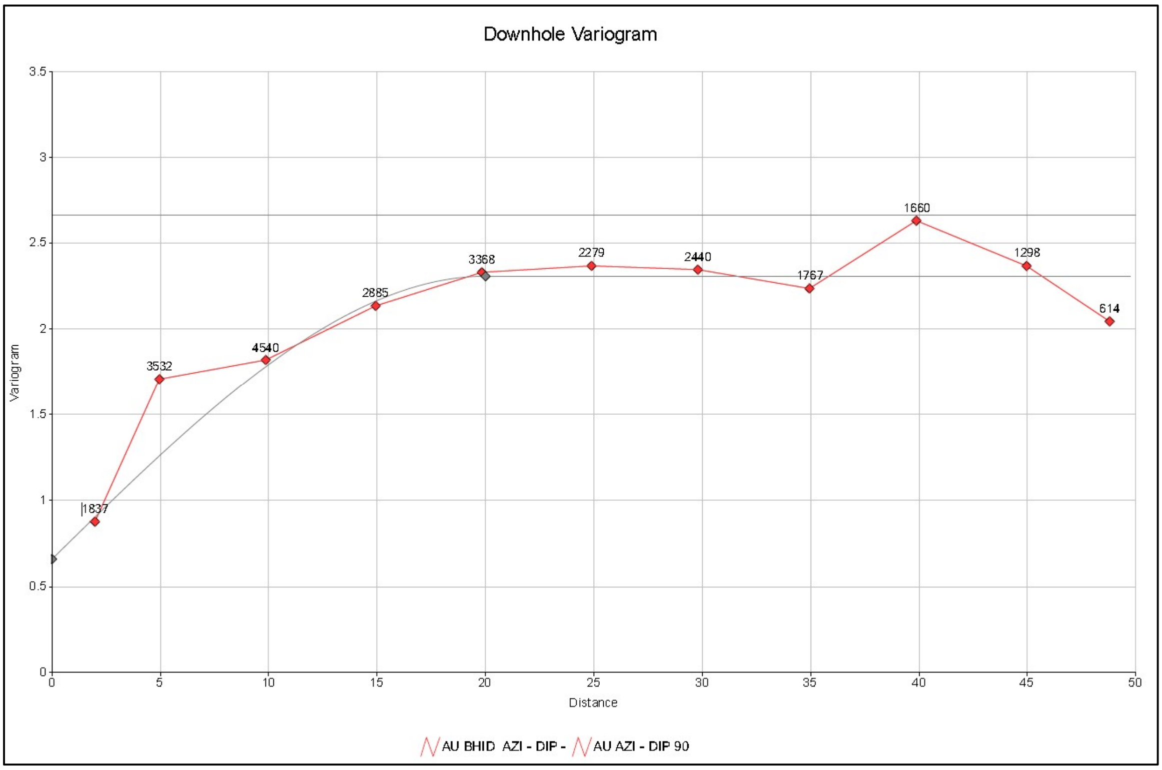
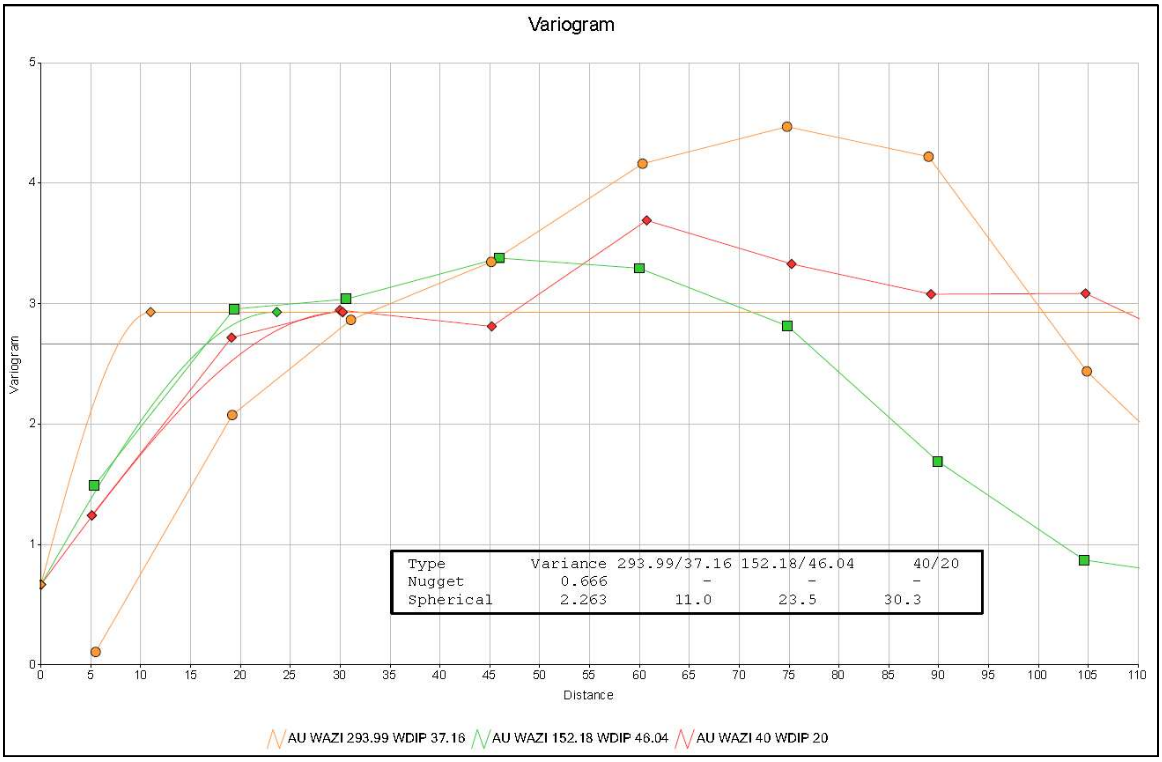


Figure 6-18 Downhole (Vertical) Variogram



Type	Variance	293.99/37.16	152.18/46.04	40/20
Nugget	0.666	-	-	-
Spherical	2.263	11.0	23.5	30.3

Figure 6-19 Variogram model for Au

6.9 Interpolation parameters

6.9.1 Search parameters

The search ellipsoid size and direction selected for the estimation process is based upon the variogram ranges in the three principal directions.

In order to find the optimum minimum and maximum number of samples in estimation, jack-knifing cross validation analysis was run on 24 different cases. In this method, the size and direction of ellipsoid were fixed and the number of maximum and minimum had changed. From the results of this study, the best case was selected (made bold in Table 6-13 and Table 6-14) and used as final search parameters in estimation.

Table 6-13 Cross validation cases

SDESC	SREFNUM	SDIST1	SDIST2	SDIST3	MINNUM1	MAXNUM1
case1	1	30	25	10	3	9
case2	2	30	25	10	3	10
case3	3	30	25	10	3	11
case4	4	30	25	10	3	12
case5	5	30	25	10	3	13
case6	6	30	25	10	3	14
case7	7	30	25	10	4	9
case8	8	30	25	10	4	10
case9	9	30	25	10	4	11
case10	10	30	25	10	4	12
case11	11	30	25	10	4	13
case12	12	30	25	10	4	14
case13	13	30	25	10	5	9
case14	14	30	25	10	5	10
case15	15	30	25	10	5	11
case16	16	30	25	10	5	12
case17	17	30	25	10	5	13
case18	**18**	**30**	**25**	**10**	**5**	**14**
case19	19	30	25	10	6	9
case20	20	30	25	10	6	10
case21	21	30	25	10	6	11
case22	22	30	25	10	6	12
case23	23	30	25	10	6	13
case24	24	30	25	10	6	14

Table 6-14 Cross validation Results

ID	VALUE OUT	NUM. Estimated samples	NUM. MISS	Actual MEAN	Estimated MEAN	DIFF	DIFF%	Mean Absolute Diff	COR. COEF.	K.V. RATIO	REG. SLP.
1	AU1	1962	0	1.2261	1.2318	-0.0057	-0.462	0.4317	0.742	1.044	0.978
2	AU2	1962	0	1.2261	1.2325	-0.0064	-0.521	0.4312	0.742	1.045	0.982
3	AU3	1962	0	1.2261	1.2331	-0.0070	-0.568	0.4315	0.742	1.042	0.980
4	AU4	1962	0	1.2261	1.2326	-0.0065	-0.529	0.4311	0.742	1.043	0.982
5	AU5	1962	0	1.2261	1.2318	-0.0057	-0.464	0.4306	0.742	1.044	0.983
6	AU6	1962	0	1.2261	1.2317	-0.0055	-0.45	0.4306	0.742	1.044	0.983
7	AU7	1887	75	1.2510	1.2593	-0.0083	-0.665	0.4394	0.743	1.018	0.980
8	AU8	1887	75	1.2510	1.2601	-0.0091	-0.725	0.4390	0.743	1.019	0.984
9	AU9	1887	75	1.2510	1.2607	-0.0097	-0.773	0.4393	0.743	1.016	0.983
10	AU10	1887	75	1.2510	1.2602	-0.0092	-0.734	0.4388	0.743	1.018	0.984
11	AU11	1887	75	1.2510	1.2593	-0.0084	-0.667	0.4383	0.743	1.019	0.986
12	AU12	1887	75	1.2510	1.2592	-0.0082	-0.653	0.4383	0.743	1.019	0.986
13	AU13	1876	86	1.2536	1.2598	-0.0062	-0.497	0.4389	0.744	1.015	0.982
14	AU14	1876	86	1.2536	1.2606	-0.0070	-0.556	0.4384	0.744	1.016	0.986
15	AU15	1876	86	1.2536	1.2612	-0.0076	-0.605	0.4387	0.743	1.013	0.985
16	AU16	1876	86	1.2536	1.2607	-0.0071	-0.565	0.4382	0.744	1.015	0.987
17	AU17	1876	86	1.2536	1.2598	-0.0062	-0.498	0.4377	0.744	1.016	0.988
18	*AU18*	*1876*	*86*	*1.2536*	*1.2596*	*-0.0061*	*-0.484*	*0.4377*	*0.744*	*1.016*	*0.988*
19	AU19	1857	105	1.2570	1.2622	-0.0052	-0.411	0.4394	0.743	1.008	0.980
20	AU20	1857	105	1.2570	1.2629	-0.0059	-0.471	0.4390	0.743	1.009	0.984
21	AU21	1857	105	1.2570	1.2636	-0.0065	-0.52	0.4393	0.742	1.006	0.983
22	AU22	1857	105	1.2570	1.2631	-0.0060	-0.48	0.4388	0.743	1.007	0.984
23	AU23	1857	105	1.2570	1.2622	-0.0052	-0.412	0.4383	0.743	1.008	0.986
24	AU24	1857	105	1.2570	1.2620	-0.0050	-0.398	0.4383	0.743	1.008	0.986

The first search was based upon the variogram ranges in the three principal directions (30x25x10). The second search was 1.5 times and third search was 2 times of first search. Min and Max of samples were 5 and 14 for first and second search and 1 and 14 for third search.

Table 6-15 Search parameters

Zone	Search Volum No.	Search volum size m			Number of Samples		Maximum Number of Samples per drillholes
		X	Y	Z	Minimum	Maximum	
Inside of orebody	1	30	25	10	5	14	3
	2	44	37.5	15	5	14	3
	3	60	50	20	1	14	3
Outside of orebody	1	30	25	10	1	14	3

Comparison of final search ellipsoids with drillholes and the model shows that it is reasonable and representative of the mineralised zone. (Figure 6-20)

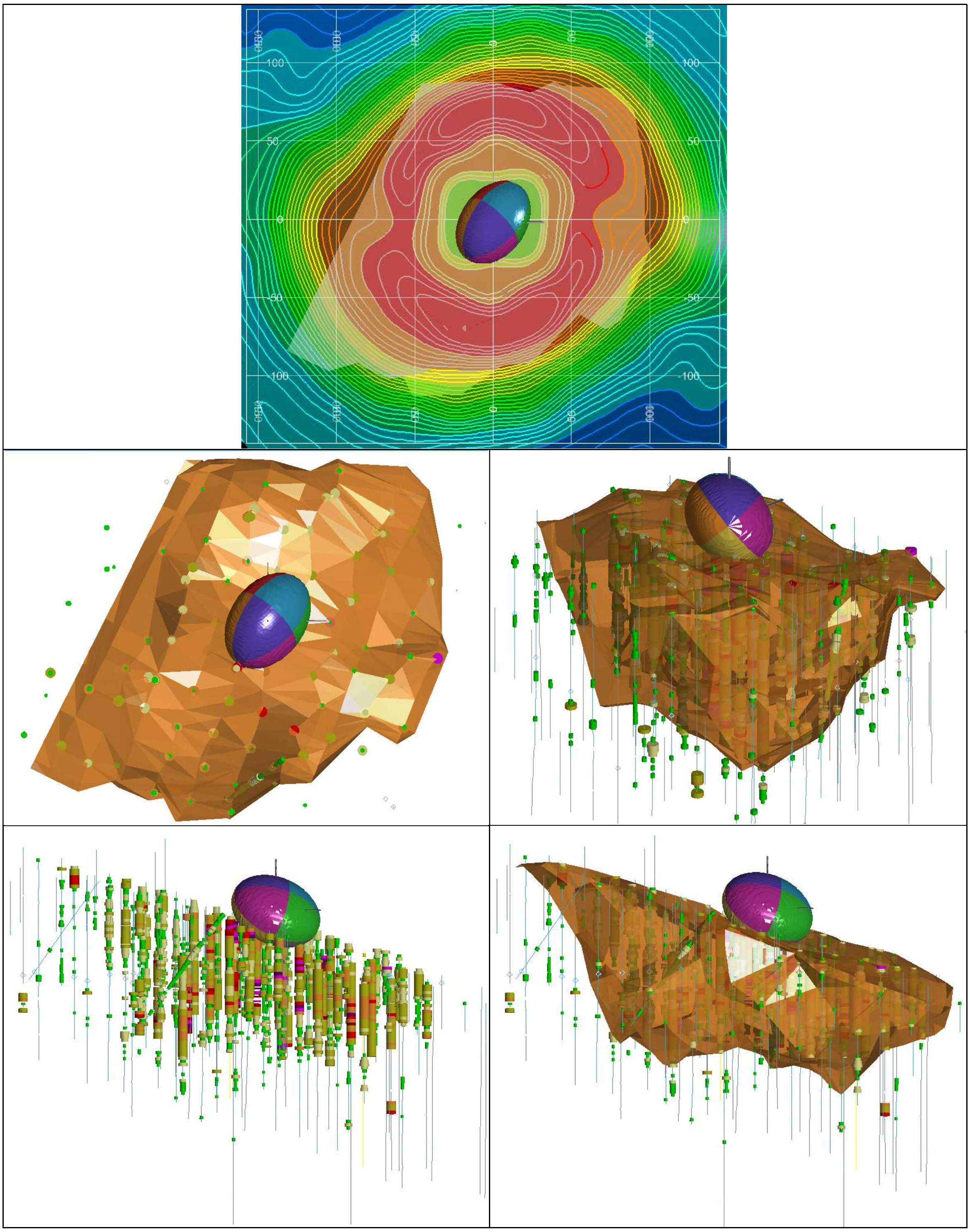


Figure 6-20 Final search ellipsoid and data

6.9.2 Estimation parameters

The method of estimation used for the generation of the grade model is ordinary kriging (OK) and inverse distance squared (IP). For blocks outside of the mineralised zone only inverse distance squared was used. Table 6-16 shows the estimation fields and methods. The software used was Datamine Studio RM.

Table 6-16 Estimation fields and methods

EDESC	EREF NUM	ORE ZONE	VALUE IN	VALUE OUT	SREF NUM	IMETHOD
AU OK	1	1	AU	AU	1	3
AUCUT OK	2	1	AUCUT	AUCUT	1	3
AG OK	3	1	AG	AG	1	3
AGCUT OK	4	1	AGCUT	AGCUT	1	3
AU IP	5	1	AU	AU_IP	1	2
AUCUT IP	6	1	AUCUT	AUCUT_IP	1	2
AG IP	7	1	AG	AG_IP	1	2
AGCUT IP	8	1	AGCUT	AGCUT_IP	1	2
AU IP	9	99	AU	AU_IP	3	2
AUCUT IP	10	99	AUCUT	AUCUT_IP	3	2
AG IP	11	99	AG	AG_IP	3	2
AGCUT IP	12	99	AGCUT	AGCUT_IP	3	2
OREZONE =1 inside and =99 outside of mineralised zone						

6.10 Block modelling and estimation

6.10.1 Block model parameters

Based on the dimension of the drilling network and sample distance study, it was determined that a model cell size of 5m x 5m x 5m would be the appropriate for the data set provided.

The block model of the Ugur deposit was created by using mineralised wireframe and the topographic surface. Sub-blocking comprised the parent block size of 5 m x 5m x 5 m with 2.5m sub-blocking in the “Z” direction but no sub-blocking in X and Y directions. (Table 6-17)

Table 6-17 Block model parameters

	X	Y	Z
Block Size	5	5	5
Min	564430	565930	4496540
Max	4497240	1500	1960
Number of blocks	301	141	93

6.10.2 Estimation

Datamine Studio RM was used for running the estimation of gold and silver blocks by using all parameters previously discussed. Screen captures of the final grade block model are shown in Figure 6-21.

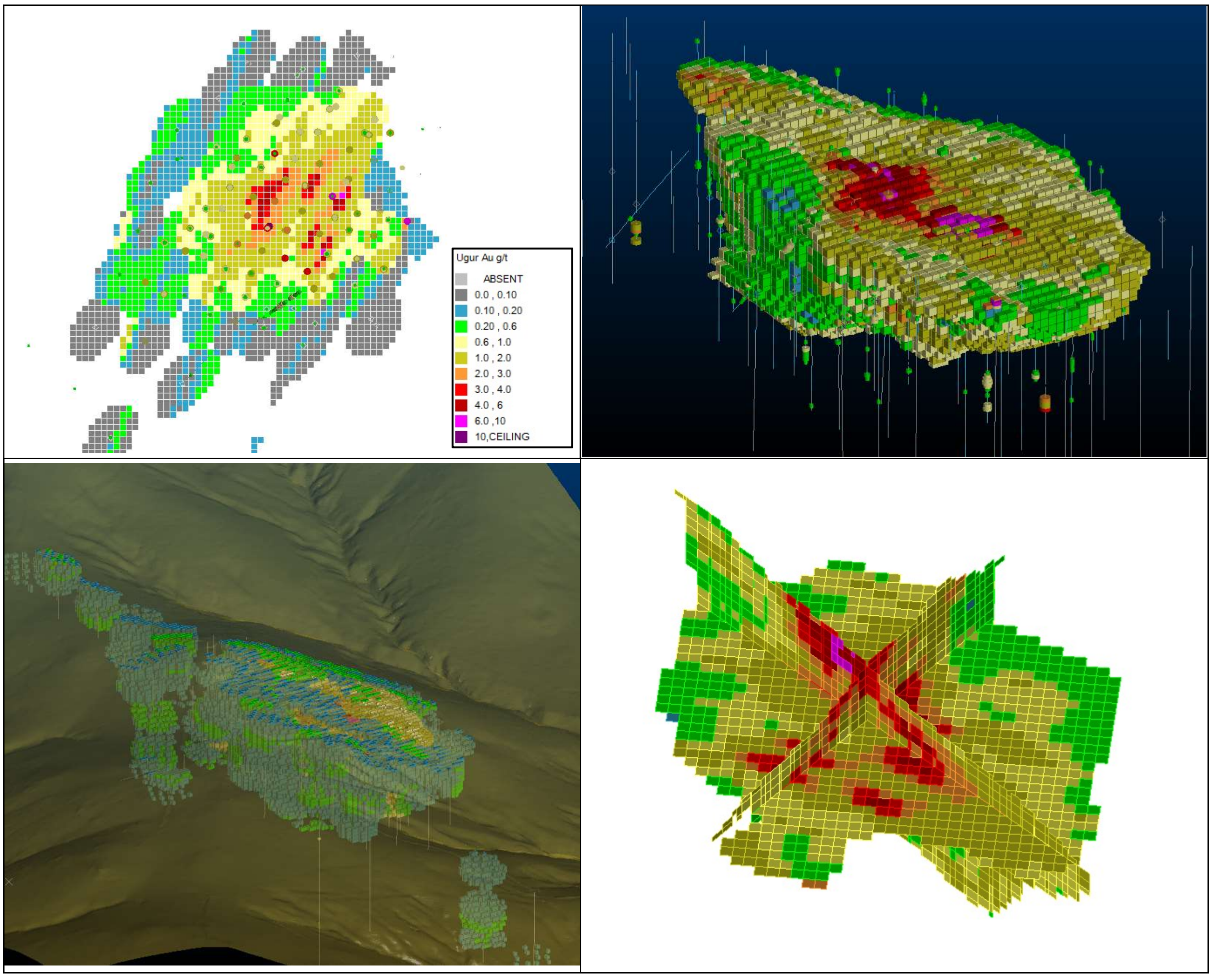


Figure 6-21 Estimated block model

6.11 Block model verification

6.11.1 Visual Inspection

Visual inspection is the most basic of validations, where the estimated block cells are compared to the drillhole data. On the occurrence of high or low grades observed in the drillhole dataset, the model is expected to mimic those grade trends. If there is not a good or logical correlation, the model is interrogated. In this instance, there is a good correlation, Figure 6-22.

