

# LONDON MINING PLC

29 January 2010

**London Mining Plc**

**Quoted on London AIM (LOND LN) and Oslo Axess (LOND NO)  
("London Mining" or the "Company")**

**MARAMPA UPDATE**

## **Highlights**

- **Estimate for the tailings resource reported according to the JORC code**
- **Additional tailings and primary ore resource estimates expected by end of Q1 2010**
- **Sufficient resources for 1.5Mtpa starter operation in 2011 with potential to double production from tailings**
- **Planning underway for expanded production from the primary resource**
- **Ausenco appointed to provide project management services**
- **Confirmation of barge and shiploading capacity for up to 10Mtpa to accommodate tailings and primary ore production**
- **Fiscal incentives package now confirmed on the Sierra Leone parliamentary agenda; vote expected before end of February 2010**

London Mining ("the Company") today provides an update on its Marampa Project in Sierra Leone, including: an initial resource estimate for the tailings, reported according to the JORC code; an outline on its plans for expansion to 5-8Mtpa through development of the primary ore body; the appointment of Ausenco Ltd ("Ausenco"); and progress on the final approvals for its fiscal incentives package.

The Marampa Project is located 120km from Freetown in Sierra Leone and is 100% owned and operated by London Mining through its subsidiary London Mining Company Ltd. London Mining is developing a tailings reprocessing operation and is defining its main resource body to develop a full scale mining plan.

Snowden Mining Industry Consultants ("Snowden") has estimated a resource for the tailings portion of the Marampa Project of 32.5 Mt grading 22.67% Fe, comprising 29.6Mt grading 22.79% Indicated Resource and 2.9Mt grading 21.51% Fe Inferred Resource. Resources are reported in accordance with the JORC Code 2004 and at a cut-off of 15% Fe. The current resource is based on a drilling programme comprising some 400 holes but core recovery below the water table has been variable with only 43% of holes being completed to the the base of the tailings. London Mining plans to drill a further 200 holes comprising 2,300m to be drilled using a new aircore rig to allow an updated tailings resource statement to be reported by the end of Q1 2010. Initial testwork by CDTM in Brazil has shown that a sinter feed with >65% Fe, <3% SiO<sub>2</sub> and <1% Al<sub>2</sub>O<sub>3</sub> can be produced using a process route involving two-stage magnetic separation.

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The resource reported today is in line with assumptions from scoping work, specifically relating to resource grade, beneficiation characteristics, operating costs and marketing studies for the resultant concentrate. The resource provides London Mining with at least six years of production at 1.5Mtpa concentrate at an estimated capital cost of approximately USD80m (including contingency and working capital build) with operating costs of USD32.9/t of concentrate and potential to accelerate production to 3Mtpa through an expanded tailings operation ahead of first concentrate from primary ore. It is London Mining's intention to fully fund development of the tailings operation using existing cash reserves and incremental cash flow.

Ausenco has been engaged to provide project management services and technical support to the London Mining owners team to facilitate construction and ensure timely delivery of the 1.5Mtpa tailings reprocessing operation. Development of the gravel haul road to the barge loading site at Tawfayim is proceeding to schedule with all the main structures now in place ahead of the wet season. London Mining is also in final discussions with a provider of barging and floating crane transshipment capacity. The floating crane represents the main long lead item and a final agreement would secure capacity for 5Mtpa of concentrate with a single crane, with potential for expansion by a further 5Mtpa through the addition of a second crane.

London Mining will also commence work on a further expansion to a 5-8 Mtpa operation once it has determined the size of the primary resource by the end of Q1 2010. In the interim, London Mining has initiated negotiations with Ausenco to undertake a preliminary technical study to better define the economic potential of an expanded operation. London Mining has now completed 2,700m of drilling on the Masaboin and Ghafal primary ore deposits and plans a further 6,000m drilling in 2010. This work is intended to allow an initial estimate to be reported in accordance with the JORC Code for the primary ore resource and for a prefeasibility study to be completed by the end of 2010. In addition, further metallurgical work is to be undertaken to determine the suitability of concentrate from the primary ore body for sinter or blast furnace pellet feed. London Mining is actively pursuing potential offtake partners for the Marampa products.

