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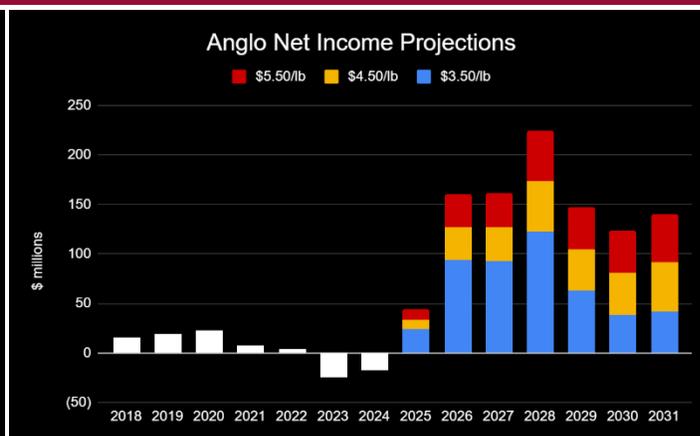
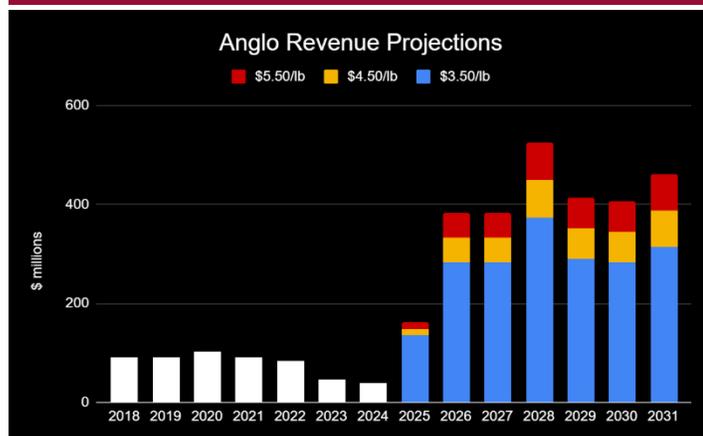


Anglo Asian Mining is a copper-gold mining company based in Azerbaijan. They currently own 8 contract areas and have brought two new mines online in 2025 that are set to increase production from around 16k GEOs in 2024 to around 160k GEOs in 2026. Anglo Asian first began production in 2009 and is a founder-led business, with founder and CEO Reza Vaziri owning around 32% of the company.

H1 2025 earnings

USD millions	H1 2025	H1 2024	% change
Gold production / oz	12,115	4,704	158%
Copper production / t	1,188	100	1088%
Revenue	41	13	215%
Operating income	8.8	-4.7	-%
Net income	4.7	-4.1	-%
EPS common shareholders	4.07	-3.57	-%
Capex	8.0	6.3	27.0%
Operating margin	21.4%	-35.3%	56.7%
Net debt / equity	11.8%	14.9%	-3.1%
Equity	72	81	-11.1%
RoE (annualised)	12.9%	-10.2%	23.1%

Results Trend



Projections are based on \$3200/oz gold and three different copper price scenarios

Financial Highlights

- Production of gold and copper was up drastically from H1 2024. The figures are skewed as the flotation plant was reopened in H2 2024, and so the increase is from an unusually low base. Production figures over the next 18 months will continue to rise dramatically as Gilar entered production in May 2025 and Demirli began production in July 2025. We expect to see gold production of 43koz and copper production of 30kt in 2026.

- Revenue was up 215% on the back of higher production and higher metal prices.
- Operating income was a little better than expected at \$8.8m, as cost of sales came in below expectations. It reflects the strong cost control measures that Anglo have had in place since 2023.
- Anglo returned to profitability with net income of \$4.7m vs a \$4.1m loss in H1 2024. Again, this was driven by the reopening of the flotation plant and a return to full production.
- Capex was disciplined again with just \$8m required in H1. Most of that was focused on Demirli, a mine capable of delivering \$40-50m FCF per year.
- Balance sheet remains strong with \$11m cash, \$18m debt, and expected to generate around \$130m FCF in 2026. Net debt / equity dropped YoY to 11.8%.
- Equity dropped from \$80m to \$72m. This mostly reflects a drawdown on inventory as Anglo maximised operating cashflow during a period while the flotation plant was closed.
- There were no dividend payments in H1 2025 but we expect them to return in 2026.

Operational Highlights

- Gilar entered production for the first time in May 2025. We expect to see Gilar add over 30koz gold and 8.5-9.0kt copper per year initially over a 7 year mine life.
- Demirli entered production for the first time in July 2025. Demirli can produce 15-20kt copper per year over an initial 10 year mine life.
- Anglo published their initial sustainability rating, being awarded a BB rating by independent assessors Digbee.

Management Comments

- Reza Vaziri, CEO: "I am delighted to announce our interim results for 2025 and a return to profitability. In line with our growth strategy, during 2025 so far, we have started production at two new mines, Gilar and Demirli. These are important milestones in the execution of our growth strategy and in Anglo Asian's history, as we transition to a mid-tier producer with copper as our dominant product. The team continues to make strong progress across our portfolio, and we remain committed to delivering value for our shareholders."
- Anglo provided new guidance on 2025 production from Demirli to be around 4kt copper.

Ben Jones Investments Outlook

- Gilar and Demirli will be transformational for Anglo going forward, raising revenue from \$40m in 2024 to an expected \$344m in 2026. Our full outlook is covered in much more detail in our full length Anglo Asian Mining research report.
- We expect to see net income follow suit, increasing to around \$120m in 2026, up from an expected \$35m in 2025 and a \$17m loss in 2024.
- The share price is up 127% over the last 12 months, but we think the market is still failing to recognise the fair value of Anglo Asian's assets.
- We expect to see Xarxar in production by 2028 and Garadag by 2030. Garadag's mine life may ultimately prove to be more than 20 years, providing Anglo with cashflow through 2050.
- We were pleased to see cost control well implemented through H1 2025 – cost of sales came in below expectations, and capex of \$6m is an exceptional result to repair Demirli and bring the flotation plant back online by July this year. We also feel it was prudent to keep drilling costs below \$1m in H1, although this will increase going forward as Demirli, Xarxar and Garadag are all drilled further.
- Anglo's balance sheet is strong with net debt / equity at 11.8%. Anglo currently has \$18m gross debt which is extremely comfortable given we expect to see them generate \$120-130m FCF in 2026.

- Anglo is undervalued based on their known assets, and they also have immense exploration potential. We will cover this in a future report.
- Gold and copper have been strong performers. We remain bullish both metals, although we would not be surprised to see some consolidation or corrections in the gold price given its 2025 performance.
- We remain bullish on Anglo and expect to see the share price outperform as Anglo's 2026 results come through. We don't think the market fully understands how impressive 2026 results could be, nor does the market fully understand the value of Gilar, Demirli, Xarxar, Garadag or the exploration potential. I imagine hard figures printed on a 2026 income statement may make it clearer.