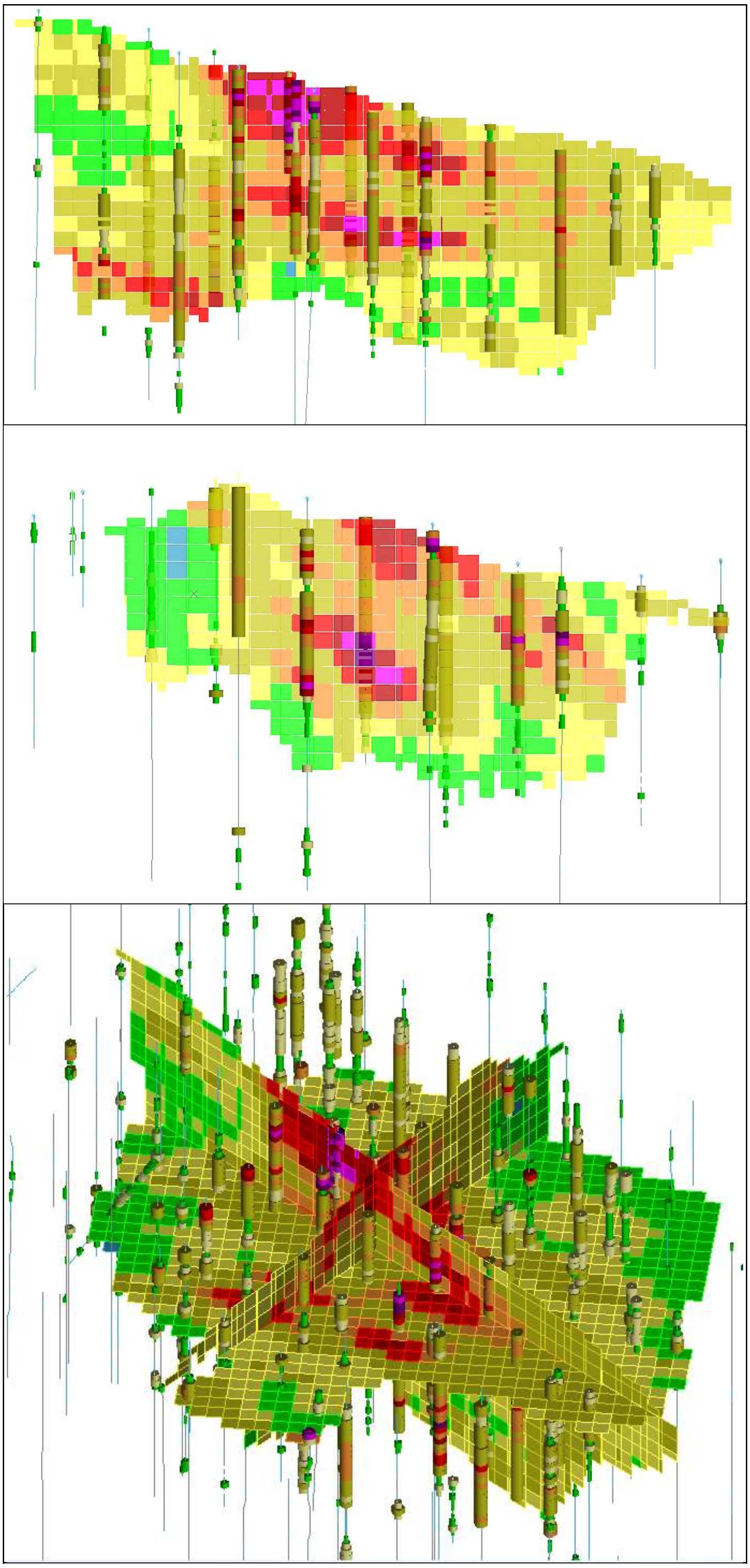


Figure 6-22 visual verification of grade model

6.11.2 Global statistics verification

Table 6-18 shows the results of a comparison of the main statistical parameters of the raw data, composites and the estimated block model. Grades in the block model are tonnage-weighted calculated.

Analysis of the statistical parameters shows that the average grade in the block model correlates well with raw data and composites.

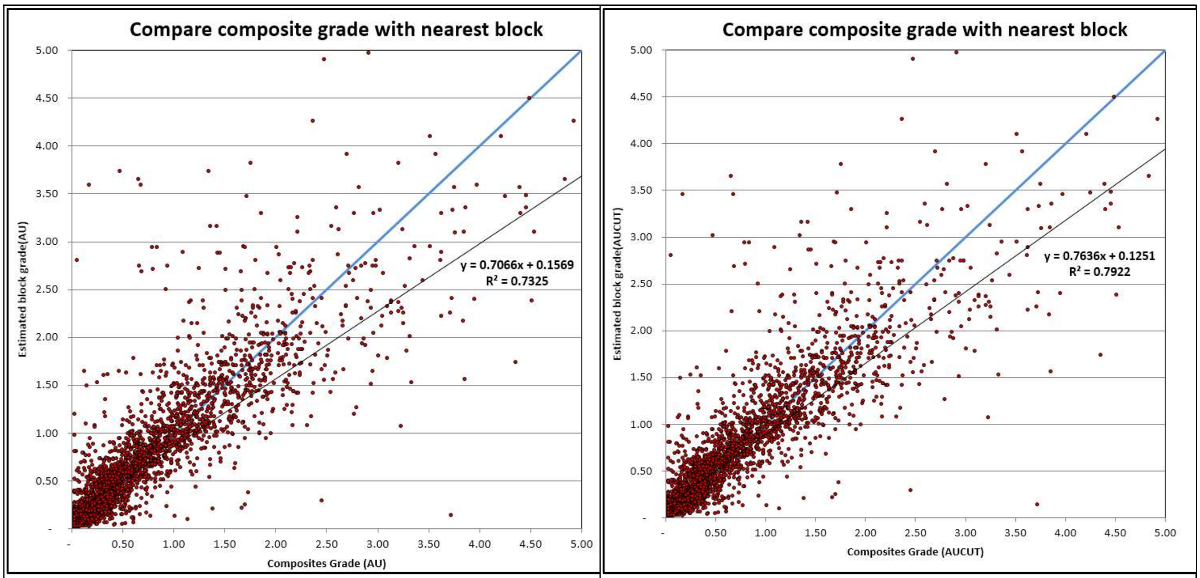
Table 6-18 compare raw, composites and block model data

ESTZONE	Field	Parameter	Raw data	Composites data	Block Model data
1	AU	No of Samples	4569	1962	14535
1	AU	Minimum	0.025	0.025	0.1059
1	AU	Maximum	34.79	32.85	15.56
1	AU	Mean	1.22	1.23	1.19
1	AUCUT	No of Samples	4569	1962	14535
1	AUCUT	Minimum	0.025	0.025	0.1059
1	AUCUT	Maximum	16.00	16.00	10.62
1	AUCUT	Mean	1.21	1.21	1.18
1	AG	No of Samples	4569	1962	14535
1	AG	Minimum	0.375	0.375	-0.344
1	AG	Maximum	190.40	138.70	103.24
1	AG	Mean	6.41	6.41	6.12
1	AGCUT	No of Samples	4569	1962	14535
1	AGCUT	Minimum	0.375	0.375	-0.110
1	AGCUT	Maximum	108.00	106.94	86.83
1	AGCUT	Mean	6.35	6.36	6.06

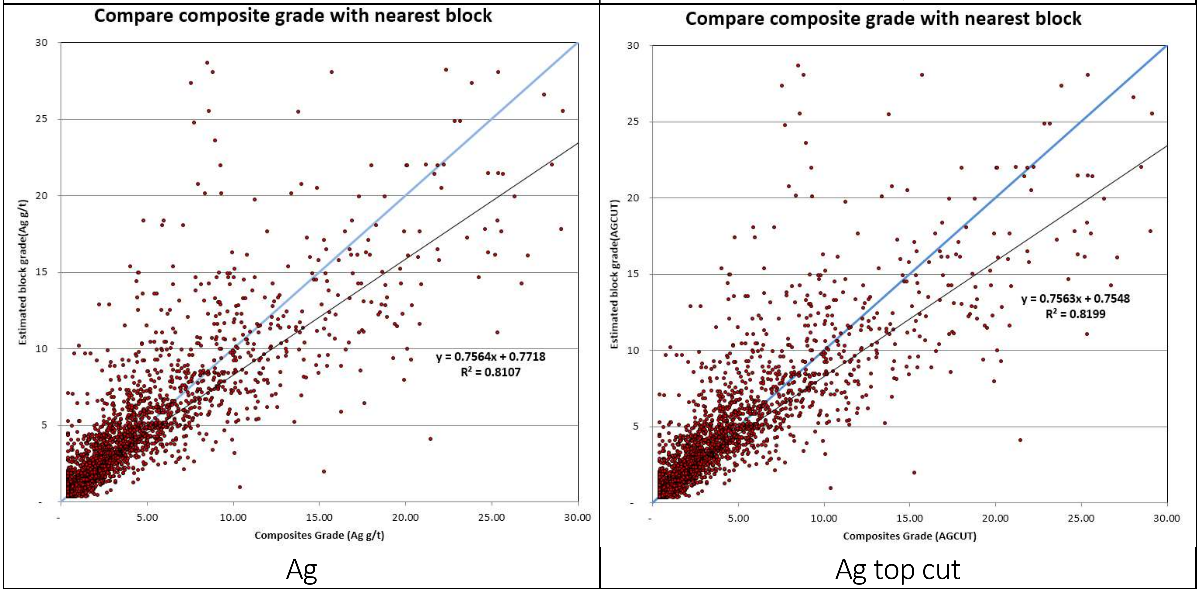
6.11.3 Validation plots

In order to validate the block model, different plots have been utilised. Figure 6-23 shows the composites grade versus the nearest block grade for Au, Au top cut, Ag and Ag top cut. The trend and correlation is acceptable.

Figure 6-24 shows the swath graph in Z direction with the interval of block benches (5 metres). The comparative grade line of blocks is smooth with grades from composites in levels that acceptable number/length of samples are present. The differences are higher when the number of samples is less.



Au Au top cut



Ag Ag top cut

Figure 6-23 composites vs nearest block

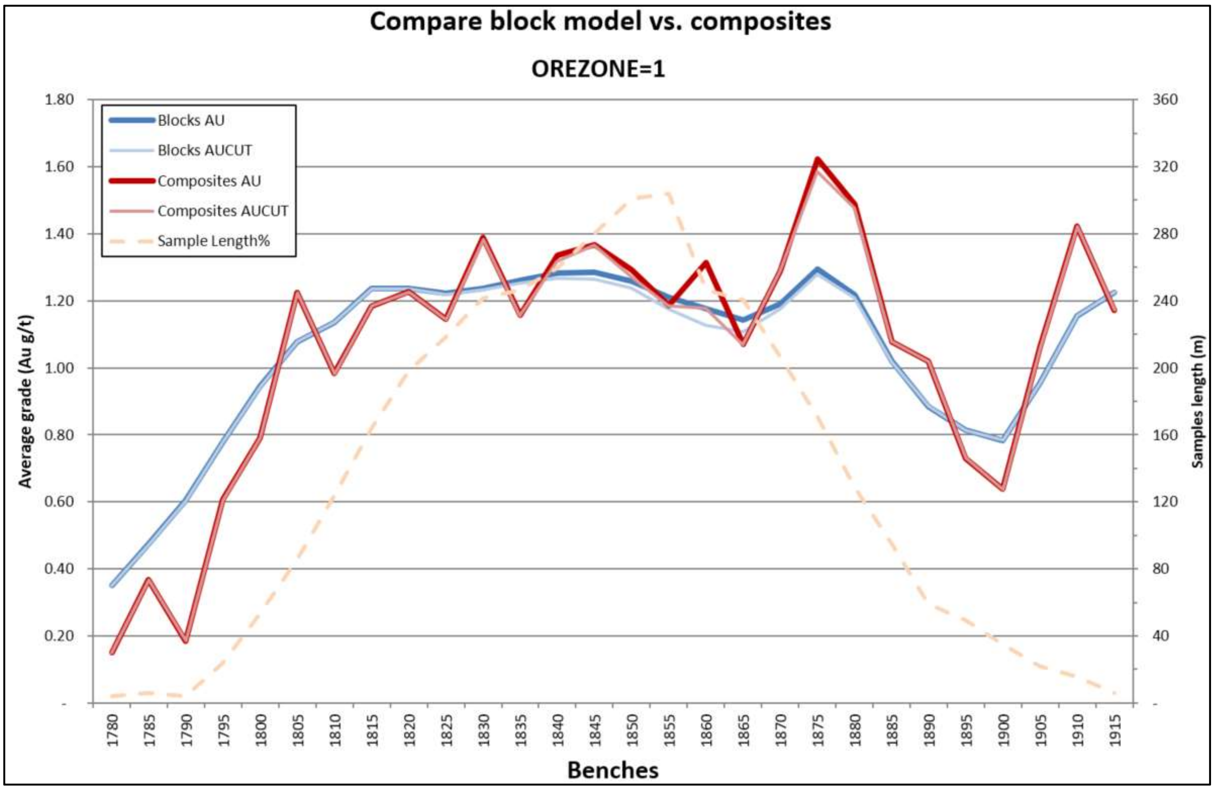


Figure 6-24 Benches average grades from composites and blocks

6.12 Bulk Density

Bulk density measurements have been determined. A total of 538 samples were tested from selected core samples, that comprised both mineralisation and wall rocks. The density was tested by rock type, extent of alteration and depth. The method used was hydrostatic weighing.

The working conditions and equipment used for the measurements of the bulk density of the core drill holes are shown in pictures of Figure 6-25.

Figure 6-25 Equipment used for the measurements of the bulk density

Figure 6-26 shows the spatial distribution of the exploration drillholes with bulk density measurements.

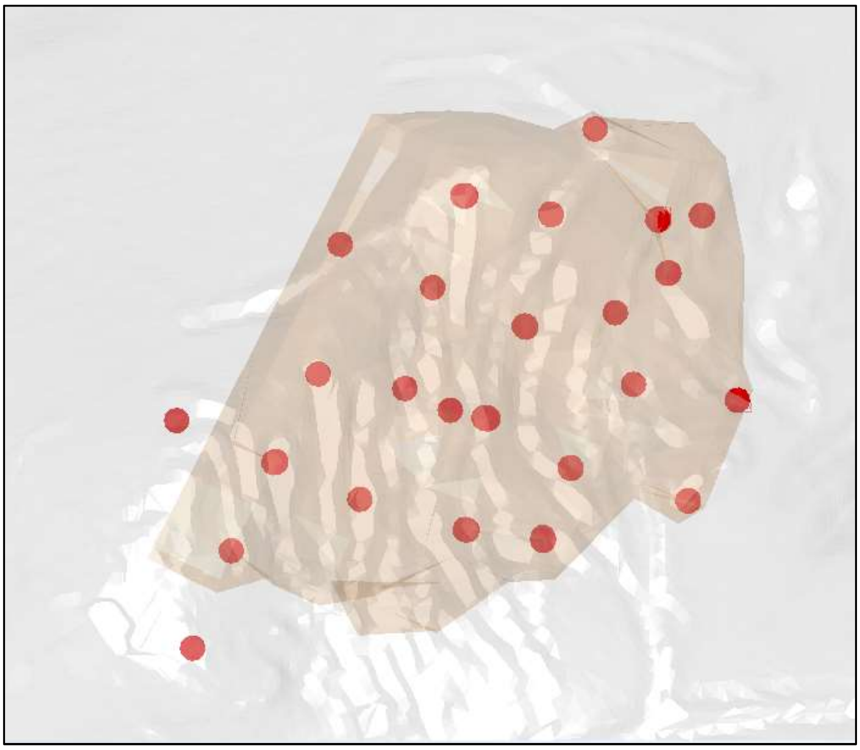


Figure 6-26 Plan view drillholes with bulk density measurements.

The descriptive statistics and histogram of the bulk density measurements of the exploration drillholes is shown in Table 6-19 and Figure 6-27.

Table 6-19 Descriptive Statistics of the Bulk Density; all samples

Parameter	Value
NUMBER OF SAMPLES	538
MAXIMUM	4.234
MINIMUM	2.4
MEAN	2.6157
VARIANCE	6.16E-02
STANDARD DEVIATION	0.2481
COEFFICIENT OF VARIATION	9.486

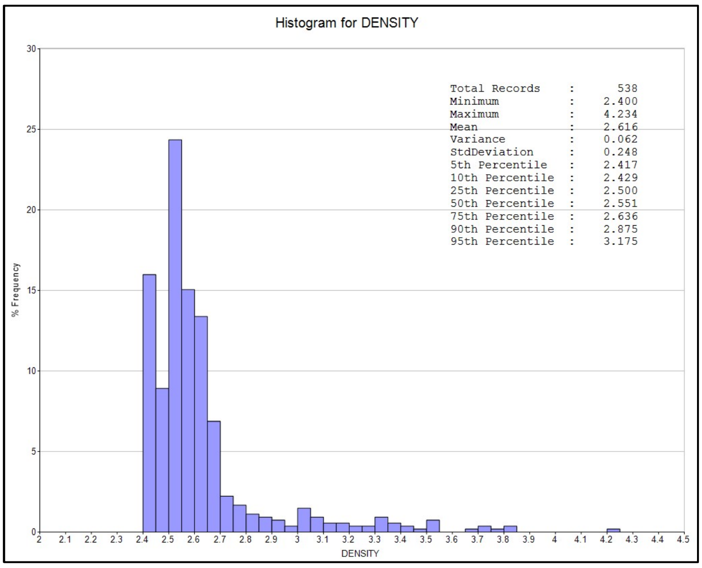


Figure 6-27 Bulk density histogram (all Samples).

