



30 March 2007

Dear Shareholder

Notice of the second Annual General Meeting of the Company is enclosed with this letter together with a form of proxy.

#### **ALLOTMENT OF UNISSUED SHARES**

Resolutions are to be proposed as special business to enable the Directors to allot unissued shares and, subject to the limits therein contained, to allot shares for cash other than to existing shareholders in proportions to their shareholdings. The resolution enabling Directors to allot unissued shares will be limited to the allotment of shares up to a maximum nominal amount of £330,572.67, which represents one third of the total ordinary share capital in issue as at 30 March 2007. The Directors do not have any present intention of exercising such authority, other than to satisfy obligations under the Company's share option scheme, and the authority will expire at the conclusion of the next Annual General Meeting. The resolution enabling the Directors to allot shares other than to existing shareholders in proportion to their shareholdings is limited to the allotment of shares up to a maximum nominal value of £49,585.90 which represents 5% of the total ordinary share capital in issue as at 30 March 2007. Both of these resolutions seek authorities which are in accordance with the current guidelines issued by the Investment Committee of the Association of British Insurers and the National Association of Pension Funds ("Guidelines").

#### **AMENDMENT OF ARTICLES**

A special resolution will be proposed to amend the Articles of Association of the Company to allow the Company to indemnify Directors. Directors are increasingly being added as defendants in legal actions against companies and litigation is often very lengthy and expensive. The Board believes that the provision of appropriate indemnities and the funding of Directors' defence costs as they are incurred, as permitted by new legislation, are reasonable protection for the Directors, and are important to ensure that the Company continues to attract and retain the highest calibre of Directors.

The Board therefore proposes that the Company's Articles of Association be amended to reflect the new statutory provisions. The proposed resolution is a special resolution to amend the Articles of Association of the Company to include a revised Article 42.1 accordingly.

#### **RE-ELECTION OF DIRECTORS**

As this is the first Annual General Meeting of the Company since the date of their appointment Messrs Graham Mascall and Gordon Lewis are required to resign from their office and are eligible for re-election. Mr John Sununu will retire by rotation and will offer himself for re-election.

#### **RE-APPOINTMENT OF AUDITORS**

A resolution to reappoint Deloitte & Touche LLP, as auditors will be put to the members at the Annual General Meeting.

#### **PURCHASE OF INDEMNITY INSURANCE**

Shareholders should note that the Directors have exercised their authority to purchase director and officer indemnity insurance as permitted by the Companies Act 1985.

The accounts for the year ended 31 December 2006 are enclosed. Copies of these accounts and those for the period from 1 February 2005 to 31 December 2005, which have already been sent to shareholders, are posted on the Company's website [www.aamining.com](http://www.aamining.com).

**GRAHAM MASCALL**  
CHAIRMAN