

SHAREHOLDER CIRCULAR

WITHDRAWAL OF RESOLUTION 9 – “CAPITAL RESTRUCTURE” FROM THE AGENDA OF THE ANNUAL GENERAL MEETING OF AUSTRALIAN MINERAL FIELDS LIMITED: 1 SEPTEMBER 2008.

Dear Shareholder,

I refer to the upcoming Annual General Meeting (“AGM”) for Australian Mineral Fields Limited (the “Company”), scheduled to occur at 9.00am (WST) on Monday, 1 September 2008 at Exchange Plaza, 2 The Esplanade, Perth WA 6000.

The Board of Directors (“Board”) of the Company have elected to withdraw Resolution 9, in relation to the proposed Capital Re-structure, in which we sought to approve a series of changes to the capital structure of the Company in order to make the Company more attractive for further investment as it progresses towards an Australian Securities Exchange (“ASX”) Initial Public Offering (“IPO”) listing event.

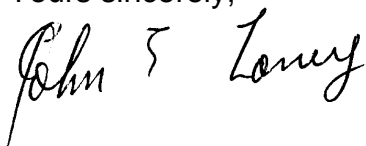
As indicated in the explanatory notes, a portion of this re-structure would be subject to receipt of advice in regards to certain Australian taxation implications. As such, some advice has been received which defines that there would be very strong negative tax implications for those four founders, namely Mr Marcus Willson, Mr Greg Hall, Mr Graham Taylor and Mr Scott Halley, who had proposed to cancel a portion of their shareholdings to the benefit of all remaining shareholders.

Further, the Board has been made aware of certain opportunities which may represent an alternative to an IPO transaction in respect to the early listing of the Company’s equity on the ASX. On review, the Board feels that these opportunities have sufficient merit to warrant substantial further review.

Thus, as a result of these other opportunities, the proposed capital re-structure might reasonably be considered to be in-appropriate or at least require other variations better dealt with at the time, should the Board ultimately recommend the capital re-structure.

With all due consideration, therefore, the Board has made the decision to withdraw Resolution 9 from the Company AGM agenda.

Yours sincerely,



John Loney
Chairman of the Board
Australian Mineral Fields Ltd.