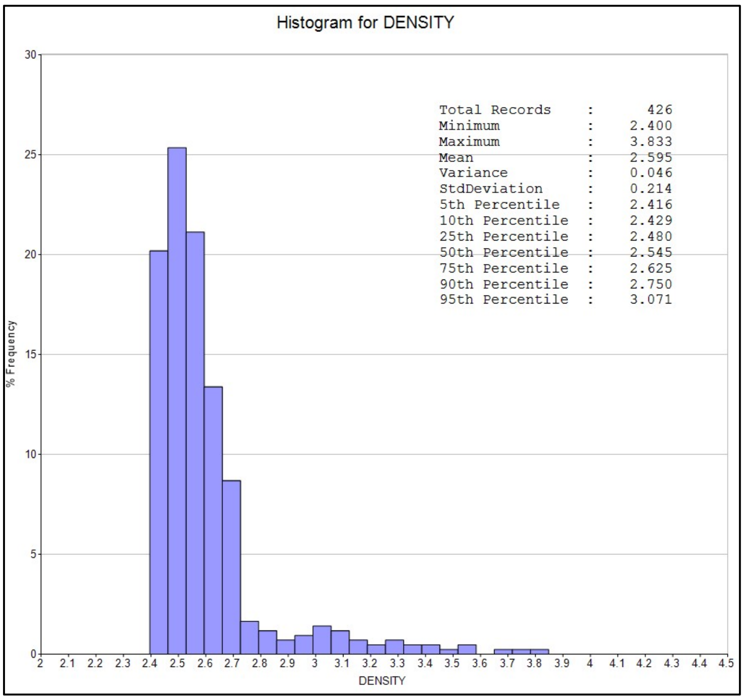
6.12.1 Orebody Bulk density

Of the 538 samples, 426 density measurement samples are inside the mineralisation wireframes.

The average density of these samples is 2.6 t/m^3 and has been used for resource calculation.

Table 6-20 Descriptive Statistics of the Bulk Density samples in orebody

Parameter	Value
NUMBER OF SAMPLES	426
MAXIMUM	3.833
MINIMUM	2.4
MEAN	2.595
VARIANCE	0.0458
STANDARD DEVIATION	0.2141
STANDARD ERROR	0.01037
COEFFICIENT OF VARIATION	8.25



```
Total Records    :      426
Minimum          :    2.400
Maximum          :    3.833
Mean             :    2.595
Variance         :    0.046
StdDeviation     :    0.214
5th Percentile   :    2.416
10th Percentile  :    2.429
25th Percentile  :    2.480
50th Percentile  :    2.545
75th Percentile  :    2.625
90th Percentile  :    2.750
95th Percentile  :    3.071
```

Figure 6-28 Bulk density histogram (samples in orebody).

Density data are considered appropriate for Mineral Resource and Mineral Reserve estimation and 2.6 t/m3 has been used for calculations.

7 MINERAL RESOURCE CLASSIFICATION

7.1 Classification Criteria Used for the Model

The parameters used for classifying the block model blocks according measured, indicated and inferred categories (within the defined mineral boundary, unless otherwise stated) are presented below:

- **Measured**: Blocks estimated in search volume 1 (30 x 25 x 10m) with minimum 5 samples from at least 2 drill holes.
- **Indicated**: Blocks estimated in search volume 2 (44 x 37.5 x 15m) with minimum 5 samples from at least 2 drill holes.
- **Inferred**: Blocks estimated in search volume 3 (60 x 50 x 20m) with minimum 1 samples. All blocks out of the mineral boundary that contain mineralisation above cut-off are also classified as Inferred (with search volume 30 x 25 x 10m).

The shape and statistics of classes shows that the most of blocks in the mineralised zone are Measured (92%). (Figure 7-1)

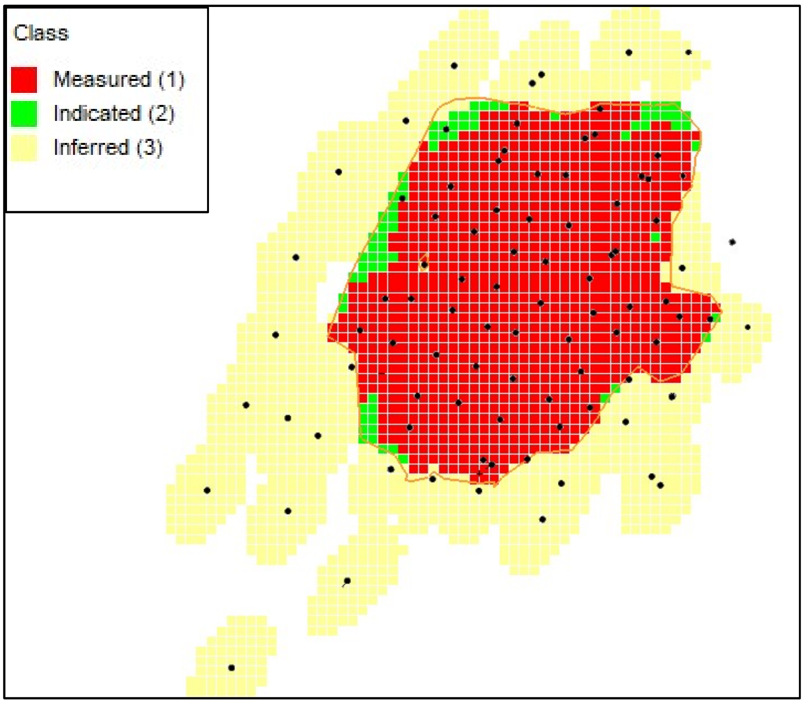


Figure 7-1 Plan view of classes

7.2 Mineral Resource Statement

The Mineral Resources are reported according to the terms and guidelines of the 2012 JORC Code.

For the Ugur deposit, it has been determined the Measured plus Indicated Mineral Resource is 4.46Mt at a grade of 1.2g/t Au containing 172 Koz of gold. In addition, an Inferred Mineral Resource of 2.5 Mt at a grade of 0.3 g/t Au containing 27 Koz of gold is determined.

The Mineral Resource statement is presented in Table 7-1. This is based on a cut-off grade of 0.2 g/t Au.

Table 7-1 Mineral Resource of Ugur

cut off=0.2					
Mineral Resources	Tonnage	Gold Grade	Silver Grade	Gold	Silver
	Mt	(g/t)	(g/t)	(K oz)	(K oz)
Measured	4.12	1.2	6.3	164	841
Indicated	0.34	0.8	3.9	8	44
Measured + Indicated	4.46	1.2	6.2	172	884
Inferred	2.50	0.3	2.1	27	165
Total	6.96	0.9	4.7	199	1049

7.3 Grade–Tonnage Relationship

The determination of the grade tonnage curves is based on the classified resources. Incremental intervals of 0.1g/t gold were determined for all estimated blocks and the tonnages defined. The grade-tonnage graphs are presented in Figure 7-2. Table 7-2 shows the grade-tonnage data for the Ugur deposit.

Table 7-2 Grade Tonnage table of Ugur deposit

Measured + Indicated									
Au Cut off	Tonnes Mt	Au g/t	Ag g/t	Au cut g/t	Ag cut g/t	Au (K Oz)	Ag (K Oz)	Au cut (K Oz)	Ag cut (K Oz)
0.1	4.49	1.19	6.14	1.18	6.07	172	886	170	876
0.2	4.46	1.20	6.16	1.18	6.10	172	884	170	875
0.3	4.34	1.22	6.29	1.21	6.23	171	879	169	869
0.4	4.08	1.28	6.58	1.27	6.51	168	863	166	854
0.5	3.77	1.35	6.91	1.33	6.83	164	837	161	828
0.6	3.43	1.43	7.28	1.41	7.20	158	804	156	794
0.7	3.07	1.52	7.70	1.50	7.61	150	760	148	751
0.8	2.73	1.62	8.18	1.59	8.07	142	718	140	709
0.9	2.39	1.73	8.69	1.70	8.57	132	667	130	658
1	2.08	1.84	9.21	1.81	9.07	123	615	121	606
1.1	1.80	1.96	9.73	1.93	9.57	114	564	112	555
1.2	1.55	2.09	10.27	2.05	10.09	104	512	102	503
1.3	1.36	2.22	10.72	2.17	10.52	97	468	95	459

Measured + Indicated									
Au Cut off	Tonnes Mt	Au g/t	Ag g/t	Au cut g/t	Ag cut g/t	Au (K Oz)	Ag (K Oz)	Au cut (K Oz)	Ag cut (K Oz)
1.4	1.19	2.34	11.10	2.28	10.88	89	424	87	416
1.5	1.03	2.48	11.56	2.41	11.32	82	383	80	375
1.6	0.89	2.62	12.01	2.55	11.75	75	345	73	338
1.7	0.78	2.75	12.50	2.67	12.22	69	314	67	307
1.8	0.68	2.90	12.81	2.81	12.50	64	280	62	274
1.9	0.59	3.06	13.25	2.95	12.94	58	253	56	247
2	0.53	3.20	13.61	3.08	13.31	54	230	52	225

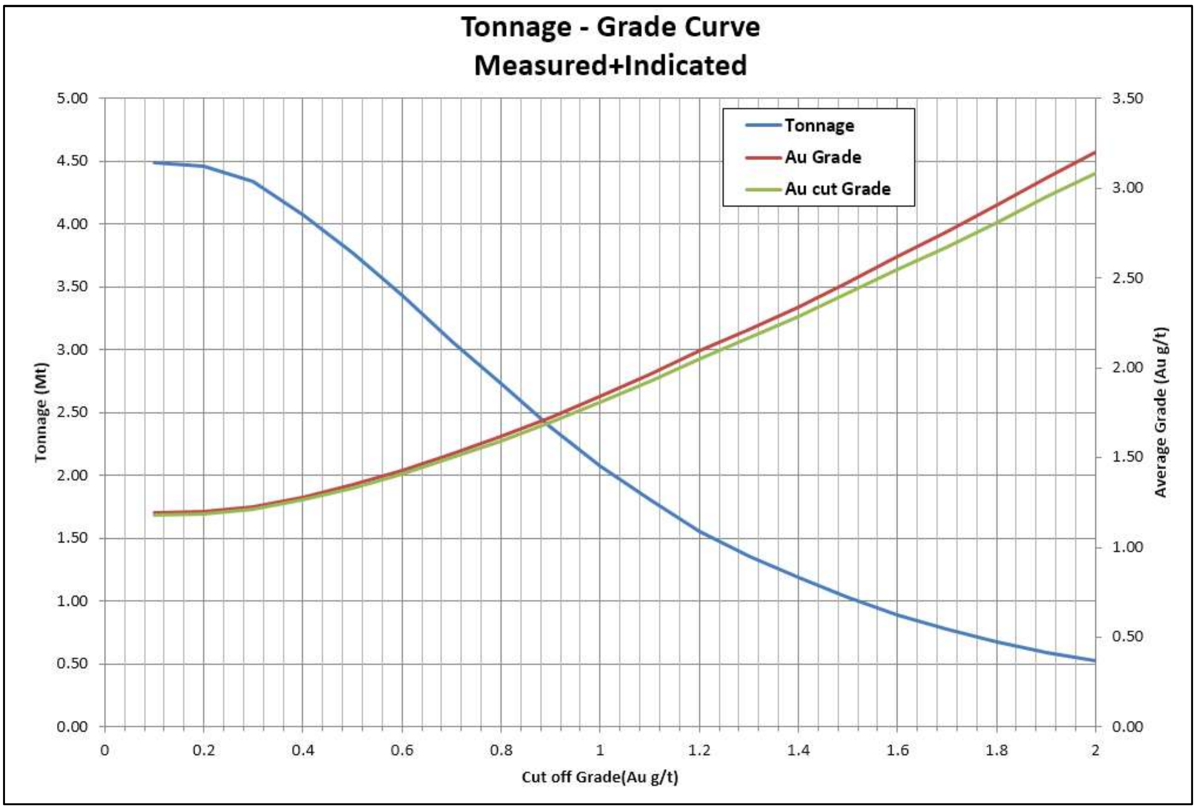


Figure 7-2 Grade-Tonnage curve

8 RESOURCE CONCLUSION AND COMMENDATION

It is concluded that the resource is appropriate to be utilised for Ore Reserves estimation to determine the mineable potential of the deposit. Given that Datamine company have been closely associated with the exploration of the deposit and the resources estimation, it is planned for Datamine to carry out the reserve estimate under the supervision of the CP.

Recommendations include upgrading laboratory and management systems, and the future implementation of a laboratory information management system.

The grade control data produced during mining should be correlated back into the resource model to check for consistency or variation.

9 REFERENCES

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- Structural-metallogenic zones in the Lesser Caucasus of Azerbaijan: Geology, ore deposits and a Tethyan ore belt. Stephen Westhead, Anar Valiyev, Mehman Talibov, Rashad Asgarov, Samir Mursalov, Gulnara Alizade, and Aygul Abdurahimli. Abstract: Society of Economic Geologists Conference, September 2017.

- “Ugur Oxidised Ore Body, Gedabek, Pit slope Stability Assessment” report issued by CQA International Limited, 27 July 2017.

- “Updated Mineral Reserve Statement for AIMC-Gedabek Mineral Deposit” report by CAE Mining, November 2014.

- Flotation testing of Gedabek Copper-Gold ore, Optimet Laboratories, South Australia, Optimet Report P0184, 8 February 2007, 19pp.

- An investigation into the recovery of gold from the Gedabek deposit, SGS Lakefield Research Limited, Project 11367-002 Report 1, 31 May 2007, 152pp.

- Scouting Leachbox and Flotation test work on Gedabek sulphide ore samples, Maelgwyn Mineral Services Africa, Report No 11/10, 2 December 2011, 27pp.

- Closure and Rehabilitation Management Plan, AMEC Earth and Environmental UK Ltd, December 2012, 62pp.

- Environmental Materiality Assessment, Daniel Limpitlaw on behalf of Datamine, 7 September 2014, 23pp.

- Gedabek Exploration Report, 2016, Gedabek Exploration Group, December 2016

10 Compliance Statement

The information in the report that relates to exploration results, minerals resources and ore reserves is based on information compiled by Dr Stephen Westhead, who is a full-time employee of Anglo Asian Mining with the position of Director of Geology & Mining.

Stephen Westhead is a senior extractive industries professional with over 28 years of experience, who has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Stephen Westhead has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking, to qualify as a "competent person" as defined by the AIM rules. Stephen Westhead has reviewed the resources included in this report.

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Stephen Westhead, a Competent Person who is a Member or Fellow of a 'Recognised Professional Organisation' (RPO) included in a list that is posted on the ASX website from time to time (Chartered Geologist and Fellow of the Geological Society and Professional Member of the Institute of Materials, Minerals and Mining), Fellow of the Society of Economic Geologists (FSEG) and Member of the Institute of Directors (MIoD). Dr Stephen Westhead is a full-time employee of Anglo Asian Mining plc (Azerbaijan International Mining Company).

Stephen Westhead consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

S.J.

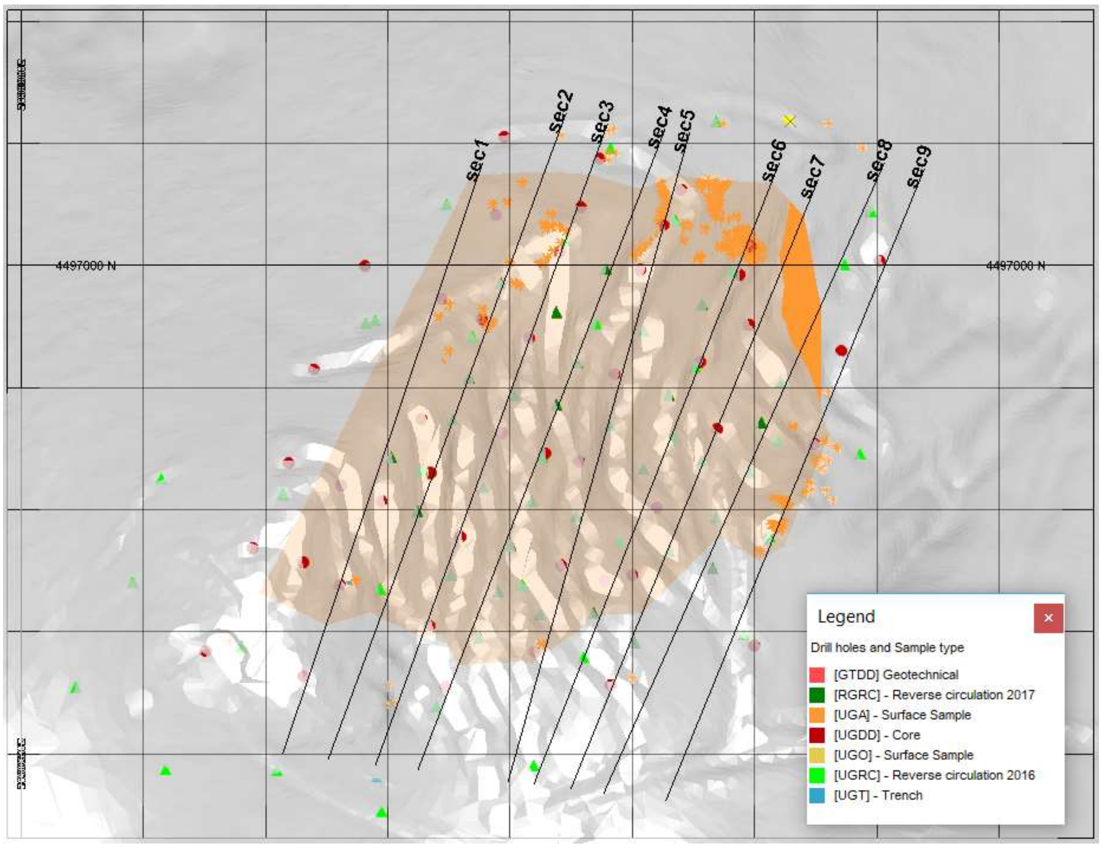
Dr Stephen J. Westhead

Competent Person

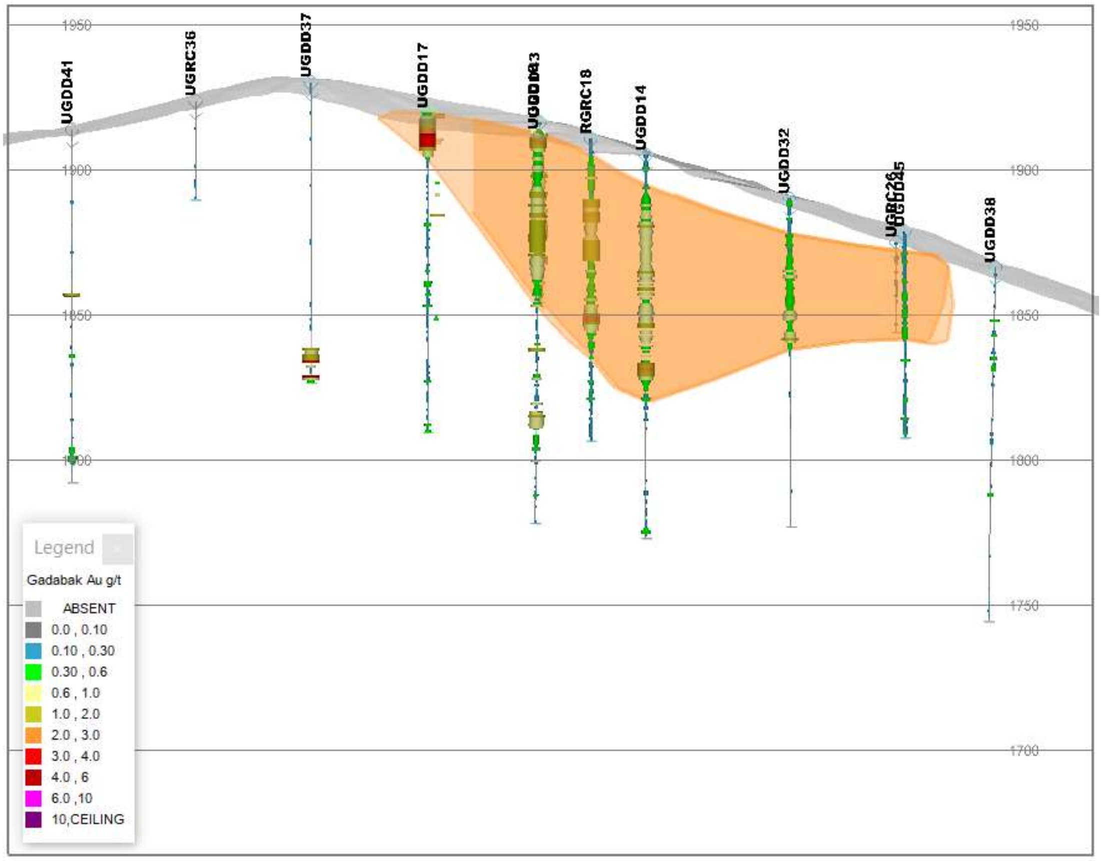
Director of Geology and Mining, Azerbaijan International Mining Company (Anglo Asian Mining plc)

