

LONDON MINING PLC

London Mining Plc

23 March 2009

**London Mining Plc (LOND.NO)
("London Mining" or the "Company")**

LONDON MINING COMPLETES IRON ORE JOINT VENTURE IN CHINA

London Mining today announces that China Global Mining Resources (BVI) Limited ("CGMR"), its 50/50 joint venture company with Wits Basin Precious Minerals Inc ("Wits Basin"), has completed the acquisition of two companies, Maanshan Xiaonanshan Mining Co., Ltd ("XNS") and Nanjing Sudan Mining Co., Ltd ("Sudan"), which own an iron ore mine and concentrator plant located in the Anhui and Jiangsu Provinces of the Peoples Republic of China. CGMR has now taken operational control of the assets and plans immediately to commence an extensive programme to delineate further resources improve productivity and reduce costs.

A Chinese standard resource of 31.2 million tonnes of magnetite ore averaging 23.6% total Fe for a portion of the XNS licence area previously drilled was verified by SRK Consulting in July 2008 with the ore body remaining open at depth and laterally. The joint venture has been granted an extension to the previous licence area as part of government initiatives to rationalise small producers and increase domestic supply of iron ore. The extended licence area is situated in a region of high geological prospectivity, indicated by the prolonged life of similar mines nearby. As a condition of completion of the acquisitions, CGMR has been granted the right to acquire a further iron ore mining company, Maanshan Zhaoyuan Mining Co Ltd ("Matang"), which is owned by the sellers of Xiaonanshan and Sudan.

The aggregate purchase price for the acquisitions is approximately USD 42.25 million, which comprises an initial payment of USD 24.78 million (subject to post closing adjustments) and a deferred payment of USD 17.48 million. Additionally, one of the sellers will receive up to a further USD 53.95 million (of which approximately USD 13 million has been paid) under a consulting agreement which is payable by CGMR subject to available cash flow from the operations of Sudan and XNS after London Mining has recovered its initial investment. London Mining will receive a priority dividend until it has been repaid its full investment including transaction costs of USD 44.5 million. London Mining will also receive a management fee of USD 5.5 million in the first year and USD 4.5 million thereafter during an extended period of development and integration.

The Sudan plant has an annual capacity of 400,000 tonnes of magnetite concentrate grading 62 to 64% following an expansion in June 2008. Production in 2008 from the XNS/Sudan complex was estimated to have been over 300,000 tonnes with sales revenues peaking at USD 130/t of concentrate. In early 2009, revenues averaged USD 85/t with operating costs averaging around USD 50 to USD 60/t. Initial productivity improvements are expected to lead to a 50% increase in capacity and a threefold increase in capacity to 1.2mtpa is planned by the end of 2011 funded entirely by incremental cash flow.

39 SLOANE STREET
LONDON
UNITED KINGDOM
SW1X 9LP

PHONE: +44 (0) 20 7201 5000
FAX: +44 (0) 20 7201 5050
EMAIL: INFO@LONDONMINING.CO.UK
WEBSITE: WWW.LONDONMINING.CO.UK

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Operating margins are expected to remain robust as a result of the realisation of significant cost savings from the expansion of existing operations with the close proximity to local steel mills enabling the operations to capture a transport related pricing premium for its concentrate. This premium is expected to be enhanced by the implementation of a more focused marketing strategy.

Graeme Hossie, Managing Director of London Mining said: *"Our first investment in China provides us with immediate operating cash flow and accelerates our existing production profile. China is the world's largest steel producer and iron ore consumer by a significant margin and provides an excellent environment to grow our initial production platform. The recently announced Chinese domestic infrastructure programmes provide opportunity for iron ore producers and London Mining aims to become a significant and reliable supplier of iron ore to the Chinese steel industry, both domestically and from our other operations around the world. London Mining continues to focus on assets with potential for growth and high margin sustainability in geographies close to the intended markets. We are encouraged by the continued involvement of our Chinese partners and feel these relationships will generate unique opportunities for our global business."*

For more information, please contact:

London Mining Plc

Graeme Hossie, Managing Director +44 (0)20 7201 5000

Rachel Rhodes, Finance Director +44 (0)20 7201 5000

Thomas Credland, Head of Investor Relations +44 (0)20 7201 5000

Crux Kommunikasjon AS

Charlotte Knudsen +47 97 56 19 59

Threadneedle Communication (UK)

Laurence Read/ Graham Herring +44 (0) 20 76539850

About London Mining

London Mining is incorporated and registered in the UK, and is developing mines to supply the global steel industry. In 2007, London Mining raised over USD 185 million to advance iron ore production from its projects, and listed on the Oslo Axess, a marketplace regulated by the Oslo Stock Exchange in October 2007. Following the sale of its Brazilian operations in August 2008 for more than USD 800 million, the Company has investments in iron ore projects and mines in China, Mexico, Saudi Arabia, Greenland and Sierra Leone, and coal projects and mines in South Africa and Colombia. London Mining is trading under the Reuters symbol LOND.OL and Bloomberg symbol LOND:NO.

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WEBSITE: WWW.LONDONMINING.CO.UK

REGISTERED OFFICE IN ENGLAND & WALES: 39 SLOANE STREET, LONDON, UNITED KINGDOM, SW1X 9LP

(No. 5424040)

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Please also visit our website www.londonmining.co.uk for more information about London Mining and its operations.

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UNITED KINGDOM
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