

CHAIRMAN'S LETTER

25 June 2008

Dear Shareholder

Notice of the third Annual General Meeting ("AGM") of the Company is included in the 2007 annual report and accounts 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 £333,817, which represents one third of the total ordinary share capital in issue as at 23 June 2008. 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 AGM. 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 £100,145 which represents 10% of the total ordinary share capital in issue as at 25 June 2008.

The authority sought for Directors to allot shares is 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"). In respect of the authority to disapply statutory pre-emption rights, the Directors confirm that the Company would consult its Nominated Adviser, Numis Securities Limited, before the exercise of this authority.

Amendment of Articles

A special resolution will be proposed to amend the Articles of Association of the Company to increase the Directors' borrowing powers as set out in the Articles of Association to four times adjusted capital and reserves in order to give the Company increased flexibility to raise funds in the future and to align it with companies of a similar size.

Re-election of directors

As this is the first AGM of the Company since the date of his appointment, Mr Khosrow Zamani is required to resign from office and is eligible for re-election. Mr Reza Vaziri will retire by rotation and will offer himself for re-election. The Rt Hon Tim Eggar is also retiring by rotation but has informed the Company that he does not intend to seek re-election.

Re-appointment of auditors

A resolution to reappoint Deloitte & Touche LLP as auditors will be put to the members at the AGM.

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 enclosed accounts have been prepared for the year ended 31 December 2007. Copies of the accounts are posted on the Company's website www.aamining.com.

Khosrow Zamani
CHAIRMAN