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If you have sold or transferred all your Ordinary Shares, please forward this document immediately, together with the accompanying Form of Proxy, to your stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you sell or transfer or have sold or transferred only part of your holding of Ordinary Shares you should retain this document and consult your stockbroker, bank or other agent through whom the sale or transfer was effected.



Anglo Asian Mining plc

(Incorporated and registered in England and Wales under number 05227012)

Proposed Capital Reduction and Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the Letter from the Chairman of Anglo Asian Mining plc which is set out in Part III of this document and includes a recommendation that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.

Notice of a General Meeting of the Company to be held at the Company's registered office at Squire Patton Boggs, 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH, United Kingdom at 10:30 a.m. on Monday 30 July 2018 is set out in Part IV of this document. A Form of Proxy for use at the General Meeting is enclosed with this document. To be valid, the Form of Proxy must be completed and returned as soon as possible and in any event so as to be received by the Company's Registrars Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom by not later than 10:30 a.m. on Thursday 26 July 2018. Completion and posting of the Form of Proxy will not prevent a Shareholder from attending and voting in person at the General Meeting.

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Part I: Expected Timetable of Principal Events

Publication of this document	Friday 13 July 2018
Latest time and date for receipt of Forms of Proxy for the General Meeting	10:30 a.m. on Thursday 26 July 2018
General Meeting	10:30 a.m. on Monday 30 July 2018
Expected date of initial directions hearing of the Court	10:30 a.m. on Thursday 9 August 2018
Expected date of Court Hearing to confirm the Capital Reduction	10:30 a.m. on Tuesday 28 August 2018
Expected effective date for the Capital Reduction	Tuesday 28 August 2018

Notes

1. The expected dates for the confirmation of the Capital Reduction by the Court and the Capital Reduction becoming effective are based on provisional dates that have been obtained for the required Court hearings of the Company's application. These provisional hearing dates are subject to change and dependent on the Court's timetable. If the expected dates of the Court hearings are changed (and consequently the expected effective date for the Capital Reduction), the Company will give notice of this to the extent practicable by issuing an announcement on the Company's website at www.angloasianmining.com/investors.
2. The timetable assumes that there is no adjournment of the General Meeting. If there is an adjournment, all subsequent dates are likely to be later than those shown.
3. References in this document are to London (BST) unless otherwise stated.

Part II: Definitions

The following definitions apply throughout this document and the accompanying Form of Proxy unless the context otherwise requires:

"Act"	Companies Act 2006
"Articles"	the articles of association of the Company adopted by special resolution dated 28 June 2010
"Board" or "Directors"	the directors of the Company or any duly appointed committee thereof
"Capital Reduction"	the proposed cancellation of the Company's Share Premium Account as set out in the Notice of General Meeting
"Company" or "Anglo Asian Mining"	Anglo Asian Mining plc, a company incorporated in England and Wales with registered number 05227012 and having its registered office at 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH, United Kingdom
"Court"	the High Court of Justice in England and Wales
"Court Hearing"	the hearing by the Court to confirm the Capital Reduction
"Court Order"	the order of the Court confirming the Capital Reduction
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (as amended)
"Form of Proxy"	the form of proxy accompanying this document relating to the General Meeting
"General Meeting"	the general meeting of the Company, notice of which is set out at the end of this document and including any adjournment(s) thereof
"Group"	the Company and its subsidiaries and subsidiary undertakings (in each case as defined in the Act)
"Notice of General Meeting"	the notice of General Meeting, set out in Part IV of this document
"Ordinary Shares"	ordinary shares of £0.01 each in the capital of the Company
"Registrars"	Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom
"Resolution"	the special resolution to be proposed at the General Meeting which is set out in full in the Notice of General Meeting
"Shareholders"	holders of Ordinary Shares
"Share Premium Account"	the share premium account of the Company
"\$"	US dollars

Part III: Letter from the Chairman of the Company



Anglo Asian Mining plc

(Incorporated and registered in England and Wales under number 05227012)

Directors:

Khosrow Zamani (Non-Executive Chairman)
John Monhemius (Non-Executive Director)
Richard Round (Non-Executive Director)
John Sununu (Non-Executive Director)
Reza Vaziri (President and Chief Executive)

Registered Office:

7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH
United Kingdom

13 July 2018

To the Shareholders

Dear Shareholder

PROPOSED CAPITAL REDUCTION NOTICE TO SHAREHOLDERS OF GENERAL MEETING

1. Introduction

I am writing to provide you with details of a proposal to enhance the Company's ability to pay dividends to Shareholders in the future.

The Company currently has negative distributable reserves and is therefore prohibited under the Act from making distributions, including dividends, to its Shareholders.

Accordingly, your approval is being sought to carry out a reduction of the Company's capital by way of the cancellation of the amount standing to the credit of the Company's Share Premium Account so as to create distributable reserves.

The Capital Reduction is conditional upon, amongst other things, the Company obtaining approval of the Shareholders at the General Meeting. Part IV of this document contains a Notice of General Meeting, convening the General Meeting for 10:30 a.m. on Monday 30 July 2018 at the Company's registered office at Squire Patton Boggs, 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH, United Kingdom.

