



# Anglo Asian Mining PLC

(Incorporated and registered in England and Wales under the Companies Act 1985  
with registered number 5227012)

## Directors:

Mr Khosrow Zamani (Chairman)  
Mr Reza Vaziri  
Mr Richard Round  
Governor John H Sununu  
Professor John Monhemius

**Registered Office**  
7 Devonshire Square  
London EC2M 4YH

4 June 2010

To the holders of Ordinary Shares and, for information only, to the holders of options of Anglo Asian Mining Plc (the "Company").

## Dear Shareholder

Accompanying this letter you will find the Company's annual report and accounts for 2009 together with the attached notice of the Annual General Meeting to be held on 28 June 2010 (the "Meeting") and a form of proxy. This letter is to explain the background to some of the resolutions to be put to shareholders at the Meeting.

### Resolution 3 – Re-election of the Director retiring by rotation

Under the Company's articles of association, one third of the directors on the Board must retire at each Annual General Meeting and may offer themselves for re-election to the Board. This year Governor John H Sununu is retiring in accordance with the Company's articles and is seeking re-election at the Annual General Meeting.

### Resolution 4 – Re-election of a recently appointed Director

Under article 22.2 of the Company's articles of association, any director appointed by the Board shall retire at the next Annual General Meeting and may offer themselves for re-election to the Board. Professor John Monhemius was appointed as a director of the Company on 19 August 2009 and is retiring in accordance with the Company's articles and is seeking re-election at the Annual General Meeting.

### Resolution 5 – Authority to allot shares

This ordinary resolution deals with the renewal of the directors' authority to allot new Ordinary Shares during the course of the year in order to facilitate the business of the Company and renews the equivalent authority granted at last year's Annual General Meeting which expires at the end of this Annual General Meeting.

The current ABI guidelines state that ABI members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to two-thirds of the Company's issued share capital, but on the basis that any authority to allot shares exceeding one-third of the Company's issued share capital can only be used to allot shares pursuant to a fully pre-emptive rights issue.

In accordance with these guidelines, resolution 5 proposes that directors be granted authority to allot shares in the capital of the Company up to a maximum amount representing the guideline limit of two-thirds of the Company's issued ordinary share capital as at 1 June 2010 (the latest practicable date prior to publication of this letter). Of this amount, half can only be allotted pursuant to a rights issue. The authority will expire on the earlier of: (i) the conclusion of the next Annual General Meeting; and, (ii) 30 June 2011 (being six months after the Company's accounting reference date).

### Resolution 6 – Disapplication of statutory pre-emption rights

This resolution is a special resolution and renews the authority given at last year's Annual General Meeting which gave directors authority to allot for cash up to a maximum of 10 per cent. of the issued share capital of the Company without being required to comply with statutory pre-emption rights.

### Resolution 7 – Changes to Articles to comply with Companies Act 2006

It is proposed in resolution 7 to adopt new articles of association (the "New Articles") in order to update the Company's current articles of association (the "Current Articles"), primarily to take into account the implementation on 1 October 2009 of the last parts of the Companies Act 2006 (the "2006 Act").

The principal changes introduced under the New Articles are:

#### (a) The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum of association and the Current Articles. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope. The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The 2006 Act provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the 2006 Act, the objects clause and all other provisions which are contained in a company's memorandum are deemed to be contained in the company's articles of association, but the company can remove these provisions by special resolution.

Further, the 2006 Act states that, unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason, the objects clause has been removed, together with all other provisions of the Company's memorandum which, by virtue of the 2006 Act, are treated as forming part of the Company's articles of association as of 1 October 2009.

As the effect of these amendments would be to remove the statement currently in the Company's memorandum of association regarding limited liability, a new Article 2.1 has been included in the New Articles which contains an express statement regarding the limited liability of shareholders.

## **Resolution 7 – Changes to Articles to comply with Companies Act 2006 continued**

### **(b) Authorised share capital and unissued shares**

The 2006 Act abolishes the requirement for a company to have an authorised share capital and the New Articles have been amended to reflect this.

### **(c) Authority to buy-back, consolidate and sub-divide shares**

Under the 1985 Act, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves, as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the 2006 Act, a company requires shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly, the relevant enabling provisions have been removed.

### **(d) Limit on directors' fees**

The limit on the aggregate of fees to be paid to non-executive directors pursuant to Article 21.1 has been amended from £200,000 to £300,000 to reflect the increased market standard for fees currently being paid to directors of companies of the type and stature of the Company.

### **(e) Execution of documents**

Article 32.2(c) of the New Articles has been included to reflect section 44 of the 2006 Act and provides that a document executed with the authority of the board by two directors, a director and the secretary or a director in the presence of a witness has the same effect as if executed under seal.

