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ANGEL MINING plc

(Incorporated and registered in England and Wales with Registered No. 3319691)

Directors

Francis Chapman (Non-executive Chairman)
Nicholas J. Hall (Chief Executive Officer)
Timothy Daffern (Director of Mining)
Kevin McNair (Chief Financial Officer)
Daniel Bordessa (Non-executive Director)

Registered Office

6 Station Road
Morton
Bourne
Lincolnshire
PE10 0NN

7 August 2010

To Shareholders

Dear Shareholder,

Annual General Meeting

Introduction

The 2010 Annual General Meeting of the Company (**AGM**) is to be held at 11.00 a.m. on Tuesday 31 August 2010 at the offices of Davenport Lyons, 30 Old Burlington Street, London, W1S 3NL. The notice convening the AGM is set out at the end of this letter.

The purpose of this letter is to provide you with information on the resolutions to be proposed at the AGM (**Resolutions**) and to explain why the directors of the Company (**Board** or **Directors**) consider each of them to be in the best interests of the Company and its shareholders as a whole and why it is recommended that you vote in favour of the Resolutions. A form of proxy for use at the AGM is enclosed with this document.

Resolutions to be proposed

At the AGM, the following Resolutions will be proposed.

Resolutions 1 to 5 (inclusive) deal with the ordinary business that normally takes place at the AGM and require no explanation. The information set out below explains the reasons for Resolutions 6, 7 and 8.

Copies of the Company's annual report and accounts for the financial year ended 28 February 2010, to which Resolution 1 relates, will be posted to shareholders of the Company under separate cover during the week commencing 16 August 2010 and will also be made available on the Company's website www.angelfining.com.

Resolution 6 – authority to allot shares

During the 12 months following the AGM, the Company would like to be in a position, if necessary, to refinance its current short-term loan arrangement with Cyrus Capital Partners LLP (**Cyrus**) and it may seek to do so by way of an issue of equity. It may also seek to make small issues of equity as and when appropriate to raise funds for the Company. The Company is therefore seeking authority pursuant to section 551 of the Companies Act 2006 (**Act**) to allot shares and to grant rights to subscribe for or to convert any security into shares in the Company for cash up to an aggregate nominal value of £15,000,000, which would, if used only for this purpose, enable repayment of the entire loan, currently outstanding. The Directors believe it is prudent to seek authority at this time in order to avoid the time and cost of convening a general meeting relating to this authority in the near future.

The authority will expire at the conclusion of the next annual general meeting of the Company, unless previously renewed, varied or revoked by the Company in general meeting. The Resolution is in addition to the authorities granted pursuant to resolutions 1 and 6 at the general meeting held on 21 August 2009, relating to the issue of the convertible loan notes to Cyrus and the allotment of Ordinary Shares pursuant to the standby equity distribution agreement dated 24 April 2009 between the Company and YA Global Master SPV, Ltd (**SEDA**).

Resolution 7 – disapplication of statutory pre-emption rights

Resolution 7 is proposed as a special resolution. For the reasons explained in relation to Resolution 6 above, it is proposed to seek authority to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal value of £15,000,000.

The authority will expire at the conclusion of the next annual general meeting of the Company, unless previously renewed, varied or revoked by the Company in general meeting. The Resolution is in addition to the authorities granted pursuant to resolutions 1 and 6 at the general meeting held on 21 August 2009, relating to the Cyrus convertible loan notes and the SEDA.

Resolution 8 – adoption of new articles of association

Under the Act, as from 1 October 2009, all provisions of a company's memorandum of association are deemed to form part of its articles of association, including the statement of the company's objects and the statement of its authorised share capital. The Act also has removed the requirement for a company to have an authorised share capital and provides that, unless a company's articles of association provide otherwise, its objects will be unrestricted.

Resolution 8 proposes the deletion of all of the provisions of the Company's Memorandum of Association, which are now deemed to form part of its articles of association (**Articles**). Resolution 8 also proposes the adoption of new articles of association (**New Articles**) which do not contain a limit on the Company's authorised share capital. The New Articles also reflect other changes brought about by the provisions of the Act and take into account certain changes in law and practice since the Articles were adopted. Some minor technical and clarifying changes are also proposed.