Contact Address: via Anglo Asian Mining plc

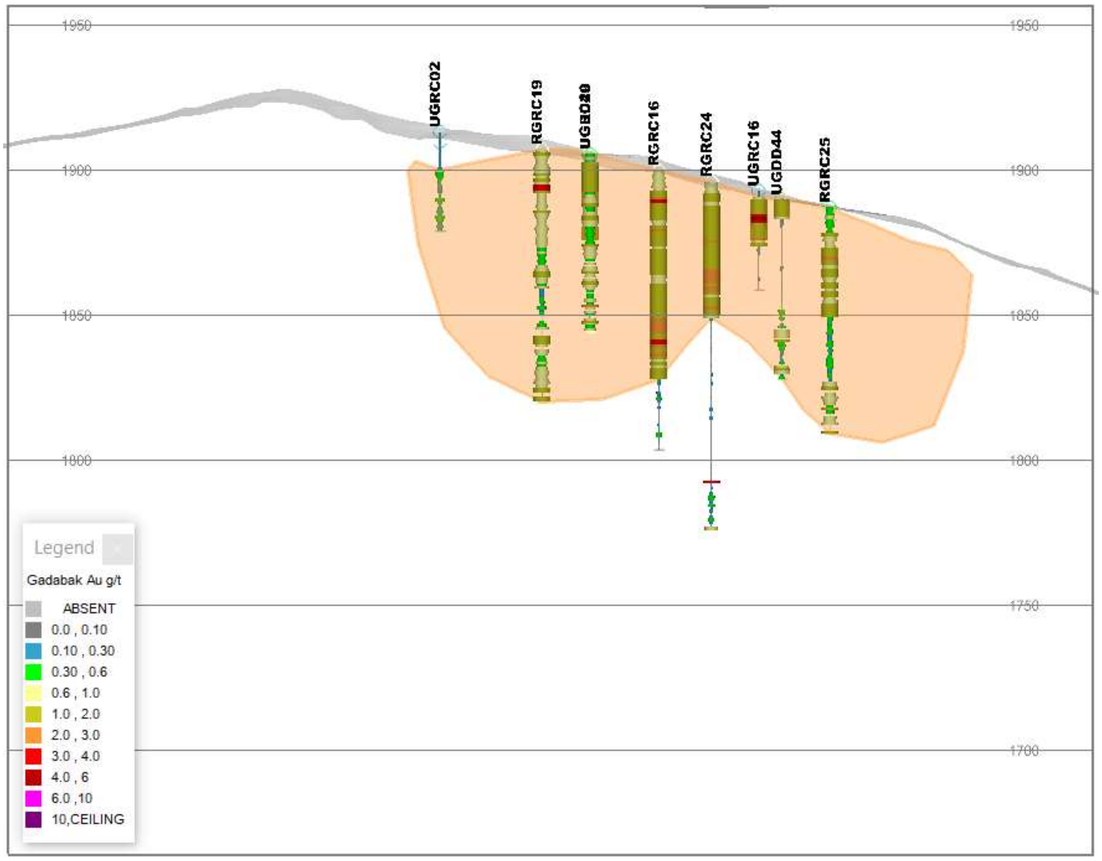
Appendix A: Mineralised Zone Sections



Plan showing sections line



Section 1



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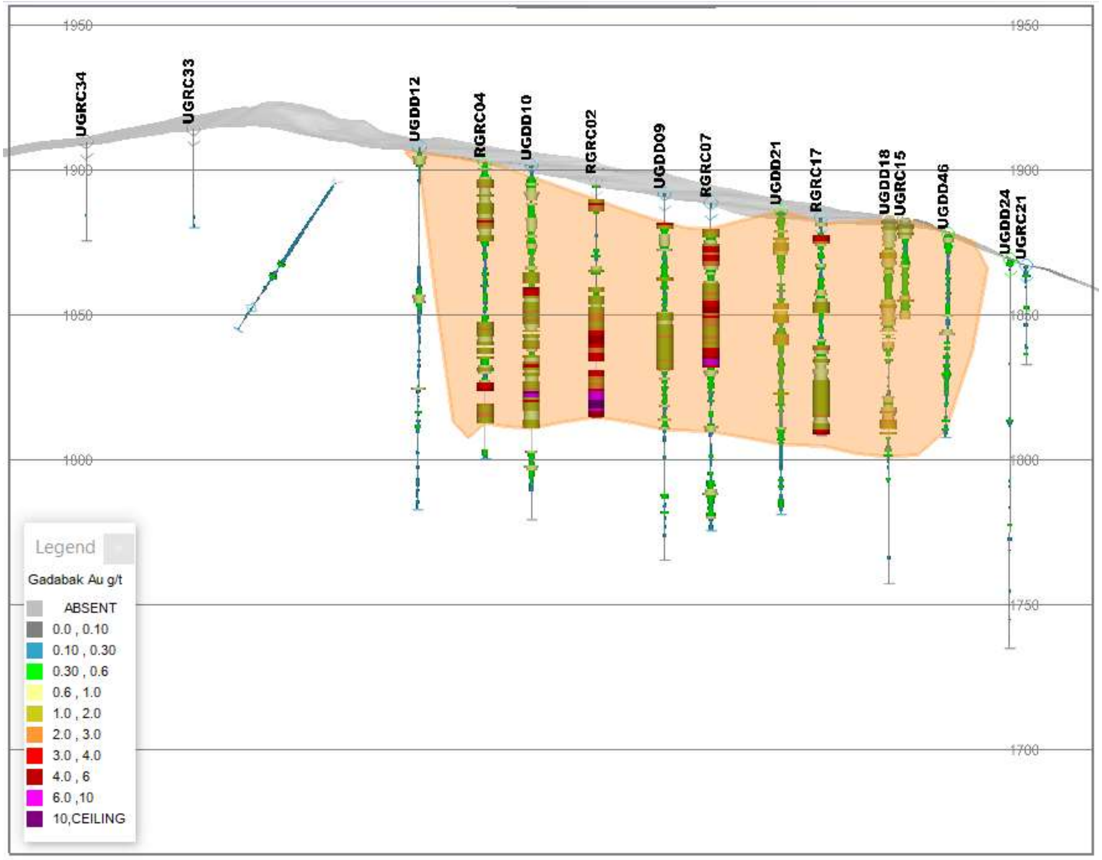

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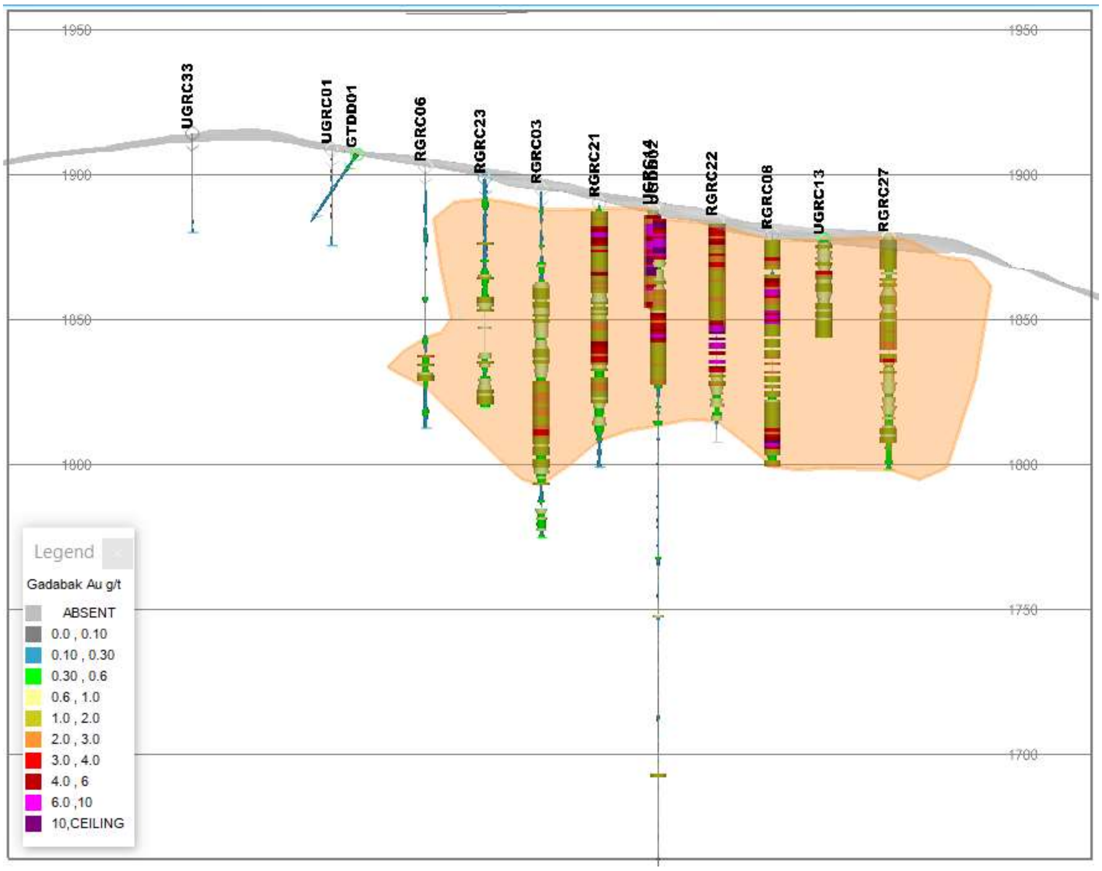

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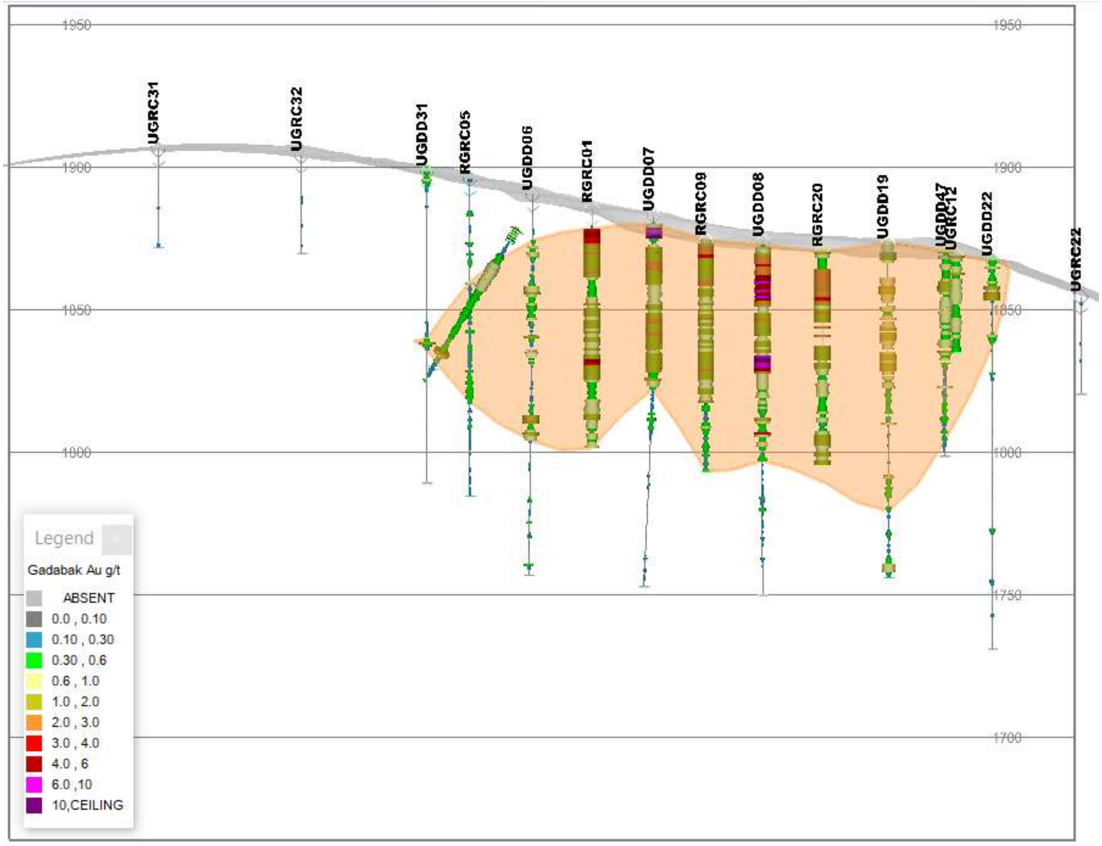

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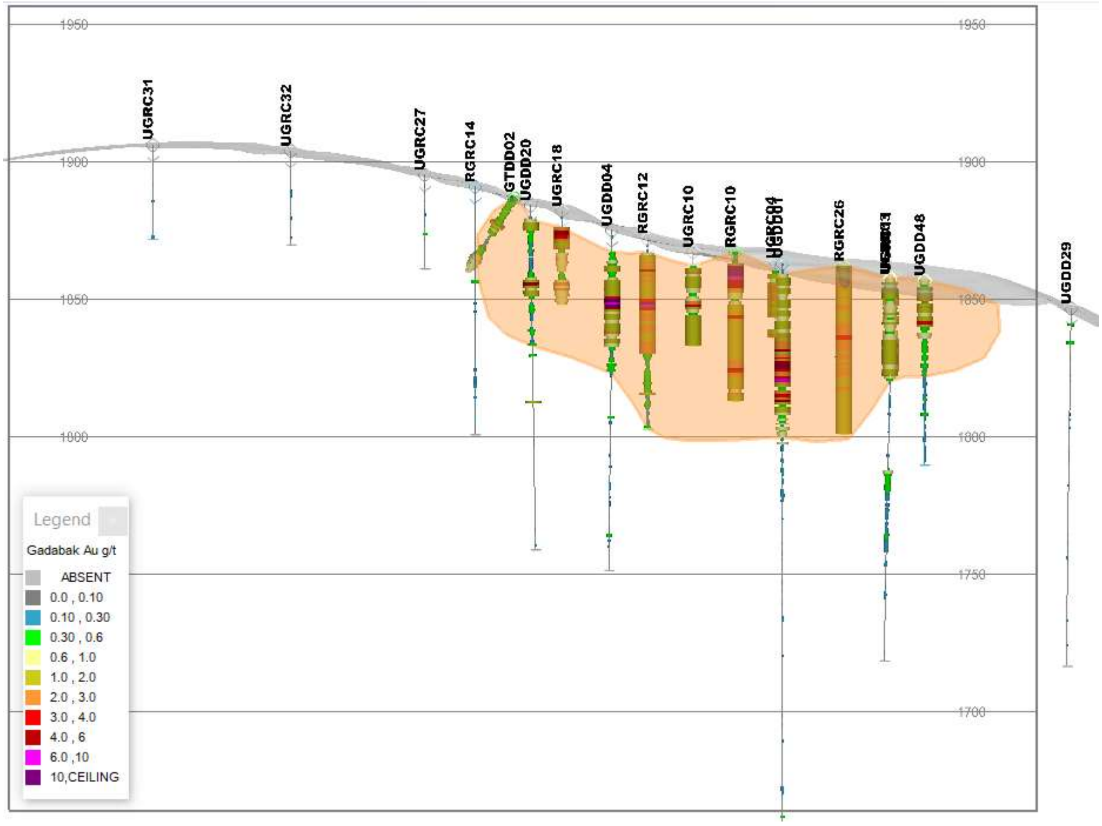

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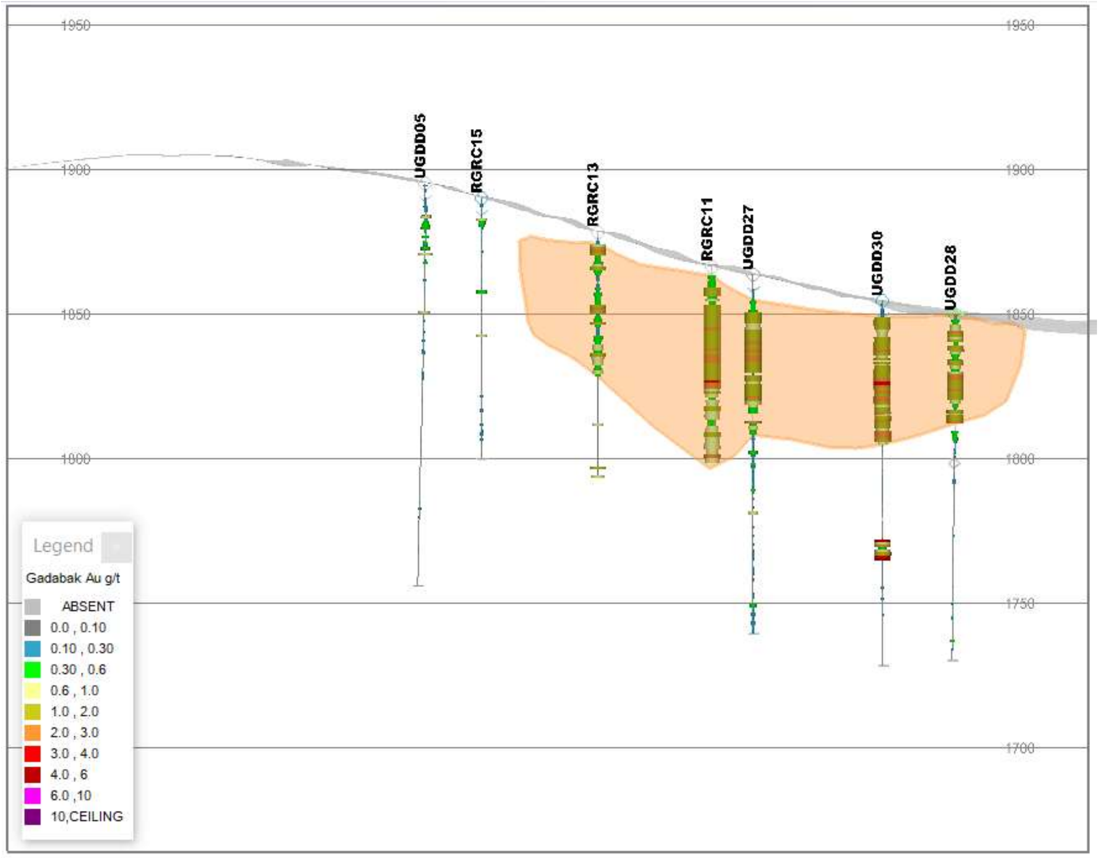