The purpose of this document is to provide you with information about the Capital Reduction and to explain why the Board considers the Capital Reduction to be in the best interests of the Company and its Shareholders as a whole and unanimously recommends that you vote in favour of the Resolution to be proposed at the General Meeting. Shareholders should note that, unless the Resolution is approved at the General Meeting (and the Court subsequently confirms the Capital Reduction), the Capital Reduction will not take place.

Part II of this document contains definitions of words and terms that have been used throughout it. Please refer to Part II as you review this document.

2. Background to, and reasons for, the Capital Reduction

The Group's operational performance has been transformed over the past four years as a result of management initiatives and actions. Such initiatives and actions included optimisation of the Group's original agitation leaching facilities, construction of a flotation processing plant and the commencement of production from the Gadir underground and Ugur open pit mines. The Group has also made major improvements to the infrastructure at Gedabek, which has reduced costs, such as connecting the site to the national power grid and construction of a water treatment plant. In early 2017, the Group carried out a strategic review which included various other production and optimisation initiatives. The Group has also benefitted in the period from steadily increasing metal selling prices.

The improvement in operational performance has resulted in a significant improvement in the Group's financial performance and position. The Group recorded a profit before taxation for the years ended 31 December 2016 and 2017 of \$6.8 million and \$5.7 million respectively, compared to losses in the previous two years. The Group generated cash from operations for the years ended 31 December 2016 and 2017 of \$29.6 million and \$29.8 million respectively. This cash generation enabled the Group to significantly reduce net debt from \$52.8 million at 31 December 2014 to \$10.4 million at 31 March 2018. The Group's remaining borrowings have also been refinanced at lower cost and without financial covenants.

The Group is forecasting increased production for the year ended 31 December 2018, compared to 2017 and the Directors believe that the Group is well positioned for future sustained growth and development. The Group has embarked on a three-year exploration programme to further explore and develop the potential of Gedabek. The Group has also upgraded its processing facilities by the addition of a second crusher line which will enable its main agitation leaching and flotation plants to operate on a stand-alone basis and which is also expected to improve the flexibility of the Group's processing operations.

In light of the Group's prospects and current strong financial position, the Directors believe it is now desirable to consider the payment of dividends to Shareholders. However, the Company currently has negative distributable reserves and is, therefore, prohibited under the Act from making distributions to its Shareholders, including the payment of dividends.

The Directors, therefore, believe it is an appropriate time to undertake the Capital Reduction and create distributable reserves which would enable the payment of dividends in the future, subject to the continuing satisfactory financial performance of the Group.

3. The Capital Reduction

Proposal

The Company does not have sufficient distributable reserves to enable the Board to recommend the payment of dividends should it be considered desirable to do so in the future. The Board therefore proposes that the Capital Reduction be effected in order to increase the distributable reserves of the Company.

At 31 December 2017, the Company had retained losses of \$18,500,000. At the same date, the amount standing to the credit of the Company's Share Premium Account amounted to \$32,484,000. As at 31 May 2018, the amount standing to the credit of the Share Premium Account remained at \$32,484,000 and the retained losses of the Company had increased to \$19,083,000. The Capital Reduction, if approved and made effective, will be sufficient to eliminate the retained losses and create distributable reserves.

The Capital Reduction is proposed to be effected by cancelling the balance standing to the credit of the Share Premium Account. Cancelling the balance of the Share Premium Account will, subject to the discharge of any undertakings required by the Court as explained below, be sufficient to eliminate the deficit on the retained loss account and create positive distributable reserves. As a result, any positive distributable reserves generated by the Company after the date on which the Capital Reduction takes effect would also be available for the Board to use for the purposes of paying dividends.

It is therefore proposed that the amount standing to the credit of the Company's Share Premium Account (such amount being \$32,484,000, as at 31 May 2018,) is cancelled.

Approval and Consent of Shareholders

In order to effect the Capital Reduction the Company requires the approval of its Shareholders in the manner described in this section. The Capital Reduction cannot be effected unless the Company receives the approval by the requisite majority of Shareholders and in the requisite manner as set out in this section of this document.

The Shareholders, being holders of Ordinary Shares, are entitled to receive notice of, attend, speak and vote at the General Meeting. The votes of the Shareholders will be added together at the General Meeting and the Resolution to approve the Capital Reduction, which will be proposed as a special resolution, requires a majority in favour of at least 75% of those Shareholders attending and voting in person or by proxy in order to be passed.

Court Approval

In addition to the approval by the Shareholders of the Resolution, the Capital Reduction requires the approval of the Court. Accordingly, following the General Meeting, an application will be made to the Court in order to confirm and approve the Capital Reduction.

In providing its approval of the Capital Reduction, the Court may require protection for the creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date, except in the case of creditors which have consented to the Capital Reduction. Any such creditor protection may include seeking the consent of the Company's creditors to the Capital Reduction or the provision by the Company to the Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of discharging the non-consenting creditors of the Company.

It is anticipated that the initial directions hearing in relation to the Capital Reduction will take place on Thursday 9 August 2018, with the final Court Hearing taking place on Tuesday 28 August 2018 and the Capital Reduction becoming effective on the same day, following the necessary registration of the Court Order at Companies House.