The principal differences between the Articles and the New Articles are summarised in the Appendix to this letter. A copy of the New Articles proposed to be adopted will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Davenport Lyons, 30 Old Burlington Street, London, W1S 3NL

and also at the Company's registered office, 6 Station Road, Morton, Bourne, Lincolnshire PE10 0NN from the date of this letter until the conclusion of the AGM.

Action to be taken

A form of proxy is enclosed for use by shareholders at the AGM. Whether or not you intend to be present at the meeting, you are asked to complete, sign and return the form of proxy in accordance with the instructions printed thereon so as to be received by the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 6.00 p.m. on 27 August 2010. Completion and return of the form of proxy will not preclude you from attending the AGM and voting in person, if you so wish.

Recommendation

The Directors believe that the Resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of the Resolutions as they intend to do in respect of their own beneficial shareholdings amounting in aggregate to 36,940,000 Ordinary Shares, representing approximately 11.63% of the current issued ordinary share capital of the Company and 4.13% of the total voting rights of the Company.

Yours faithfully

NICHOLAS J. HALL
Chief Executive Officer

ANGEL MINING plc

(Incorporated and registered in England and Wales with Registered No. 3319691)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the offices of Davenport Lyons, 30 Old Burlington Street, London, W1S 3NL on Tuesday 31 August 2010 at 11.00am. You will be asked to consider and vote on the resolutions below. Resolutions 1 to 6 will be proposed as ordinary resolutions and resolutions 7 and 8 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive and consider the Company's audited accounts for the year ended 28 February 2010 and the Directors' and Auditor's Reports thereon.
2. To approve the Remuneration Report for the year ended 28 February 2010.
3. Having been appointed since the last Annual General Meeting, to elect Kevin McNair as a director of the Company.
4. To reappoint Nicholas Hall who is retiring by rotation as a director of the Company.
5. To reappoint Deloitte LLP as auditor until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the directors to fix their remuneration.
6. That the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (**Act**) to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to the maximum nominal amount of £15,000,000, for a period expiring at the conclusion of the next annual general meeting of the Company, but so that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or grant Rights pursuant to any such offer or agreement as if such authority had not, unless previously renewed, varied or revoked, expired and further that such authority is to be in substitution for all other authorities conferred upon the directors in relation to the allotment of shares and the grant of Rights save for the authority granted pursuant to resolutions 1 and 6 of the general meeting held on 21 August 2009, which shall remain in full force and effect.

SPECIAL RESOLUTIONS

To consider and if thought fit to pass the following Special Resolutions:-

7. That subject to the passing of Resolution 6 above, the directors be and are hereby generally empowered in accordance with Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred on them by Resolution 6 above as if Section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:
 - a. the allotment of equity securities by way of a rights issue or other pre-emptive offer in favour of the holders of ordinary shares in the capital of the Company where the equity securities respectively attributable to the interests of such

holders are proportionate (as nearly as may be) to the respective number of ordinary shares in the capital of the Company held by them on the record date for such allotment, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with the fractional entitlements or legal or practical difficulties under the laws of or requirements of any recognised regulatory body in any territory or otherwise; and

- b. the allotment (other than as set out in a. above) of equity securities up to an aggregate nominal value not exceeding £15,000,000,

and so that this power, unless previously renewed or revoked, shall expire at the conclusion of the next annual general meeting of the Company, save that the Company may 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 pursuant to any such offer or agreement as if such authority had not yet expired.

8. That

- a. all the provisions of the Company's Memorandum of Association (which, by virtue of Section 28 of the Act, are treated as provisions of the Company's Articles of Association with effect from 1 October 2009) be deleted; 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.