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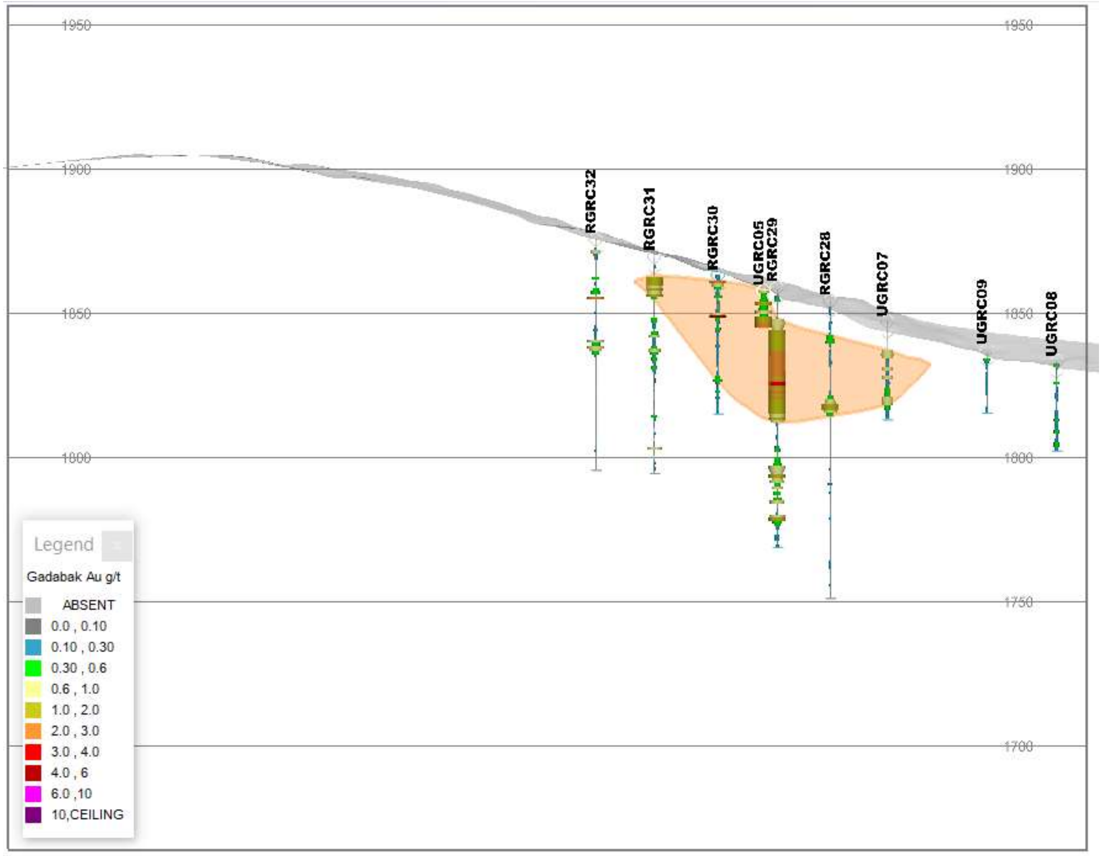

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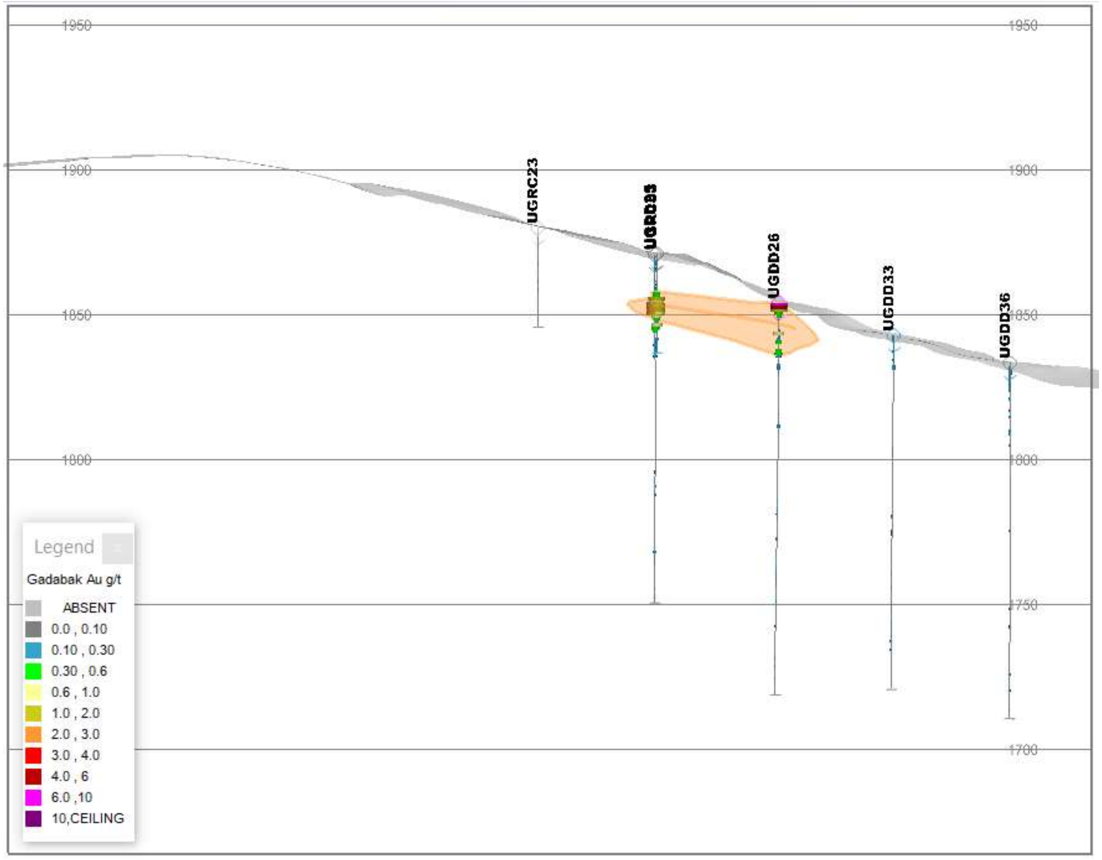
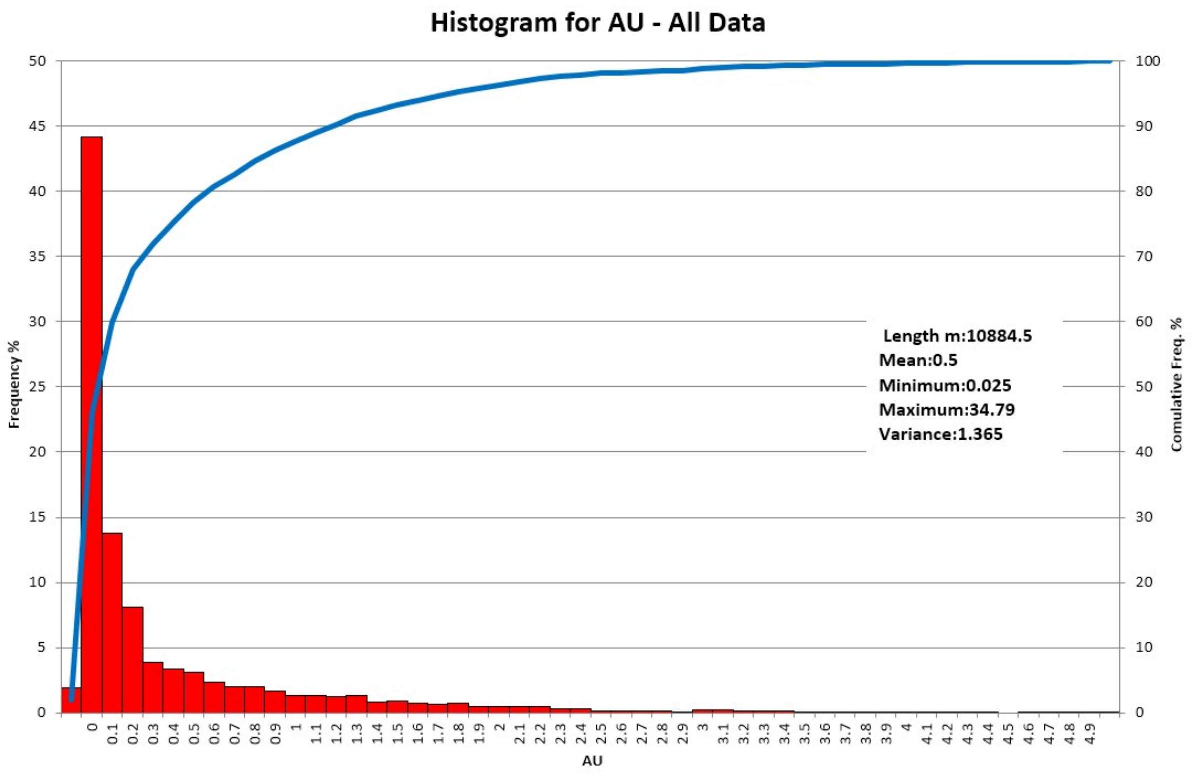
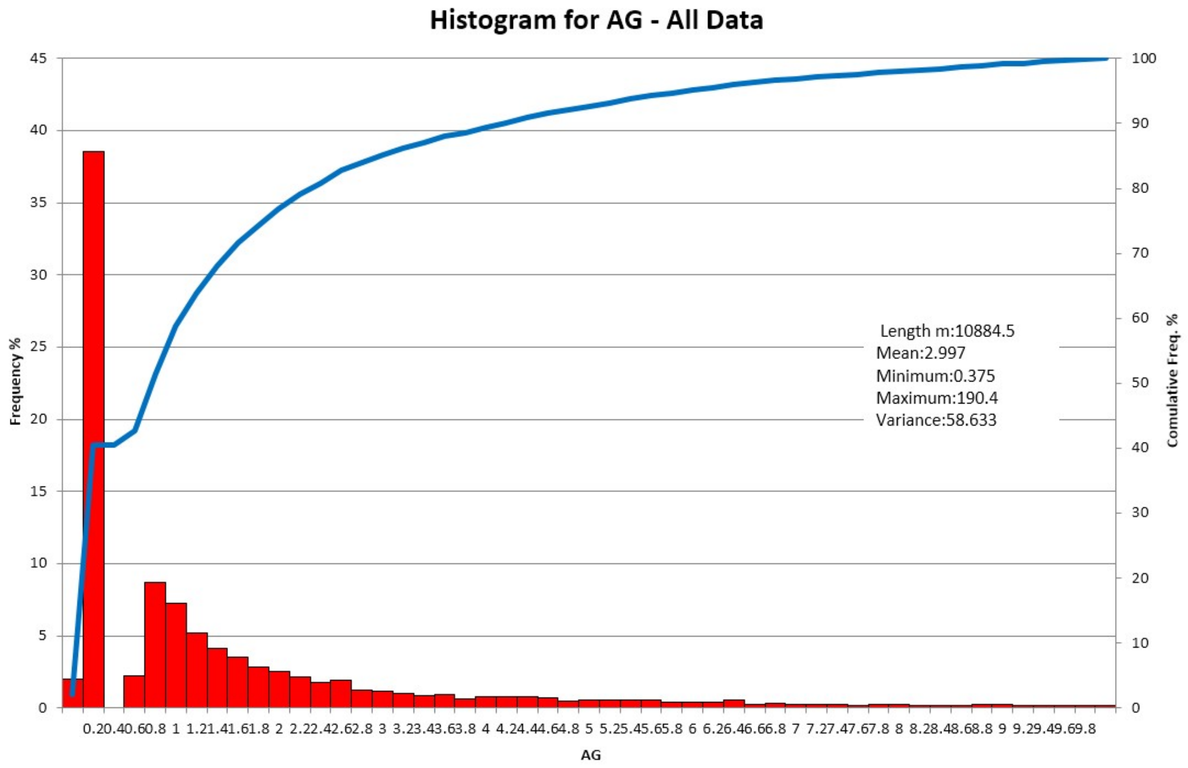
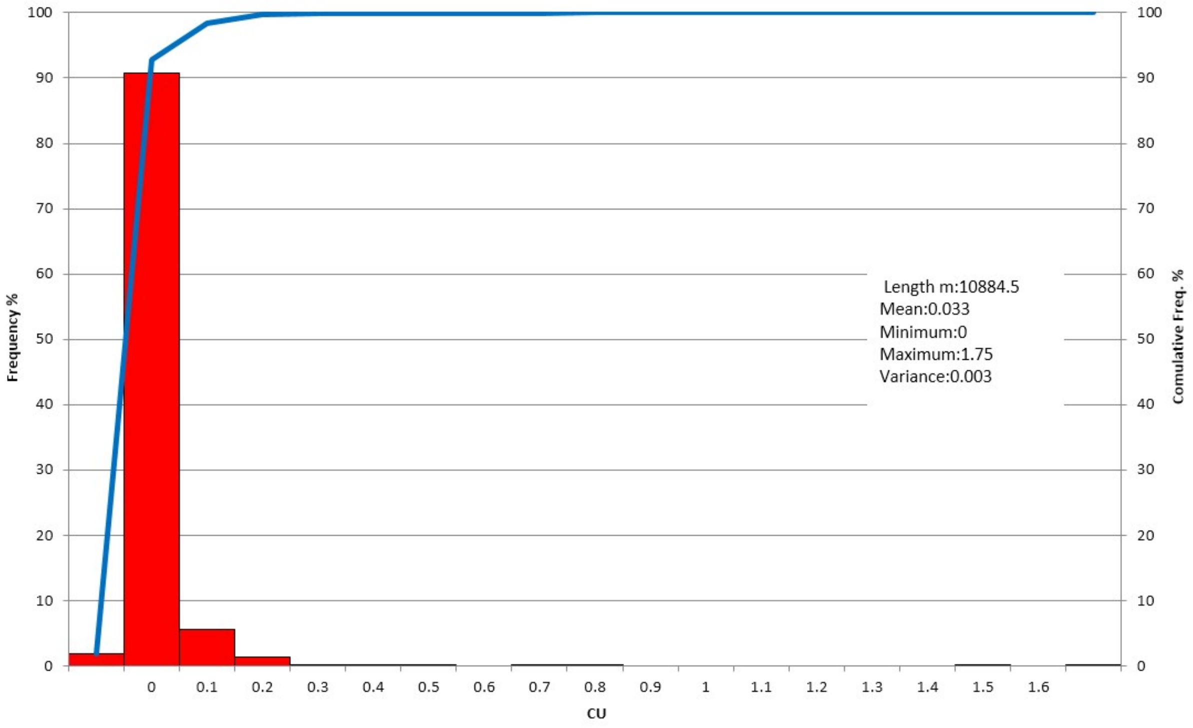


Section 9

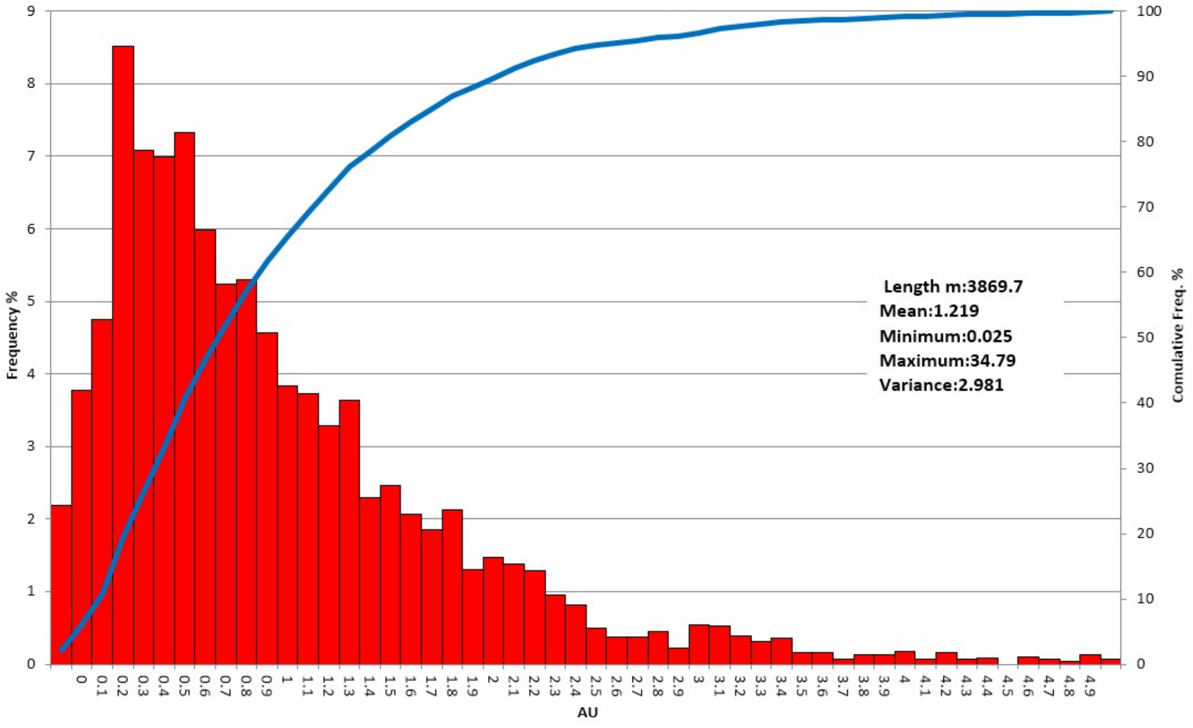
Appendix B: Histograms and Statistics


Histogram for AU - All Data
Frequency %
0
5
10
15
20
25
30
35
40
45
50
Comulative Freq. %
0
10
20
30
40
50
60
70
80
90
100
Length m:10884.5
Mean:0.5
Minimum:0.025
Maximum:34.79
Variance:1.365
0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1 1.1 1.2 1.3 1.4 1.5 1.6 1.7 1.8 1.9 2 2.1 2.2 2.3 2.4 2.5 2.6 2.7 2.8 2.9 3 3.1 3.2 3.3 3.4 3.5 3.6 3.7 3.8 3.9 4 4.1 4.2 4.3 4.4 4.5 4.6 4.7 4.8 4.9
AU

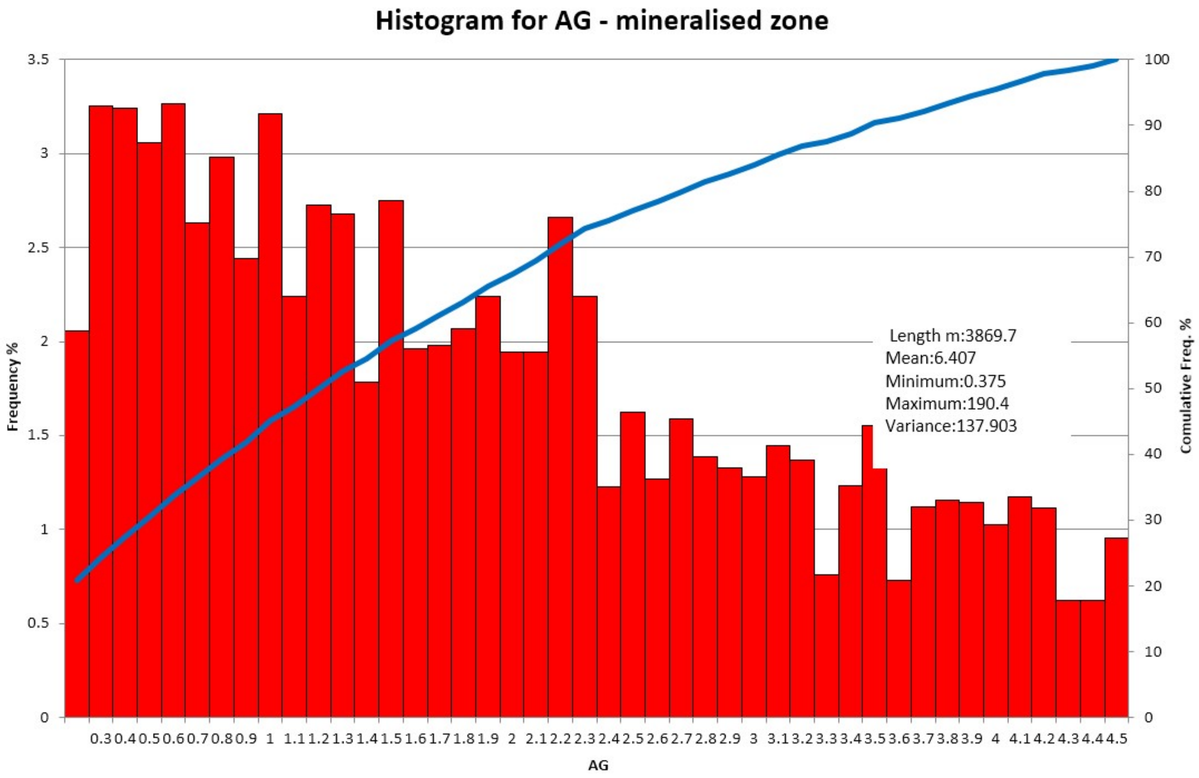

Histogram for AG - All Data
Frequency %
0
5
10
15
20
25
30
35
40
45
Comulative Freq. %
0
10
20
30
40
50
60
70
80
90
100
Length m:10884.5
Mean:2.997
Minimum:0.375
Maximum:190.4
Variance:58.633
0.20.40.60.8 1 1.21.41.61.8 2 2.22.42.62.8 3 3.23.43.63.8 4 4.24.44.64.8 5 5.25.45.65.8 6 6.26.46.66.8 7 7.27.47.67.8 8 8.28.48.68.8 9 9.29.49.69.8
AG