Part III: Letter from the Chairman of the Company continued

3. The Capital Reduction continued

Court Approval continued

There will be no change in the number of Ordinary Shares in issue (or their nominal value) following the implementation of the Capital Reduction. The Capital Reduction itself will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company. The distributable reserves arising on the Capital Reduction will, subject to the discharge of any undertakings required by the Court as explained below, support the Company's ability to pay dividends, should circumstances in the future make it desirable to do so.

The Board reserves the right to abandon or to discontinue (in whole or in part) the application to the Court in the event that the Board considers that the terms on which the Capital Reduction would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or its Shareholders as a whole. The Board has undertaken a thorough and extensive review of the Company's liabilities (including contingent liabilities) and considers that the Company will be able to satisfy the Court that, as at the date (if any) on which the Court Order relating to the Capital Reduction and the statement of capital in respect of the Capital Reduction have both been registered by the Registrar of Companies at Companies House and the Capital Reduction will therefore become effective, the Company's creditors will be sufficiently protected.

4. General Meeting

The Notice of General Meeting is set out in Part IV of this document.

The General Meeting will take place at 10:30 a.m. on Monday 30 July 2018. At the General Meeting, the Resolution set out in Part IV of this document will be proposed to Shareholders.

The Resolution will be passed if 75 per cent. or more of the votes cast (in person or by proxy) at the General Meeting are in favour of it.

5. Action to be taken in respect of the General Meeting

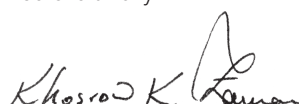
Shareholders will find a Form of Proxy enclosed for use in respect of the General Meeting. To be valid, the Form of Proxy must be completed and returned as soon as possible and so as to be received by the Registrars by not later than 10:30 a.m. on Thursday 26 July 2018. You can return your Form of Proxy by post to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom.

The completion and return of the Form of Proxy will not prevent you from attending and voting at the General Meeting in person.

6. Recommendation

The Directors consider that the Capital Reduction will be beneficial for the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do in respect of their aggregate shareholdings of 45,653,292 Ordinary Shares, representing approximately 40.0 per cent. of the Ordinary Shares in issue at the date of this document.

Yours faithfully



Khosrow Zamani
Non-Executive Chairman

Part IV: Notice of General Meeting

Notice is given that a General Meeting of Anglo Asian Mining plc (the "Company") will be held at the Company's registered office at Squire Patton Boggs, 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH, United Kingdom at 10:30 a.m. on Monday 30 July 2018 for the following purposes:

Special Business

To consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution:

1. That the Company's Share Premium Account be and is hereby cancelled.

Registered office

7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH

Dated 13 July 2018

By Order of the Board



Fisher Secretaries Limited
Company Secretary

Notes

Proxy appointment

1. A Shareholder is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at the General Meeting. A proxy need not be a Shareholder of the Company. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder.
2. A Form of Proxy is enclosed. The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting at the General Meeting in person.
3. To appoint a proxy the Form of Proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be (a) sent in hard copy form by post, courier or hand to the Company's Registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom, or (b) lodged using the CREST Proxy Voting Service in accordance with notes 8 to 11 below, in each case so as to be received no later than 10:30 a.m. on Thursday 26 July 2018.

Information about shares and voting

4. Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. The total number of issued Ordinary Shares in the Company on Thursday 12 July 2018, which is the latest practicable date before the publication of this document is 114,181,024, carrying one vote each on a poll. Therefore, the total number of votes exercisable as at 12 July 2018 is 114,181,024.

Right to attend and vote

5. Entitlement to attend and vote at the General Meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company's register of members at close of business on Thursday 26 July 2018 or, if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned General Meeting (as the case may be). In each case, changes to the register of members after such time will be disregarded.

Venue arrangements

6. Shareholders should note that the doors to the General Meeting will open at 10:00 a.m. on Monday 30 July 2018.
7. Mobile phones may not be used in the meeting room, and cameras and recording equipment are not allowed in the meeting room.

Part IV: Notice of General Meeting

CREST members

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting (and any adjournment of the meeting) by following the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the Company's Registrars, Link Asset Services (ID RA10) by the latest time(s) for receipt of proxy appointments specified in note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to him by other means.
10. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representatives

12. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that they do not do so in relation to the same shares.

Questions

13. Any Shareholder attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Website information

14. A copy of this Notice of General Meeting, and other information required by section 311A of the Act, can be found at www.angloasianmining.com/investors.

Voting by poll

15. The Resolution to be put to the General Meeting will be voted on by a show of hands unless a poll is demanded by the Chairman, or at least 5 Shareholders present in person or by proxy, or by a Shareholder or Shareholders holding at least 10 per cent. of the total voting rights present in person or by proxy. If a poll vote is demanded, Shareholders and proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the General Meeting. The results of the vote will be published on the Company's website once the votes have been counted and verified.

Use of electronic address

16. Shareholders may not use any electronic address provided in either this document, the Notice of General Meeting or any related documents (including the enclosed Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.