



ANGLO ASIAN MINING PLC

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

Directors

Khosrow Zamani (Chairman)
Richard Round
Governor John Sununu
Mohammed Reza Vaziri
Andrew John Monhemius

Registered Office
7 Devonshire Square
London EC2M 4YH

5 June 2013

To the holders of ordinary shares and, for information only, to the holders of share options of Anglo Asian Mining PLC (the 'Company').

Dear Shareholder

Accompanying this letter you will find the Company's annual report and accounts for 2012 together with the attached notice of the Annual General Meeting to be held on 28 June 2013 (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 ('Articles'), one-third of the Directors on the Board (or, if the number of Directors is not three or a multiple of three, the number nearest to and not exceeding one-third) must retire at each Annual General Meeting and may offer themselves for re-election to the Board. This year Richard Round is retiring in accordance with the Company's Articles of Association and is seeking re-election at the Meeting.

Resolution 4 – 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 the 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 4 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 4 June 2013 (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 2014 (being six months after the Company's accounting reference date).

Resolution 5 – Disapplication of statutory pre-emption rights

This resolution is a special resolution that renews the authority given at last year's Annual General Meeting and which seeks to give Directors the authority to allot securities for cash on a pre-emptive basis within the limits of the authority set out in resolution 4 and on a non-pre-emptive basis up to a maximum of 10 per cent. of the issued ordinary share capital of the Company. The Directors believe that it is in the best interests of the shareholders that the Directors should have the right to allot relevant securities for cash on a pre-emptive basis and a limited authority to allot relevant securities for cash on a non-pre-emptive basis.

Resolution 6 – Authority to buy back ordinary shares

This resolution seeks authority for the Company to make market purchases of its own ordinary shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase up to 11,139,730 of its ordinary shares, representing just under 10 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 4 June 2013.

The resolution specifies the minimum and maximum prices which may be paid for any ordinary shares purchased under this authority. The authority will expire on the earlier of 30 June 2014 and the Company's 2014 Annual General Meeting.

The Directors do not currently have any intention of exercising the authority granted by this resolution. The Directors will only exercise the authority to purchase ordinary shares where they consider that such purchases will be in the best interests of shareholders generally and will result in an increase in earnings per ordinary share.

The Company may either cancel any shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them).

Resolution 7 – Amendment of the Company's Articles to permit the use of laser seals by the Company's Registrars

This resolution is a Special Resolution which is proposed so that the Company's Articles include express permission for the use of laser sealed or signed share certificates. This is part of the process of streamlining the issuance of share certificates by the Company's Registrars so that the manual sealing of share certificates is no longer necessary.

Action to be taken

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.

Recommendation

The Directors consider all the resolutions to be put to the Meeting to be in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. Accordingly the Directors unanimously recommend that you vote in favour of the proposed resolutions, as they intend to do in respect of their own beneficial shareholdings.

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

Yours faithfully,

Khosrow Zamani
Chairman

Notice of Annual General Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the 'AGM') of the shareholders of Anglo Asian Mining PLC (the 'Company') will be held on 28 June 2013 at 11.00am at the offices of Squire Sanders (UK) 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 4 (inclusive) will be proposed as ordinary resolutions and resolutions 5, 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 auditor for the year ended 31 December 2012 be received;
2. THAT Ernst & Young LLP be re-appointed as the auditor of the Company and that the Board of Directors be authorised to fix their remuneration;
3. THAT Richard Round be re-elected as a Director, having retired by rotation in accordance with the Company's Articles of Association ('Articles');
4. 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 £371,324; and
 - (b) up to an aggregate nominal amount of £742,648 (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 AGM of the Company after the passing of this resolution or, if earlier, on 30 June 2014, 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

5. THAT subject to the passing of resolution 4 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 4 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 £111,397,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 AGM or, if earlier, 30 June 2014 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.
6. THAT the Directors be generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of £0.01 each provided that:
 - (a) the maximum aggregate number of ordinary shares that may be purchased is 11,139,730;
 - (b) the minimum price (excluding expenses) which may be paid for each ordinary share is £0.01;
 - (c) the maximum price (excluding expenses) which may be paid for each ordinary share is the higher of:
 - (i) 105 per cent. of the average market value of an ordinary share in the Company for the five business days prior to the day the purchase is made any number of the Company's ordinary shares on the trading venue where the purchase is carried out; and
 - (ii) the amount stipulated by Article 5(1) of the EU Buy-back and Stabilisation Regulation; and
 - (d) The authority conferred by this resolution shall expire on 30 June 2014 or, if earlier, at the conclusion of the Company's next AGM save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority.

Notice of Annual General Meeting of Shareholders continued

Special resolutions continued

7. THAT Article 32.2 of the Company's Articles be deleted and substituted with the following new Article 32.2:

Application of seals

A seal shall be used only by the authority of a resolution of the Board or a duly authorised committee of the Board. The Board may determine who shall sign any document to which a seal is applied, either generally or in relation to a particular document or particular type of document, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with or affixed by mechanical, electronic or by other means such as the use of laser printed signatures. Unless otherwise determined by the Board:

- (a) certificates for shares, debentures or other securities of the Company issued under seal need not be signed and the seal may be affixed by means of a laser printer;
- (b) every other document to which a seal is applied shall be signed by at least one Director and the Secretary or by at least two Directors or by a Director in the presence of a witness who attests his signature; and
- (c) a document executed with the authority of a resolution of the Board, by a Director and the Secretary or by two Directors or by a Director in the presence of a witness who attests the signature and expressed (in whatever form of words) to be executed by the Company, has the same effect as if it had been executed under the seal. For the purposes of this Article 32.2(c), 'Secretary' shall have the meaning attributed to such term in the Companies Act and not the meaning given to it by Article 1.2.

By order of the Board of Directors

Sean Duffy

Company Secretary

7 Devonshire Square

London EC2M 4YH

5 June 2013

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 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 AGM 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, Kent 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 at 6.00pm on 26 June 2013 shall be entitled to vote in respect of shares registered in their name at that time. Changes to the register of members after 6.00pm on 26 June 2013 shall be disregarded in determining the rights of any person to attend or vote at the AGM.