BY ORDER OF THE BOARD

Raymond Pak Ling Tong
Secretary

Registered Office

6 Station Road
Morton
Bourne
Lincolnshire
PE10 0NN

7 August 2010

Notes:

1. A member entitled to attend, speak and vote at the meeting in accordance with note 5 below may appoint a proxy to exercise all of his rights to attend, speak and vote instead of him at the meeting. A proxy can only be appointed using the procedures set out in these notes and the notes to the form of proxy. A proxy need not also be a member of the Company but he must attend the meeting to represent the member appointing him. The form of proxy for use at the meeting, which is attached, must be lodged with Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time appointed for the meeting (but no account shall be taken of a part of a day that is not a working day).
2. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. More than one proxy may not be appointed to exercise rights attached to any one share.
3. Completion and return of the form of proxy will not preclude members entitled to attend and vote at the meeting (or at any adjournment of the meeting) from doing so in person if they so wish.
4. The Company specifies, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, that only those shareholders registered in the register of members of the Company no later than 6pm on 27 August 2010 or if this meeting is adjourned at 6pm on the day two days prior to the adjourned meeting (but no account shall be taken of a part of a day that is not a working day) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their respective names at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. The notes to the proxy form explain how to direct the proxy to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - completed and signed;
 - sent or delivered to the registrars of the Company, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
 - received by Capita Registrars no later than 11.00am on 27 August 2010 or not less than 48 hours before any adjournment of the meeting but no account shall be taken of a part of a day that is not a working day.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. Please note that communications regarding the matters set out in this notice of AGM will not be accepted in electronic form.
7. A copy of the proposed new articles of association of the Company, together with a copy of the existing articles of association of the Company marked to show the changes being proposed will be available for inspection at 30 Old Burlington Street, London, W1S 3NL and 6 Station Road, Morton, Bourne, Lincolnshire PE10 0NN from 7 August 2010 until the time of the meeting and at the meeting venue itself for at least 15 minutes prior to the meeting until the end of the meeting.

APPENDIX

Summary of principal amendments to the Articles of Association

1. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. 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 Companies Act 2006 (**CA 2006**) significantly reduces the constitutional significance of a company's memorandum. The CA 2006 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 CA 2006, since 1 October 2009, the objects clause and all other provisions which are contained in a company's memorandum, have been deemed to be contained in the Company's articles of association (**Articles**) but the Company can remove these provisions by special resolution.

Further the CA 2006 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 Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the CA 2006, are treated as forming part of the Articles. Resolution 8 confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the new articles of association (**New Articles**) also contain an express statement regarding the limited liability of shareholders.

2. Definitions

Article 2.1 of the Articles is amended in the New Articles to delete references to the Companies Act 1985 (**1985 Act**) so as to cater for the fact that the CA 2006 is now fully in force and the 1985 Act has been repealed. Consequential amendments are made throughout the Articles to reflect the inclusion of these new definitions.

3. Authorised share capital and unissued shares

The CA 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the CA 2006, save in respect of employee share schemes.

4. Use of seals

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

5. Suspension of registration of share transfers

The Articles permit the directors to suspend the registration of transfers. Under the CA 2006 share transfers must be registered as soon as practicable. The power in the Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

6. Vacation of office by directors

The Articles specify the circumstances in which a director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Innovation and Skills.

7. Voting by proxies on a show of hands

The Shareholders' Rights Regulations have amended the CA 2006 so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution.

8. Voting by corporate representatives

The Shareholders' Rights Regulations have amended the CA 2006 in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles contain provisions which reflect these amendments.

9. Electronic conduct of meetings

Amendments made to the Companies Act 2006 by the Shareholders' Rights Regulations specifically provide for the holding and conducting of electronic meetings. The New Articles have been amended to reflect more closely the relevant provisions.

10. Indemnity

The New Articles update the Articles in line with the CA 2006 to extend the scope of potential indemnities which may be granted to directors of pension trustee companies. Under section 235 of the CA 2006, a director of a pension trustee company can be indemnified by the pension trustee company itself or an associated company against liability incurred in connection with the company's activities as trustee of the scheme. The indemnity cannot extend to liabilities to pay criminal or regulatory fines or to defending criminal proceedings in which the director is convicted. The New Articles have also been amended to make it clear that the indemnity extends to directors of associated companies as well as directors of the Company. None of the Company's directors is currently a director of an associated company that is a trustee of an occupational pension scheme in which any employee of the Company or its subsidiaries participates. It is not anticipated that the Company will establish any associated company that will act as trustee of an occupational scheme.

11. General

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.