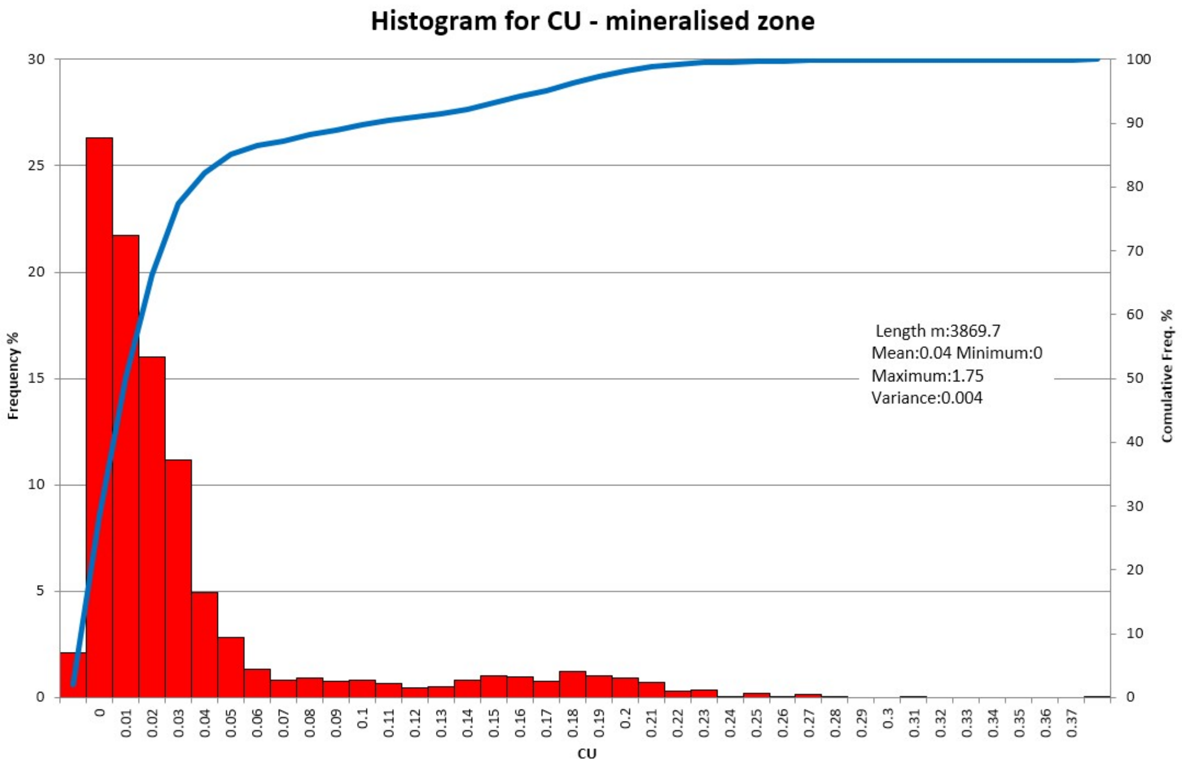


Histogram for CU - All Data



Histogram for AU - mineralised zone


Histogram for AG - mineralised zone
Frequency %
Comulative Freq. %
AG
0
0.5
1
1.5
2
2.5
3
3.5
0
10
20
30
40
50
60
70
80
90
100
0.3 0.4 0.5 0.6 0.7 0.8 0.9 1 1.1 1.2 1.3 1.4 1.5 1.6 1.7 1.8 1.9 2 2.1 2.2 2.3 2.4 2.5 2.6 2.7 2.8 2.9 3 3.1 3.2 3.3 3.4 3.5 3.6 3.7 3.8 3.9 4 4.1 4.2 4.3 4.4 4.5
Length m:3869.7
Mean:6.407
Minimum:0.375
Maximum:190.4
Variance:137.903


Histogram for CU - mineralised zone
Frequency %
Comulative Freq. %
CU
0
5
10
15
20
25
30
0
10
20
30
40
50
60
70
80
90
100
0 0.01 0.02 0.03 0.04 0.05 0.06 0.07 0.08 0.09 0.1 0.11 0.12 0.13 0.14 0.15 0.16 0.17 0.18 0.19 0.2 0.21 0.22 0.23 0.24 0.25 0.26 0.27 0.28 0.29 0.3 0.31 0.32 0.33 0.34 0.35 0.36 0.37
Length m:3869.7
Mean:0.04 Minimum:0
Maximum:1.75
Variance:0.004

Appendix C: Drillhole Collar Data

hole_id	x	y	z	max_depth	hole_type
GTDD01	565173.423	4496827.437	1,907.03	76.5	DD
GTDD02	565238.685	4496871.059	1,886.89	87.25	DD
RGRC01	565226.845	4496897.396	1,885.51	84	RC
RGRC02	565188.902	4496909.231	1,896.80	82	RC
RGRC03	565199.867	4496885.521	1,895.03	120	RC
RGRC04	565175.67	4496873.255	1,902.65	102	RC
RGRC05	565212.099	4496857.204	1,895.82	111	RC
RGRC06	565187.095	4496847.644	1,902.83	90	RC
RGRC07	565201.521	4496946.672	1,888.80	113	RC
RGRC08	565227.273	4496960.209	1,879.43	80	RC
RGRC09	565240.567	4496934.862	1,874.38	81	RC
RGRC10	565264.685	4496947.009	1,867.17	54	RC
RGRC11	565278.053	4496920.284	1,866.33	68	RC
RGRC12	565254.444	4496916.843	1,872.04	69	RC
RGRC13	565264.942	4496883.101	1,878.37	85	RC
RGRC14	565233.946	4496857.616	1,890.95	90	RC
RGRC15	565250.738	4496845.542	1,890.14	90	RC
RGRC16	565176.519	4496936.975	1,899.80	96	RC
RGRC17	565218.676	4496980.836	1,883.64	75	RC
RGRC18	565151.143	4496921.426	1,910.78	104	RC
RGRC19	565161.878	4496899.425	1,907.12	87	RC
RGRC20	565254.44	4496973.287	1,870.34	75	RC
RGRC21	565208.569	4496903.57	1,890.33	91	RC
RGRC22	565218.709	4496942.994	1,884.00	76	RC
RGRC23	565195.134	4496866.565	1,898.72	79	RC
RGRC24	565182.973	4496953.864	1,896.01	120	RC
RGRC25	565196.049	4496992.538	1,887.24	78	RC
RGRC26	565278.344	4496984.036	1,862.07	61	RC
RGRC27	565239.013	4496998.68	1,878.43	80	RC
RGRC28	565310.589	4496952.217	1,854.41	103	RC
RGRC29	565302.606	4496935.639	1,859.11	90	RC
RGRC30	565297.765	4496915.477	1,863.32	48	RC
RGRC31	565284.229	4496897.028	1,869.72	75	RC
RGRC32	565282.66	4496876	1,875.81	80	RC
RGRC33	565313.5	4497022.3	1,849.60	103	RC
RGRC34	565165	4496956.9	1,900.40	120	RC
RGRC35	565179.9	4497001.7	1,884.40	100	RC
RGRC36	565140.1	4496950.3	1,899.00	100	RC
RGRC37	565157.4	4496879.7	1,908.00	106	RC
UGDD01	565277.6	4496960.5	1,863.00	285.5	DD
UGDD02	565214.3	4496923.1	1,887.90	401.3	DD
UGDD03	565293.8	4496996.2	1,857.20	138.5	DD
UGDD04	565260.1	4496900.9	1,875.10	123.5	DD
UGDD05	565241.1	4496828.3	1,895.20	139	DD
UGDD06	565220.8	4496877.3	1,890.40	133.35	DD

hole_id	x	y	z	max_depth	hole_type
UGDD07	565228.2	4496919.9	1,883.00	130	DD
UGDD08	565242.7	4496955.5	1,874.00	124	DD
UGDD09	565196.9	4496931.4	1,891.90	126.2	DD
UGDD10	565179.6	4496888.9	1,901.70	122.15	DD
UGDD11	565729	4496925.5	1,820.70	151.5	DD
UGDD12	565166.9	4496852.5	1,908.00	125	DD
UGDD13	565611	4496922.5	1,827.40	151	DD
UGDD14	565163.6	4496937	1,905.20	132	DD
UGDD15	565771.7	4497040	1,803.80	250	DD
UGDD16	565147.4	4496903.4	1,912.40	134	DD
UGDD17	565130.3	4496869.2	1,919.70	110	DD
UGDD18	565220.2	4497005.4	1,883.00	125.4	DD
UGDD19	565253.1	4496998.2	1,873.30	117	DD
UGDD20	565249.9	4496873.2	1,884.10	125	DD
UGDD21	565207.6	4496970.2	1,885.90	104.5	DD
UGDD22	565269.9	4497031	1,867.20	136	DD
UGDD23	565299.8	4496844.4	1,880.50	117	DD
UGDD24	565236.6	4497043.7	1,869.20	134	DD
UGDD25	565305.5	4496888.3	1,870.80	120	DD
UGDD26	565324.4	4496926.9	1,854.10	135	DD
UGDD27	565284.6	4496933	1,863.70	124	DD
UGDD28	565311	4496997.8	1,849.70	119.3	DD
UGDD29	565313.6	4497059	1,846.70	130	DD
UGDD30	565297.8	4496975.7	1,854.60	126	DD
UGDD31	565210	4496841.9	1,898.40	109	DD
UGDD32	565171.9	4496986.5	1,890.20	113	DD
UGDD33	565335.4	4496965	1,842.90	122	DD
UGDD34	565119.6	4496957.4	1,898.90	133	DD
UGDD35	565109.4	4496919.1	1,916.20	130.5	DD
UGDD36	565351.1	4497001.9	1,833.40	122.5	DD
UGDD37	565115.5	4496831.8	1,930.20	103.5	DD
UGDD38	565197.6	4497052.6	1,866.50	122	DD
UGDD39	565094.7	4496884.3	1,925.80	126.5	DD
UGDD40	565075.5	4496842.1	1,932.60	150	DD
UGDD41	565087	4496754.7	1,913.90	121.5	DD
UGDD42	565115.4	4496878.5	1,924.90	80	DD
UGDD43	565130.9	4496909.9	1,916.40	61.75	DD
UGDD44	565188.4	4496977.7	1,890.00	61.8	DD
UGDD45	565194.1	4497020.6	1,878.80	71	DD
UGDD46	565228.9	4497023.8	1,878.00	70	DD
UGDD47	565262.6	4497016.5	1,870.40	71.5	DD
UGDD48	565298.4	4497007.9	1,856.90	67	DD
UGDD49	565167.4	4496915.1	1,905.60	61	DD
UGDD50	565140.6	4496999.8	1,882.60	67	DD
UGRC01	565169.7	4496819.6	1,908.80	33	RC

hole_id	x	y	z	max_depth	hole_type
UGRC02	565146.5	4496867.7	1,913.20	34	RC
UGRC03	565305.8	4496888.9	1,871.10	34	RC
UGRC04	565275.6	4496958.6	1,863.30	27	RC
UGRC05	565309.2	4496928.2	1,858.00	13	RC
UGRC06	565343	4496922.9	1,850.30	32	RC
UGRC07	565320.4	4496969.7	1,847.30	34	RC
UGRC08	565347.6	4497022.1	1,833.50	31	RC
UGRC09	565336.7	4497000.4	1,837.60	22	RC
UGRC10	565266.6	4496930	1,867.20	34	RC
UGRC11	565290.5	4496997.6	1,857.70	34	RC
UGRC12	565267.4	4497018.4	1,869.10	34	RC
UGRC13	565234.9	4496976.4	1,877.70	34	RC
UGRC14	565212.8	4496921.8	1,888.00	34	RC
UGRC15	565222.6	4497010.3	1,882.50	34	RC
UGRC16	565184.4	4496970.7	1,892.90	34	RC
UGRC17	565204.8	4496869.1	1,896.00	34	RC
UGRC18	565244.7	4496887.2	1,882.10	34	RC
UGRC19	565090.1	4496843.9	1,931.90	34	RC
UGRC20	565163.8	4496916.4	1,905.70	30	RC
UGRC21	565240.9	4497048	1,867.10	34	RC
UGRC22	565284.2	4497058.9	1,854.60	34	RC
UGRC23	565295.5	4496849	1,880.00	34	RC
UGRC24	565106.9	4496906.4	1,921.20	34	RC
UGRC25	565140.8	4496976.5	1,891.60	25	RC
UGRC25A	565144.7	4496977.5	1,891.60	34	RC
UGRC26	565173.9	4497025.1	1,875.20	31	RC
UGRC27	565229.9	4496839.6	1,895.30	34	RC
UGRC28	565355	4496609.9	1,921.10	34	RC
UGRC29	565303.1	4496611.9	1,915.40	34	RC
UGRC30	565318.5	4496657.4	1,915.50	34	RC
UGRC31	565190.3	4496748.9	1,906.10	34	RC
UGRC32	565209.5	4496795.3	1,904.00	34	RC
UGRC33	565147.3	4496776.7	1,914.30	34	RC
UGRC34	565126.2	4496745	1,909.80	34	RC
UGRC35	565057	4496754	1,915.30	34	RC
UGRC36	565104.5	4496793.5	1,923.80	34	RC
UGRC37	565058.9	4496793.8	1,923.90	34	RC
UGRC38	565027.4	4496748.3	1,918.40	34	RC
UGRC39	564988.8	4496778.9	1,921.70	34	RC
UGRC40	565022.2	4496827.5	1,922.50	34	RC
UGRC41	565045.5	4496870.5	1,922.00	34	RC
UGRC42	565057.2	4496912.7	1,913.60	34	RC
UGRC43	564979	4496851.6	1,912.40	34	RC
UGRC44	564948.3	4496808.5	1,919.60	34	RC
UGRC45	564909.6	4496841.8	1,912.60	34	RC

hole_id	x	y	z	max_depth	hole_type
UGRC46	564883.7	4496797.6	1,925.90	34	RC
UGRC47	564921.3	4496775.2	1,926.50	34	RC
UGRC48	564852.4	4496758.8	1,929.80	34	RC
UGRC49	564810.6	4496782.7	1,932.90	34	RC
UGRC50	564840.8	4496824.2	1,921.10	34	RC
UGRC51	564765.9	4496810.9	1,933.80	34	RC
UGRC52	564743.3	4496771.6	1,942.90	34	RC
UGRC53	565702.2	4497046.2	1,785.40	34	RC
UGRC54	565794.7	4497051	1,803.50	34	RC
UGRC55	565770.8	4497019.6	1,807.90	34	RC

Appendix D: JORC Code, 2012 Edition – Table 1

The following table provides a summary of assessment and reporting criteria used at the Ugur deposit for the reporting of exploration results, Mineral Resources and Ore Reserves in accordance with the JORC Table 1 checklist in The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition).

JORC Code, 2012 Edition – Table 1 report: Ugur Deposit (Anglo Asian Mining plc)

Mineral Resource and Ore Reserve statement date: 14 August 2017

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Full core was split longitudinally 50% using a rock diamond saw and half-core samples were taken at typically 100 centimetre intervals or to rock contacts if present in the core run for both mineralisation and wall rock. The drill core was rotated prior to cutting to maximise structure to core axis of the cut core. • Reverse Circulation (RC) drill samples were collected via a cyclone system in calico sample bags following on site splitting using a standard riffle "Jones" splitter attached to the RC drill rig cyclone, and into plastic chip trays for every one metre interval. • To ensure representative sampling, diamond drill core was marked considering mineralisation and alteration intensity, after ensuring correct core run marking with regards recovery. • RC samples were routinely weighed to ensure sample is representative of the metre run. • Sampling of drill core and RC cutting were systematic and unbiased. • RC samples varies from 3kg to 6kg, the smaller weight sample

Criteria	JORC Code explanation	Commentary
		related to losses where water was present. The average sample size was 4.7kg, and pulverised to produce a 50g sample for routine Atomic Absorption analysis and check fire assaying. • Handheld XRF (model THERMO Niton XL3t) was used to assist with mineral identification during field mapping and core logging procedures.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Both diamond core drilling and reverse circulation (RC) drilling were completed. • Upper levels of core drilling from collar to an average depth of 35metres at PQ (85.0 mm) core single barrel wireline, stepping down to HQ (63.5mm) when necessary. • Diamond Core Drilling with HQ (63.5mm) core single tube barrel, stepping down to NQ (47.6mm) core barrel when necessary. • Diamond Core drilling with NQ (47.6mm) core single tube barrel • The proportions of PQ:HQ:NQ drilling were 17:60:23 percentage. • Oriented drill coring was not used. • Reverse Circulation drilling using 133 millimetre diameter face sampling drill bit. • Downhole surveying was carried out on 92% of core drillholes utilising Reflex EZ-TRAC equipment at a downhole interval of every 9 metres. • Drilling penetration speeds were also noted to assist with rock hardness indications.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of*	• Core recovery (TCR – total core recovery) was recorded at site, verified at the core logging facility and subsequently entered into the database. The average core recovery was 93%. Recovery measurements were poor in fractured and faulted rocks, however

Criteria	JORC Code explanation	Commentary
	fine/coarse material.	the contract drill crew maximised capability with use of drill muds and reduced core runs to enure best recovery. In these zones where oxidised friable mineralisation was present, average recovery was 86%. • RC recovery was periodically checked by weighing the sample per metre for RC drill cuttings and compared to theoretical weight. • Geological information was passed to the drilling crews to make the drillers aware of areas of geological complexity, to maximise recovery of sample through the technical management of drilling (downward pressures, rotation speeds, water flushing, use of clays). • Zones of faulting and presence of water resulted in variable weights of RC sample, suggesting losses of fines. Historical drilling at adjacent deposits with similar situations tended to underestimate the in-situ gold grades. • There is no direct relationship between recovery and grade variation, however in core drilling, losses of fines is believed to result in lower gold grades due to washout of fines in fracture zones. This is likely to result in an underestimation of grade, which will be checked during production.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Drill core was logged in detail for lithology, alteration, mineralisation, geological structure, and oxidation state by Anglo Asian Mining geologists, utilising logging codes and data sheets as supervised by the competent person. • RC cuttings were logged for lithology, alteration, mineralisation, and oxidation state. • Logging was considered sufficient to support Mineral Resource estimation, mining studies and metallurgical studies.

Criteria	JORC Code explanation	Commentary
		• Rock Quality Designation (RQD) logs were produced for all core drilling for geotechnical purposes. Fracture intensity and fragmentation proportion analysis was also used for geotechnical information. • Additionally, two “geotechnical” core drillholes were targeted and drilled to pass through mineralisation into wall rocks of the “planned” backwall to the open pit. This ensured geotechnical data collected related to open pit design work. • Point load testing and unconfined compressive strength (UCS) tests were conducted on all major rock (mineralised and wall rock) types. This data was utilised in establishing the open pit design parameters. • Independent geotechnical studies have been completed by the environmental engineering company, CQA International Limited (CQA), to assess rock mass strength and structural geological relationships for mine design parameters. • Logging was both quantitative and qualitative in nature. All core was photographed in the core boxes to show the core box number, core run markers and a scale, and all RC chip trays were photographed. • 100% of the core drilling was logged with a total of 6,354.75 metres of core and 100% of RC drilling with a total of 4,608.00 metres, that is included in the resource model.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to*	• Full core was split longitudinally 50% using a rock diamond saw and half-core samples were taken at typically 100 centimentre intervals or to rock contacts if present in the core run for both mineralisation and wall rock. The drill core was rotated prior to cutting to maximise structure to core axis of the cut core.