A copy of the current Articles of Association and the proposed new Articles of Association that reflect these amendments will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the offices of Hammonds LLP, 7 Devonshire Square, London EC2M 4YH up until the close of the meeting and will be available on the Company's website at [www.aamining.com](http://www.aamining.com) until the close of business at the Annual General Meeting. Copies will also be available at the Annual General Meeting on the morning of the meeting from 9am until its conclusion.

Whether or not you intend to be present at the Meeting, you are requested to complete the reply-paid form of proxy in accordance with its instructions and return it to the address given on the form of proxy.

We look forward to as many as possible attending the Meeting.

Yours faithfully,

**Khosrow Zamani**  
Non-executive Chairman

# Notice of Annual General Meeting of shareholders

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the shareholders of Anglo Asian Mining plc (the "Company") will be held on 28 June 2010 (the "Meeting") at 10.30 a.m. at the offices of Hammonds LLP, 7 Devonshire Square, London EC2M 4YH for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 5 (inclusive) will be proposed as ordinary resolutions and resolutions 6 and 7 will be proposed as special resolutions:

## Ordinary resolutions

1. THAT the consolidated financial statements and the reports of the board of directors and of the auditors for the year ended 31 December 2009 be received;
2. THAT Ernst & Young LLP be appointed as the auditors of the Company, and that the board of directors be authorised to fix their remuneration;
3. THAT Governor John H Sununu be re-elected as a director, having retired by rotation in accordance with the Company's articles of association;
4. THAT Professor John Monhemius be re-elected as a director, having retired in accordance with article 22.2 of the Company's articles of association following his appointment on 19 August 2009;
5. THAT the directors be hereby authorised generally and unconditionally pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot equity securities (as defined in section 560 of the Act):
  - (a) up to an aggregate nominal amount of £365,389; and
  - (b) up to an aggregate nominal amount of £730,778 (including within such limit any equity securities issued under paragraph (a) above) in connection with an offer by way of a rights issue:
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,
 and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any matter.

The authority granted by this resolution shall (unless previously revoked, varied or extended by the Company in general meeting) expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, on 30 June 2011, save that the Company may at any time before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if this authority had not expired.

## Special resolutions

6. THAT subject to the passing of resolution 5 above the directors be hereby empowered pursuant to section 570 and section 573 of the Act to allot equity securities (as defined by section 560 of the Act) wholly for cash and/or to sell or transfer shares held by the Company in treasury ("Treasury Shares") as the directors deem appropriate (in the case of allotments, pursuant to the authority conferred by resolution 5 above) as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment (or, in the case of Treasury Shares, the sale or transfer) of equity securities:
  - (a) in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange or otherwise; and
  - (b) otherwise than pursuant to sub-paragraph (a) of this resolution up to an aggregate nominal amount of £109,616
 and provided that this authority shall (unless previously revoked, varied or extended by the Company in general meeting) expire on the conclusion of the Company's next Annual General Meeting or, if earlier, 30 June 2011 save that the Company may, at any time before such expiry make an offer or agreement which would or might require equity securities to be allotted (or in the case of Treasury Shares, sold or transferred) after such expiry and the directors may allot (or in the case of Treasury Shares, sell or transfer) equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred hereby has expired.
7. THAT:
  - (a) the Company's articles of association be and are hereby amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 of the Act, are to be treated as provisions of the Company's articles of association; and
  - (b) the articles of association produced to the meeting (and initialled by the chairman of the meeting for the purpose of identification) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

By order of the board of directors

**Andrew Herbert**  
**Company Secretary**  
 7 Devonshire Square  
 London EC2M 4YH  
 4 June 2010

# Notice of Annual General Meeting of shareholders continued

**NOTES:**

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to exercise any of their rights to attend, speak and vote on their behalf at the Annual General Meeting ("AGM"). A proxy need not be a member of the Company. Where more than one proxy is appointed, each proxy must be appointed for different shares. A proxy form is enclosed. Completion and return of a proxy form will not preclude a member from attending and voting at the meeting should he subsequently decide to do so. To be effective, the proxy form and any power of attorney or other such instrument (if any) under which it is signed or a notarially certified copy of such power of attorney must be deposited at the offices of Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU not less than 48 hours before the time of the AGM.
- 2 In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the register of members of the Company 48 hours before the time of the AGM are entitled to vote in respect of shares registered in their name at that time. Changes to the register of members after 48 hours before the time of the AGM shall be disregarded in determining the rights of any person to attend or vote at the AGM.
- 3 The current and amended articles of association will be available for inspection at the AGM for 15 minutes prior to the start of the AGM until its conclusion.