Michael Andrew, Divisional Manager Applied Geosciences of Snowden Mining Industry Consultants BSc, MAUSIMM, and Ricardo Alvares de Campos Cordeiro of Coffey Mining, Brazil and a professional member of the Australasian Institute of Geosciences; who meet the criteria of a qualified person under the AIM Rules - Guidance for Mining, Oil and Gas Companies, have reviewed and approved the technical information contained within this announcement that relates to the reporting of the Marampa Mineral Resource.

Marampa Mineral Resources as at January 2009, reported at a 15% Fe cut-off.

| Asset                 | Measured    |              | Indicated   |              | Inferred    |              | Operator                  |
|-----------------------|-------------|--------------|-------------|--------------|-------------|--------------|---------------------------|
|                       | Tonnes (Mt) | Grade (% Fe) | Tonnes (Mt) | Grade (% Fe) | Tonnes (Mt) | Grade (% Fe) |                           |
| Marampa, Sierra Leone | -           | -            | 29.6        | 22.7         | 2.9         | 21.5         | London Mining Company Ltd |

The Marampa Project mining agreement, environmental impact assessment and fiscal incentives package has already received full cabinet approval and is confirmed on the Sierra Leone parliamentary agenda. London Mining now expects a parliamentary vote and subsequent ratification to follow in February after which it will then proceed with full development of the tailings reprocessing operation. This will be the first comprehensive mining agreement to have been presented in accordance with the new Mines and Minerals Act, which was approved by the Sierra Leone Parliament on 30 December 2009.

Graeme Hossie, CEO of London Mining plc, said, *“Marampa is London Mining’s leading project based on its stage of development, sizable production volume potential, excellent logistics and technical simplicity. The partial tailings resource announced today allows Marampa to commence production quickly and start generating cash flow from which we can expand iron ore concentrate production from tailings to 3mtpa prior to commencing production from the primary ore. It also allows us to accelerate the construction of infrastructure for the enlarged operation based on the primary orebody. We look forward to announcing an expanded resource, operational updates, expansion plans and an agreement on offtake over the course of 2010”.*

**For more information, please contact:**

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The Company's website can be found at [www.londonmining.co.uk](http://www.londonmining.co.uk).

**About London Mining**

London Mining is focused on identifying, developing and operating scaleable mines to become a mid-tier supplier to the global steel industry. Its four principal assets in Sierra Leone, Saudi Arabia, Greenland and China all have deliverable production with potential for expansion. The Company listed on the Oslo Axess on 9 October 2007 and on AIM in London on 6 November 2009. It trades under the symbols LOND.L and LOND.NO (Reuters) and LOND LN and LOND NO (Bloomberg).

## Notes to Editors

### Glossary of Technical Terms:

|                                   |   |
|-----------------------------------|---|
| “Al <sub>2</sub> O <sub>3</sub> ” | Alumina   |
| “CDTM”                            | Setor de Tecnologia Mineral do Centro de Desenvolvimento da Tecnologia Nuclear (The Nuclear Technology Development Centres Mineral Technology Centre) in Brazil   |
| “EPCM”                            | Engineering, Procurement and Construction Management  |
| “Fe”                              | Iron  |
| “inferred mineral resource”       | The part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.  |
| “indicated mineral resource”      | the part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations, such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. |
| “JORC”                            | Australasian Institute of Mining and Metallurgy Joint Ore Reserves Committee (JORC) code on mineral resources and ore reserves.   |

“measured mineral resource”

The part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

“mineral resource”

A concentration or occurrence of natural, solid, inorganic or fossilised organic material in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

“Mt”

Million metric tonnes.

“Mtpa”

A million metric tonnes per annum.

“ore”

A natural aggregate of one or more minerals which, at a specified time and place, may be mined and sold at a profit, or from which some part may be profitably separated.

“sinter”

Process for agglomerating ore concentrate in which partial reduction of minerals may take place and some impurities may be expelled prior to subsequent smelting and refining

“sinter feed”

Iron ore product used to make sinter.

“SiO<sub>2</sub>”

Silica