Criteria	JORC Code explanation	Commentary
	maximise representivity of samples. • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Half core was taken for sampling for assaying, and one half remains in the core box as reference material. • Reverse Circulation (RC) drill samples were collected in calico sample bags following on site splitting using a standard riffle "Jones" splitter, and into plastic chip trays for every one metre interval. • Where RC samples were wet, the total sample was collected for drying at the laboratory, following which, sample splitting took place. Primary duplicates have also been retained as reference material. • RC field sampling equipment was regularly cleaned to reduce the chance of sample contamination by previous samples, on a metre basis by compressed air. • Both core and RC samples were prepared according best practice, with initial geological control of the half core or RC samples, followed by crushing and grinding at the laboratory sample preparation facility that is routinely managed for contamination and cleanliness control. Sampling practice is considered as appropriate for Mineral Resource Estimation. • Sample preparation at the laboratory is subject to the following procedure. ➢ After receiving samples at the laboratory from the geology department, all samples are cross referenced with the sample order list. ➢ All samples are dried in the oven at 105-110 degree centigrade temperature ➢ First stage sample crushing to -25mm size

Criteria	JORC Code explanation	Commentary
		➢ Second stage sample crushing to -10mm size. ➢ Third stage sample crushing to -2mm size. ➢ After crushing the samples are split and 200-250 gramme sample taken. ➢ A 75 micron sized prepared pulp is produced that is subsequently sent for assay preparation. • Quality control procedures were used for all sub-sampling preparation. This included geological control over the core cutting, and sampling to ensure representativeness of the geological interval. • 127 Field duplicates of the reverse circulation (RC) samples were collected, representing 2.6% of the total RC metres drilled. • Sample sizes are considered appropriate to the grain size of the material and style of mineralisation being sampled, by maximising the sample size, hence the total absence of any BQ drill core.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Laboratory procedures and assaying and analysis methods are industry standard. They are well documented and supervised by a dedicated laboratory team. The techniques of Atomic Absorption and Fire Assay were utilised, and as such both partial and total techniques were employed. • Handheld XRF (model THERMO Niton XL3t) was used to assist with mineral identification during field mapping and core logging procedures. • Commencement of drilling was 23/09/2016 and completion was 15/07/2017 being 295 days, during which period 4,928 RC samples and 6,447 core drill samples (a total of 11,375 samples) were taken. A total of 1,740 QA/QC samples were measured, equivalent to

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>
15.3%.

QA/QC procedures included the use of field duplicates of RC samples, blanks, certified standards or certified reference material (CRMs) from OREAS (Ore Research & Exploration Pty Ltd Assay Standards, Australia), in addition to the laboratory control that comprised pulp duplicates, check samples, and replicate samples. This QA/QC system allowed for the monitoring of precision and accuracy of assaying for the Ugur deposit.
The quality of the QA/QC is considered adequate for resource and reserve estimation purposes.
Pulp duplicates analysis showed the largest error in waste or very high grade samples (see below), <i>Note: with silver classified by gold grade:</i>

Pulp Duplicates for gold and silver
<table>
<tr><th>Gold Grade Range g/t</th><th>Au (1) Average g/t Au</th><th>Au (2) Average g/t Au</th><th>Ag (1) Average g/t Ag</th><th>Ag (2) Average g/t Ag</th></tr>
<tr><td>Average</td><td>1.46</td><td>1.48</td><td>1.86</td><td>1.77</td></tr>
<tr><td>0.0 to ≤0.3</td><td>0.10</td><td>0.21</td><td>1.86</td><td>1.77</td></tr>
<tr><td>0.3 to ≤1.0</td><td>0.64</td><td>0.69</td><td>4.51</td><td>4.33</td></tr>
<tr><td>1.0 to ≤2.0</td><td>1.44</td><td>1.44</td><td>8.10</td><td>7.93</td></tr>
<tr><td>2.0 to ≤5.0</td><td>2.82</td><td>2.74</td><td>13.62</td><td>13.52</td></tr>
<tr><td>5.0 to ≤20.0</td><td>7.27</td><td>7.23</td><td>32.09</td><td>29.91</td></tr>
</table>

External check assay was carried out by ALS Minerals (OMAC) based in Ireland. The following analytical work was conducted for each sample:

Sample login / pulverize split to 85% < 75 micron / pulverizing

</td></tr>
</table>

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>QC test / Received sample weight
➢ Ore grade for Gold 30g AA finish
➢ 35 Element Aqua Regia ICP-AES analysis (to include the following elements: Ag, Al, As, B, Ba, Be, Bi, Ca, Cd, Co, Cr, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, Zn.
• Comparison of average gold grades between the on-site laboratory and ALS shows a general bias towards the on-site laboratory under-estimating grade with the exception of high grade (as presented below):
<table>
<tr><th>Gold Grade Range</th><th>AAZ Average g/t Au</th><th>ALS Average g/t Au</th></tr>
<tr><td>Average</td><td>0.83</td><td>0.90</td></tr>
<tr><td>0.0 to≤0.3</td><td>0.08</td><td>0.08</td></tr>
<tr><td>0.3 to ≤1.0</td><td>0.60</td><td>0.70</td></tr>
<tr><td>1.0 to ≤2.0</td><td>1.31</td><td>1.36</td></tr>
<tr><td>2.0 to ≤5.0</td><td>2.97</td><td>3.76</td></tr>
<tr><td>5.0 to ≤20.0</td><td>12.21</td><td>11.16</td></tr>
</table>
• Based on QA/QC work, and instances of poor repeatability, it is recommended to carry out thorough QA/QC of all samples during the extraction process and assess laboratory capacities.</td></tr>
<tr><td>Verification of sampling and assaying</td><td>• The verification of significant intersections by either independent or alternative company personnel.
• The use of twinned holes.
• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</td><td>• Significant intersections were verified by a number of company personnel within the management structure of the Exploration Department. Intersections were defined by the exploration geologists, and subsequently verified by the Exploration Manager.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	- *Discuss any adjustment to assay data.*	Further, independent verification was carried out as part of the due diligence for resource estimation. Assay intersection were cross validated with drill core visual intersections. - An initial programme of RC drilling was followed up by a core drilling programme where two drillholes were twinned and validated the presence of mineralisation. Reverse circulation drilling as compared with the core showed a positive grade bias of up to 10%. It is suspected that losses may have occurred during the core drilling process especially in very strongly oxidised mineralised zones due to drilling fluid interaction. - Data entry is supervised by a data manager, and verification and checking procedures are in place. The format of the data is appropriate for direct import into “Datamine”® software. All data is stored in electronic databases within the geology department and backed up to the secure company electronic server that has limited and restricted access. Four main files are created relating to “collar”, “survey”, “assay” and “geology”. Laboratory data is loaded electronically by the laboratory department and validated by the geology department. Any outlier assays are re-assayed. - Independent validation of the database was made as part of the resource model generation process, where all data was checked for errors, missing data, misspelling, interval validation, and management of zero versus no data entries. - All databases were considered accurate for the Mineral Resource Estimate. - No adjustments were made to the assay data.
Location of data points	- *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	- The exploration area was initially surveyed by high resolution drone survey. Five topographic base stations were installed and

Criteria	JORC Code explanation	Commentary
	- *Specification of the grid system used.* - *Quality and adequacy of topographic control.*	accurately surveyed using high precision GPS, that was subsequently tied into the local mine grid using ground based total station surveying (LEICA TS02) equipment. All trench, drill holes collars were then surveyed using total station survey equipment. - Downhole surveying was carried out on 92% of core drillholes utilising Reflex EZ-TRAC equipment at a downhole interval of every 9 metres. - The grid system used is Universal Transverse Mercator (UTM)WGS 84 zone 38T (Azerbaijan) - The adequacy of topographic control is adequate for the purposes of resource and reserve modeling (having been validated by both aerial and ground based survey techniques), with a contour interval of 2m metres.
Data spacing and distribution	- *Data spacing for reporting of Exploration Results.* - *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* - *Whether sample compositing has been applied.*	- Drill hole spacing carried out was from 20 metres over the main mineralised zone to 45 metres on the periphery of the resource. - The data spacing and distribution (20 x 20 metre grid) over the mineralised zones is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. The depth and spacing is considered appropriate for defining geological and grade continuity as required for a JORC Mineral Resource estimate. - No physical sample compositing has been applied for assay purposes, however for some metallurgical tests, 4 to 5 metre composites were applied.
Orientation of data in relation to	- *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* - *If the relationship between the drilling orientation and the orientation of*	- Detailed surface mapping and subsequent drilling has provided the characteristics of the deposit. The orientation of the drill grid to NNE was designed to maximise the geological interpretation in

Criteria	JORC Code explanation	Commentary
geological structure	*key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	terms of true contact orientations. - The Ugur gold deposit is considered as a high sulphidation gold deposit located in rocks ranging from Bajocian (Mid-Jurassic) to Tithonian (Upper-Jurassic) in age. The gold mineralisation is hosted by Upper Bajocian age sub-volcanic rocks, that comprise rhyo-dacitic breccias. These rocks have been intruded into a sub-volcanic sequence that was subsequently subjected to strong hydrothermal alteration. - The Ugur primary mineralisation is hosted in acidic volcanic rocks, that consists of haematite-barite-quartz-kaolin veins-veinlets and breccia, pyritic stock-stockwork and quartz-sulphide veins. The central surface expression of the mineralisation exhibit accumulations of hydrous ferric oxides cementing breccias of silica with vein-veinlets barite-haematite mineralisation. - The deposit was emplaced at the intersection of NW, NE, N and E trending structural systems regionally controlled by a first order NW transcurrent fault structure. The fault dips between 70º to 80° to the north-west. The faults of the central zone control the hydrothermal metasomatic alteration and gold mineralisation. - Given the geological understanding and the application of the drilling grid orientation, grid spacing and vertical drilling, no orientation based sample bias has been identified in the data which resulted in unbiased sampling of structures considering the deposit type.
Sample security	- *The measures taken to ensure sample security.*	- Regarding drill core: at the drilling site which was supervised by a geologist, the drill core is placed into wooden core boxes that are sized specifically for the drill core diameter. Once the box is full, a wooden lid is fixed to the box to ensure not spillage. Core box

Criteria	JORC Code explanation	Commentary
		number, drill hole number and from/to metres are written on both the box and the lid. The core is then transported to the core storage area and logging facility, where it is received and logged into a data sheet. Core logging, cutting, and sampling takes place at the secure core management area. The core samples are bagged with labels both in the bag and on the bag, and data recorded on a sample sheet. The samples are transferred to the laboratory where they are registered as received, for laboratory sample preparation works and assaying. Hence, a chain of custody procedure has been followed from core collection to assaying and storage of reference material. • Reverse Circulation samples are bagged at the drill site and sample numbers recorded on the bags. Batches of 10 metre samples are boxed for transport to the logging facility where the geological study and sample preparation for transfer to the laboratory take place. • All samples received at the core facility are logged in and registered with the completion of an "act". The act is signed by the drilling team supervisor and core facility supervisor (responsible person). All core is photographed, subjected to geotechnical logging, geological logging, samples interval determinations, bulk density, core cutting, and sample preparation (size 3-5 centimetre). • Daily, all samples are weighed and Laboratory order prepared which is signed by the core facility supervisor prior to release to the laboratory. On receipt at the laboratory, the responsible person countersigns the order. • After assaying all reject duplicate samples are received from laboratory to core facility (recorded on a signed act). All reject samples are placed into boxes referencing the sample identities

Criteria	JORC Code explanation	Commentary
		and stored in the core facility. - In the event of external assaying, Anglo Asian Mining utilised ALS-OMAC in Ireland. Samples selected for external assay are recorded on a data sheet, and sealed in appropriate boxes for shipping by air freight. Communication between the geological department of the Company and ALS monitor the shipment, customs clearance, and receipt of samples. Results are sent electronically by ALS and loaded to the Company database for study.
Audits or reviews	- *The results of any audits or reviews of sampling techniques and data.*	- Reviews on sampling and assaying techniques were conducted for all data internally and externally as part of the resource and reserve estimation validation procedure. No concerns were raised as to the procedures or the data results. All procedures were considered industry standard and well conducted. QA/QC tolerance concerns of some of batches of assaying has been raised.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The project is located within a current contract area that is managed under a “PSA” production sharing agreement. • The PSA grants the Company a number of periods to exploit defined licence areas, known as Contract Areas, agreed on the initial signing with the Azerbaijan Ministry of Ecology and Natural Resources ('MENR'). The exploration period allowed for the early exploration of the Contract Areas to assess prospectivity can be extended. • A 'development and production period' commences on the date that the Company issues a notice of discovery, which runs for 15 years with two extensions of five years each at the option of the Company. Full management control of mining in the Contract Areas rests with Anglo Asian Mining. • Under the PSA, Anglo Asian is not subject to currency exchange restrictions and all imports and exports are free of tax or other restriction. In addition, MENR is to use its best endeavours to make available all necessary land, its own facilities and equipment and to assist with infrastructure. • The deposit is not located in any national park. • At the time of reporting no known impediments to obtaining a licence to operate in the area exist and the contract (licence) area agreement is in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The “Ugur” deposit, renamed the “Reza” deposit (named for company exploration identification proposes) is located within the locally defined Ugur area. The Reza gold deposit was discovered in 2016 by the Gedabek Exploration Group of Anglo Asian Mining who

Criteria	JORC Code explanation	Commentary
		worked on the regional area of Ugur from 2014 year. • Historical work on the area included regional mapping and large-scale regional geophysical programmes (magnetic and gravity) by Soviet geologists. • Prior to the drill programme for resource estimate, Anglo Asian Mining carried out the following work: ➢ Stream sediment sampling 7 samples (2014), 16 samples (2016), ➢ Stream Grab sampling; 37 samples (2016) ➢ Geological mapping; 90000m2 1:10000 (2014-2015), 35000m2 1:1000 (2016) ➢ Outcrop sampling; 1,460 samples (2016) ➢ Trenching & shallow pits; 610 samples (2016)
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Ugur gold deposit is located in Gedabek Ore District of the Lesser Caucasus in NW of Azerbaijan, 48 kilometres East of the city of Ganja, and 4.7 kilometres north west of Gedabek open-pit gold copper mine. • The exploration "centre" of the project is the outcrop, independently located on Google Earth at Latitude 40°37'13.10"N and Longitude 45°46'15.34"E. The known gold mineralisation has an estimated north-south strike length of 400 m and a total area of approximately 20 hectares or 0.2 km². The deposit was found based on gold-silver assays of surface outcrop rock chip samples over an area of 2.5 kilometres North-South by 2 kilometres East-West, with the Ugur gold deposit located on the central part. • Secondary quartzites were formed under the influence of Atabek-Slavyanka plagiogranite intrusion with exposures observed to the north from the gold mineralisation area. The area in tectonic attitude is confined to Gyzyldjadag fault of North-eastern sub-

Criteria	JORC Code explanation	Commentary
		latitudinal strike 080° with a vertical dip. • Rocks in the alteration zone area crumpled, argillic altered, brecciated, with strong limonite and haematite alteration, where crystalline haematite is observed. Intensive barite and barite-hematite vein and veinlets, also gossan zones are present in outcrop. The main mineralisation zones have been sampled in three trenches with a total length of 270 metres (trenches #1, #2 and #3) and received positive results for gold and silver. About 550 samples from main outcrops #1 and #2 were taken. • The main mineralised zone comprises secondary quartzites with vein-veinlets barite-haematite mineralisation over which remain accumulations of hydrous ferric oxides cementing breccias of quartz and quartzites. Erosion surfaces exhibit "reddish mass" being an oxidation product of stock and stockwork haematite ores. • A Lithological-structural map of the Gedabek Ore District is presented in the report. • The Ugur gold deposit is considered as a high sulfidation gold deposit located in rocks ranging from Bajocian (Mid-Jurassic) to Tithonian (Up-Jurassic) in age. The gold mineralisation is hosted by an Upper Bajocian age sub-volcanic rocks, that comprise rhyo-dacitic breccias. These rocks have been intruded into a sub-volcanic sequence that was subsequently subjected to strong hydrothermal alteration. • The Ugur primary mineralisation is hosted in acidic volcanic rocks, that consists of haematite-barite-quartz-kaolin veins-veinlets and breccia, pyritic stock-stockwork and quartz-sulphide veins. The central surface expression of the mineralisation exhibit accumulations of hydrous ferric oxides cementing breccias of silica with vein-veinlets barite-haematite mineralisation. • The deposit was emplaced at the intersection of NW, NE, N and E

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>trending structural systems regionally controlled by a first order NW transcurrent fault structure. The fault dips between 70º to 80° to the north-west. The faults of the central zone control the hydrothermal metasomatic alteration and gold mineralisation.</td></tr>
<tr><td><i>Drill hole Information</i></td><td><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i>
<i>easting and northing of the drill hole collar</i>
<i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i>
<i>dip and azimuth of the hole</i>
<i>down hole length and interception depth</i>
<i>hole length.</i>
<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></td><td>A summary of the type and metres of drilling completed is shown below:
<table>
<tr><th>Type of drill-hole</th><th>Type</th><th>Start date</th><th>Finish date</th><th>Number of drill holes</th><th>Length (metres)</th></tr>
<tr><td>Reverse circulation</td><td>Reverse circulation</td><td>23-Sep-16</td><td>14-Nov-16</td><td>56</td><td>1,842</td></tr>
<tr><td>Core</td><td>Diamond</td><td>04-Oct-16</td><td>25-Jun-17</td><td>50</td><td>6,355</td></tr>
<tr><td>Geotechnical</td><td>Diamond</td><td>16-Apr-17</td><td>27-Apr-17</td><td>2</td><td>164</td></tr>
<tr><td>Reverse circulation</td><td>Reverse circulation</td><td>19-Mar-17</td><td>09-Jul-17</td><td>33</td><td>2,766</td></tr>
<tr><td>TOTAL DRILLING</td><td></td><td></td><td></td><td>141</td><td>11,127</td></tr>
</table>
Coordinates and RL of the drill collars and depth to end of drill hole are presented in Appendix C.
DD drillholes are diamond core drillholes
RC drillhole are reverse circulation drillholes
Regarding dip and azimuth data of the core drill holes, all drill holes were vertical. The largest variation of all drill holes was 3.2 degrees off the vertical confirmed by downhole surveying. The full data set is presented in the final JORC Mineral Resources report.
Intercept information has been previously provided in regulatory announcements (see section “substantive exploration data” below).
The diameter of the drill core for each drill hole is presented below:</td></tr>
</table>

Criteria	JORC Code explanation	Commentary

hole_id	from	to	length	diameter
UGDD01	0.00	127.00	127.00	HQ
UGDD01	127.00	285.50	158.50	NQ
UGDD02	0.00	72.50	72.50	PQ
UGDD02	72.50	184.00	111.50	HQ
UGDD02	184.00	401.30	217.30	NQ
UGDD03	0.00	42.00	42.00	PQ
UGDD03	42.00	138.50	96.50	HQ
UGDD04	0.00	40.00	40.00	PQ
UGDD04	40.00	123.50	83.50	HQ
UGDD05	0.00	42.00	42.00	PQ
UGDD05	42.00	139.00	97.00	HQ
UGDD06	0.00	43.00	43.00	PQ
UGDD06	43.00	133.35	90.35	HQ
UGDD07	0.00	60.15	60.15	PQ
UGDD07	60.15	130.00	69.85	HQ
UGDD08	0.00	70.00	70.00	PQ
UGDD08	70.00	124.00	54.00	HQ
UGDD09	0.00	49.00	49.00	PQ
UGDD09	49.00	126.20	77.20	HQ
UGDD10	0.00	63.00	63.00	PQ
UGDD10	63.00	122.15	59.15	HQ
UGDD11	0.00	65.00	65.00	PQ
UGDD11	65.00	151.50	86.50	HQ
UGDD12	0.00	57.70	57.70	PQ
UGDD12	0.00	125.00	125.00	HQ
UGDD13	0.00	58.00	58.00	PQ
UGDD13	58.00	151.00	93.00	HQ
UGDD14	0.00	40.00	40.00	PQ
UGDD14	40.00	132.00	92.00	HQ

Criteria	JORC Code explanation	Commentary				
		UGDD15	0.00	60.00	60.00	PQ
		UGDD15	60.00	250.00	190.00	HQ
		UGDD16	0.00	48.00	48.00	PQ
		UGDD16	48.00	134.00	86.00	HQ
		UGDD17	0.00	59.50	59.50	PQ
		UGDD17	59.50	110.00	50.50	HQ
		UGDD18	0.00	35.50	35.50	PQ
		UGDD18	35.50	125.40	89.90	HQ
		UGDD19	0.00	33.00	33.00	PQ
		UGDD19	33.00	117.00	84.00	HQ
		UGDD20	0.00	41.50	41.50	PQ
		UGDD20	41.50	125.00	83.50	HQ
		UGDD21	0.00	30.00	30.00	PQ
		UGDD21	30.00	104.50	74.50	HQ
		UGDD22	0.00	37.00	37.00	PQ
		UGDD22	37.00	136.00	99.00	HQ
		UGDD23	0.00	34.00	34.00	PQ
		UGDD23	34.00	117.00	83.00	HQ
		UGDD24	0.00	37.00	37.00	PQ
		UGDD24	37.00	134.00	97.00	HQ
		UGDD25	0.00	16.00	16.00	PQ
		UGDD25	16.00	120.00	104.00	HQ
		UGDD26	0.00	22.00	22.00	PQ
		UGDD26	22.00	135.00	113.00	HQ
		UGDD27	0.00	37.00	37.00	PQ
		UGDD27	37.00	124.00	87.00	HQ
		UGDD28	0.00	24.00	24.00	PQ
		UGDD28	24.00	119.30	95.30	HQ
		UGDD29	0.00	11.00	11.00	PQ
		UGDD29	11.00	130.00	119.00	HQ
		UGDD30	0.00	34.00	34.00	PQ

Criteria	JORC Code explanation	Commentary				
		UGDD30	34.00	126.00	92.00	HQ
		UGDD31	0.00	14.00	14.00	PQ
		UGDD31	14.00	109.00	95.00	HQ
		UGDD32	0.00	7.00	7.00	PQ
		UGDD32	7.00	113.00	106.00	HQ
		UGDD33	0.00	20.50	20.50	PQ
		UGDD33	20.50	122.00	101.50	HQ
		UGDD34	0.00	20.60	20.60	PQ
		UGDD34	20.60	122.00	101.40	HQ
		UGDD35	0.00	26.50	26.50	PQ
		UGDD35	26.50	130.50	104.00	HQ
		UGDD36	0.00	31.00	31.00	PQ
		UGDD36	31.00	122.50	91.50	HQ
		UGDD37	0.00	27.00	27.00	PQ
		UGDD37	27.00	79.00	52.00	HQ
		UGDD37	79.00	103.50	24.50	NQ
		UGDD38	0.00	9.00	9.00	PQ
		UGDD38	9.00	122.00	113.00	HQ
		UGDD39	0.00	45.00	45.00	PQ
		UGDD39	45.00	126.50	81.50	HQ
		UGDD40	0.00	22.00	22.00	PQ
		UGDD40	22.00	150.00	128.00	HQ
		UGDD41	0.00	21.00	21.00	PQ
		UGDD41	21.00	121.50	100.50	HQ
		UGDD42	0.00	21.00	21.00	PQ
		UGDD42	21.00	80.00	59.00	HQ
		UGDD43	0.00	21.00	21.00	PQ
		UGDD43	21.00	61.75	40.75	HQ
		UGDD44	0.00	21.00	21.00	PQ
		UGDD44	21.00	61.80	40.80	HQ
		UGDD45	0.00	29.00	29.00	PQ

<table>
<tr><td>Criteria</td><td>JORC Code explanation</td><td>Commentary</td></tr>
<tr><td></td><td></td><td><table>
<tr><td>UGDD45</td><td>29.00</td><td>71.00</td><td>42.00</td><td>HQ</td></tr>
<tr><td>UGDD46</td><td>0.00</td><td>22.00</td><td>22.00</td><td>PQ</td></tr>
<tr><td>UGDD46</td><td>22.00</td><td>70.00</td><td>48.00</td><td>HQ</td></tr>
<tr><td>UGDD47</td><td>0.00</td><td>24.00</td><td>24.00</td><td>PQ</td></tr>
<tr><td>UGDD47</td><td>24.00</td><td>71.50</td><td>47.50</td><td>HQ</td></tr>
<tr><td>UGDD48</td><td>0.00</td><td>18.00</td><td>18.00</td><td>PQ</td></tr>
<tr><td>UGDD48</td><td>18.00</td><td>67.00</td><td>49.00</td><td>HQ</td></tr>
<tr><td>UGDD49</td><td>0.00</td><td>20.00</td><td>20.00</td><td>PQ</td></tr>
<tr><td>UGDD49</td><td>20.00</td><td>61.00</td><td>41.00</td><td>HQ</td></tr>
<tr><td>UGDD50</td><td>0.00</td><td>7.00</td><td>7.00</td><td>PQ</td></tr>
<tr><td>UGDD50</td><td>7.00</td><td>67.00</td><td>60.00</td><td>HQ</td></tr>
</table></td></tr>
<tr><td><i>Data aggregation methods</i></td><td>
<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>
<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>
<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>
</td><td>
Drilling results have been reported using intersection intervals based on a gold grade above 0.3 gramme per tonne, and internal waste greater or equal to 1 metre thickness. Grade of both gold and silver within the intersections have been state. The results are presented to 2 decimal places.
No data aggregation and no sample compositing was performed.
Drill sample intervals are based on a 1 metre sample interval, unless stated in the table of drill intersections as previously reported (see the section “other substantive exploration data” below).
No metal equivalent values have been reported.
</td></tr>
<tr><td><i>Relationship between mineralisation widths and intercept lengths</i></td><td>
<i>These relationships are particularly important in the reporting of Exploration Results.</i>
<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>
<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</i>
</td><td>
The relationship between mineralisation widths and intercept lengths in the case of the Ugur deposit is less critical as the mineralisation dominantly forms a broad scale oxide zone. The mineralisation does show trends of grade distribution as determined in the block modelling process.
All intercepts are reported as down-hole lengths. All drilling for the resource and reserve estimate were vertical (see section “Diagrams”).
</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
Diagrams	- *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer main report
Balanced reporting	- *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	- All sampled intervals have been previously reported by Anglo Asian Mining via regulated news service (RNS) announcements of the London Stock Exchange (AIM). These data are available on the Anglo Asian Mining website.
Other substantive exploration data	- *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	- Previous Anglo Asian Mining announcements on the AIM that report on exploration data of the Ugur deposit include: ➢ 17 October 2016; New Gold Discovery at its Gedabek Licence Area ➢ 16 December 2016; Significant oxide zone drilled at newly discovered Ugur deposit ➢ 18 April 2017; Strategy update and Q1 2017 review - Gedabek gold, copper and silver mine, Azerbaijan ➢ 8 May 2017; Ugur Gold Deposit Development & 2017 Strategy Update ➢ 24 July 2017; Ugur Gold Deposit Development and Gedabek Exploration Update - Additional information including photographs of the Ugur area can be viewed on the Anglo Asian Mining website, http://www.angloasianmining.com
Further work	- *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* - *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	- No further exploration drilling is planned at the Ugur deposit. Exploration will continue in the Ugur area to test for extensions of the mineralised zones and for other “centres” of mineralisation. Details of this work has not been planned yet. The intent is to initially produce JORC Mineral Resources and Ore Reserves and to bring the deposit into production.

Criteria	JORC Code explanation	Commentary
		• No diagrams to show possible extensions are presented in this document as the work is yet to commence.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The Ugur database is stored in Excel ® software. A dedicated database manager has been assigned and checks the data entry against the laboratory report and survey data. • Geological data is entered by a geologist to ensure no confusion over terminology, while laboratory assay data is entered by the data entry staff. • A variety of checks are in place to check against human error of data entry. • All original geological logs, survey data and laboratory results sheets are retained in a secure location. • Independent consultants "Datamine" who carried out the resource estimation also carried out periodic database validation during the period of geological data collection, as well as on completion of the database. • The validation procedures used include random checking of data as compared the original data sheet, validation of position of drillholes in 3D models, and targeting figures deemed "anomalous" following statistical analysis. Hence there are several levels of control.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The CP is an employee of the company and as such has been actively in a position to be fully aware of all stages of the exploration and project development. The CP has worked very closely with the independent resource and reserve estimation staff of Datamine, both on site and remotely, to ensure knowledge transfer of the geological situation, to allow geological "credibility" to the modelling process. Extensive visits have been carried out by two staff of Datamine over the last year and have been fully aware

Criteria	JORC Code explanation	Commentary
		of the Ugur project development. All aspects of the data collection and data management has been observed.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The geological interpretation is considered robust. Geological data collection includes surface mapping, stream sediment and outcrop sampling, RC and core drilling. This has amassed a significant amount of information for the deposit. Various software have been used to model the deposit, including Leapfrog ®, Surpac® and Datamine ®, using dynamic anisotropy to develop the mineralised shells which were subsequently verified. • The geological team have worked in the licence area for many years and the understanding and confidence of the geological interpretation is considered high. • No alternative interpretations of the geology have had any effect on the resource model. • The geology has guided the resource estimation, especially the structural control, where for example faulting has defined “hard” boundaries to mineralisation. The deposit structural orientation was used to control the orientation of the drilling grid and the resource estimation search ellipse orientation. • Grade and geological continuity has been established by the extensive 3D data collection. The deposit is relatively small (300 metres by 200 metres), and the continuity is well understood, especially in relation to structural effects. • A geological interpretation of main mineralised body was completed utilising geological sections typically at spacings of about 20m. These interpretations were used to form a wireframe (solid) in Datamine, that was subsequently used as the main domain/mineralised zones for resource estimation.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the*	• The footprint of the whole mineralisation is about 300metres by 200 metres, with about 110 metres overall thickness. The main

Criteria	JORC Code explanation	Commentary
	upper and lower limits of the Mineral Resource.	mineralised domain is 230 metres by 170 metres in plan and about 100metres thickness.

Estimation and modelling techniques	- *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*
	- *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*
	- *The assumptions made regarding recovery of by-products.*
	- *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*
	- *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*
	- *Any assumptions behind modelling of selective mining units.*
	- *Any assumptions about correlation between variables.*
	- *Description of how the geological interpretation was used to control the resource estimates.*
	- *Discussion of basis for using or not using grade cutting or capping.*
	- *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*
		- A geological interpretation of main mineralised body was completed utilising geological sections typically at spacings of about 20m. These interpretations were used to form a wireframe (solid) in Datamine, that was subsequently used as the main domain/mineralised zone for resource estimation. Estimation process includes:
		  - Drill holes data were flagged as inside and outside of main zones of mineralisation. Outlier study of gold and silver showed a few samples out of range. A top-cut grade of 16 g/t for gold and 108 g/t for silver was applied for data inside the main mineralised zone.
		  - Drill holes data composited by 2m along the holes.
		  - Variogram analyses of gold data has been carried out using Datamine software. The ranges of variograms at major and semi-major direction are 30 metres and 23 metres. Minor directions show poor continuity and it considered as 10m. The major Azimuth is 040 degrees with 20 degree dip.
		  - Three estimation passes were used; the first search was based upon the variogram ranges in the three principal directions (30x25x10). The second search was 1.5 times and third search was 2 times of first search. Min and Max of samples were 5 and 14 for first and second search and 1 and 14 for third search.
		  - Estimation was carried out using ordinary kriging at the parent block.
		  - More than 90% of blocks inside the main domain/mineral zone are estimated in first search as they fall in the dense drilling area, being the main zone of mineralisation.

Criteria	JORC Code explanation	Commentary
		- The estimated gold block model grades were visually validated against the input drillhole data. Comparisons were carried out against the drillhole data by bench. - The resource estimation was carried out using Datamine Studio RM software. - No previous mining has occurred to allow for check estimates. This will be a requirement on production start-up. - The deposit contains gold and silver mineralisation, with minor copper, and other base metal were tested, and full multi-element analysis was carried out at external laboratories. Results showed no other by-products. - Deleterious non-grade elements were checked and the situation of acid rock drainage (ARD) studies. However, given the extraction dominantly of oxide ores (87% oxide, 3% sulphide, 0.1% transition, 9.9% unclassified within the samples zone) and the processing at a current facility, there are no immediate concerns. Should future mining of the sulphide zone occur or sulphide be released, independent on-site environmental engineers will monitor and recommend mitigation of ARD situations. - A block model was created with parent size of 5x5x5 metres. Sub-blocking is not allowed in X and Y but in Z direction minimum to ½ of block height. This is considered optimum with regards the data spacing and for the planned extraction design, with 5 metre open pit benches in "ore".
Moisture	- *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	- Tonnage has been estimated on a dry basis
Cut-off parameters	- *The basis of the adopted cut-off grade(s) or quality parameters applied.*	- Continuity of grade was assessed at a range of cut-offs between 0.1 g/t gold and 1.0 g/t gold in 0.1 g/t increments. A tonnage-grade table and graph was prepared based on different cut-off. Following interrogation of data and continuity, the resources area reported

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>above 0.2 g/t gold grade cut-off.</td></tr>
<tr><td>Mining factors or assumptions</td><td>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</td><td>Given the geometry of the mineralised zone, the fact the central part is exposed at surface, and a very low forecast waste ratio, an open pit mining method is selected. Other mining factors are not applied at this stage.</td></tr>
<tr><td>Metallurgical factors or assumptions</td><td>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</td><td>The Company currently operates an agitated leach plant, a flotation plant, a crushed heap leach facility, and a run-of-mine dump leach facility. As such, the basis for assumptions and predictions of processing routes and type of “ores” suitable for each process available are well understood.
Metallurgical testwork has been carried out to assess the amenability of the Ugur mineralisation to cyanidation and leaching processes. The results showed a high level of amenability. The mineralisation is an “oxide” type, that is relatively soft, and requires comparatively low levels of processing reagents for recovery.
Metallurgical testwork was carried out on samples with a mean of a range of gold grades; 3.6g/t, 2.5g/t, 1.5g/t and 1.0g/t. The results for a 48 hour bottle roll test showed high gold recovery and low cyanide usage (see below).
<table>
<tr><th colspan="2">Leaching, %</th></tr>
<tr><th>Au</th><th>Ag</th></tr>
<tr><td>88.5</td><td>82.8</td></tr>
<tr><td>85.7</td><td>62.0</td></tr>
<tr><td>95.0</td><td>60.5</td></tr>
<tr><td>83.8</td><td>73.2</td></tr>
</table></td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		• No metallurgical factors assumptions have been used in mineral resource estimate.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• The Ugur deposit is located within a mining contract area in which the company operates two other mines. As part of the initial start-up, environmental studies and impacts were assessed and reported. This includes the nature of process waste as managed in the tailings management facility (TMF). Other waste products are fully managed under the HSEC team of the company (including disposal of mine equipment waste such as lubricants and oils). • An independent environmental engineering company CQA International Ltd (CQA) has carried out a study of Ugur including installing baseline monitoring systems, and will be integral to the extraction and processing of the ores. • No environmental assumptions have been used in mineral resource estimation.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density measurements have been determined. A total of 538 samples were tested from selected core samples, that comprised both mineralisation and wall rocks. The density was tested by rock type, extent of alteration and depth. The method used was hydrostatic weighing. • Of the 538 samples, 426 density measurement samples are inside mineralisation wireframes. The average density of these samples is 2.6 t/m^3 and has been used for resource calculation. • Density data are considered appropriate for Mineral Resource estimation.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*	• The Mineral Resource has been classified on the basis of confidence in the continuity of mineralised zones, as assessed by the geological block model based on sample density, drilling density, and confidence in the geological database. Depending on

Criteria	JORC Code explanation	Commentary
	- *Whether the result appropriately reflects the Competent Person's view of the deposit.*	the estimation parameters (number of samples per search volume), the resources were classified as Measured, Indicated or Inferred Mineral resources, as defined by the parameters below: ➢ Blocks inside the mineralised zone that capture samples with at least 2 drill holes in first search volume were considered as Measured Resources. ➢ Blocks inside the mineralised zone that capture samples from at least 2 holes data in second search volume are considered as Indicated Resources. ➢ Blocks inside the mineralised zone which fall within with in third search volume are considered as Inferred Resources. ➢ All blocks outside of main central mineralised zone are considered as Inferred. • The results reflect the Competent Person's view of the deposit.
Audits or reviews	- *The results of any audits or reviews of Mineral Resource estimates.*	• Datamine company developed and audited the Mineral Resource block model. Two Datamine engineers worked on the resources and reserves and were able to verify work and procedure. • Datamine have been involved with other mining projects of the company within the same licence area as Ugur and as such are familiar with the processing methods available, value chain of the mining and cost structure. The data has been audited and considered robust for Mineral Resource estimates. • Internal company and external reviews of the Mineral Resources yield estimates that are consistent with the Mineral Resource results. The methods used include sectional estimation, and three-dimensional modelling utilising both geostatistical and inverse distance methodologies. All results showed good correlation. • Recommendations include upgrading laboratory and management systems, and the future implementation of a laboratory information management system. The grade control data

Criteria	JORC Code explanation	Commentary
		produced during mining should be correlated back into the resource model to check for consistency or variation.
Discussion of relative accuracy/ confidence	- *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* - *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* - *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	- Statistical and visual checking of the block model is as expected given the geological data. The mineralisation is tightly constrained geologically, and the level of data acquired and the resource estimation approach is to international best practice. The application of both statistical and geostatistical approaches results in high confidence of the resource resulting in the appropriate relative amounts of Measured, Indicated and Inferred Mineral resources. The periphery of the deposit where sample density was not as high as over main mineralised zone, yielded much of the Inferred category resource. - The drilling grid and sample interval is sufficient to assign Measured and Indicated Mineral Resources. - The Mineral Resource statement relates to a global estimate for the Ugur deposit. - The Ugur deposit has not been previously mined, so no production data is available for comparison. It is recommended that on commencement of extraction of mineralisation, grade control and mining data are used to compare with the Resource model.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Estimation and Reporting of Ore Reserves is not applicable to this Statement of Mineral Resources

Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Estimation and Reporting of Diamonds and Other Gemstones in not applicable to this Statement of Resources

GLOSSARY AND OTHER INFORMATION

1. GLOSSARY OF JORC CODE TERMS

The following definitions are extracted from the JORC Code, 2012 Edition

Cut-off grade	The lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.
Indicated Mineral Resource	An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.
Inferred Mineral Resource	An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
JORC	JORC stands for Australasian Joint Ore Reserves Committee (JORC). The Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) is widely accepted as the definitive standard for the reporting of a company's resources and reserves. The latest JORC Code is the 2012 Edition.

Measured Mineral Resource	A ‘Measured Mineral Resource’ is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve
Mineral Reserves or Ore Reserves	An ‘Ore Reserve’ is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.
Mineral Resource	A ‘Mineral Resource’ is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Modifying Factors	‘Modifying Factors’ are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
Probable Ore Reserve	A ‘Probable Ore Reserve’ is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.

Proved Ore Reserve	A ‘Proved Ore Reserve’ is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.

2. SOFTWARE USED IN THE MINERAL RESOURCE AND RESERVES ESTIMATE

“***Datamine Studio RM***” and “***NPV Scheduler***” software was used in the estimate of Mineral Resources.

"***NPV Scheduler"*** is computer software that uses the Lerch-Grossman algorithm, which is a 3-D algorithm that can be applied to the optimisation of open-pit mine designs. The purpose of optimisation is to produce the most cost effective and most profitable open-pit design from a resource block model to define the reserve.

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