LONDON MINING PLC

Commentary on interim results for the three months to 30 June 2008 (unaudited)

During the second quarter of 2008, the Group has continued to make progress towards its goal of maximizing shareholder value by conducting a strategic review of its Brazilian operations. The resulting sale of Brazilian assets, announced on 20 August 2008 to ArcelorMittal for US dollars 809.9 million, marks the conclusion of the Brazilian strategic review. London Mining intends to return US dollars 427 million of the proceeds to shareholders.

Corporate

Following a competitive auction process, the Company announced the sale of its Brazilian operations to ArcelorMittal for a total cash consideration of US$809.9 million. The Board of London Mining initiated the strategic review following the receipt of expressions of interest in the Brazilian assets and in response to the high levels of strategic interest in Brazilian iron ore assets. The objective of the review was to determine how best to maximize shareholder value in respect of these assets, principally through an assessment of the relative merits of a sale of all or part of London Mining's Brazilian operations versus the retention of these operations to full production. The Company appointed UBS Investment Bank to conduct the review in conjunction with its existing financial adviser, Kaupthing Singer & Friedlander.

Having considered the post-transaction capital structure of the London Mining group, the availability of profitable investment opportunities in the near to medium-term and the views of its shareholders, the Board intends to return approximately US dollars 427 million of the proceeds from the sale to shareholders, representing approximately US dollars 3.73 per share on a fully diluted basis. The timing and mechanism of the return of these funds to shareholders will be announced in due course.

The Company expects to apply approximately US dollars 105 million of the net proceeds as follows:

- Redemption of outstanding bonds issued by London Mining on 24 April 2007: (approximately US dollars 76.6 million)
- Estimated transaction costs of approximately US dollars 25 million
- Payment of performance and production bonuses to all of the Management Team of the Brazilian operations: US dollars 3.95 million

The remaining net proceeds will be applied to the development of the Company's existing projects and to the acquisition and development of further iron and coal opportunities, including:

- Working capital for the Wadi Sawawin, Isua and Marampa iron ore projects and general working capital

- Potential funding for the balance of the conditional DMC Energy (Pty) Ltd acquisition (see the Company's announcement of 8 August 2008): Up to US dollars 99 million
- A project loan to the El Artillero iron ore project in Mexico (see the Company's announcement of 25 June 2008): Up to US dollars 7 million
- A possible operating iron ore mine, subject to final due diligence: Approximately US dollars 46 million
- A possible coal acquisition in South America currently under consideration: Up to US dollars 75 million

Brazil

Since acquiring the Brazilian operations in May 2007 for US$89 million, including deferred consideration of US$24 million, the Company has applied management expertise and capital investment to rapidly develop significantly expanded production capacity, high quality modern production facilities and an increase in resource base to support long term scalable production of high quality sinter and pellet feed. The $809.9 million price achieved in the sale of the Brazilian operations attests to the effectiveness of London Mining's mine development capability. London Mining has retained the CEO of the Brazilian operations, Luciano Ramos, to head the London Mining's technical services and Mr Ramos is also heading the Saudi and Greenland projects.

Sinter feed plant and first sinter feed sales to Vale

The sinter feed plant was commissioned in June 2008 and has been successfully ramped up by mid-August to meet expected production capacity and quality specifications. The successful start up of this state-of-the-art processing facility represents a substantial achievement of the LMB management team and sets standards for successful fast-track high quality development. A domestic off-take contract for 1.1m tonnes of sinter feed was agreed with Vale and the first shipment took place during August 2008.

Resource update

As part of the company's review of its resource base, the Company engaged Libaneo & Libaneo Ltda to review the mineral resources of the Central and Eastern Claims and incorporate interim results of LMB's 7,500 metre drilling campaign. The existing geological database and drill cores were reviewed according to the new ore types.

The latest drill holes show that the iron ore formation has continuity at depth and the contact with footwall was not reached. A structural geological study was carried out and a new geological model was defined. GEOEXPLORE, a Coffey Mining company, was hired in conjunction with Libaneo & Linaneo to update the mineral resources using a 3D methodology (Gemcom Surpac software). The new geological model, produced by Libaneo & Libaneo, based on the deeper drill holes, has expanded the geological interpretation to the deeper levels. This review, which includes hard itabirite ore resulted in a 459mt increase in the total iron ore resources and a 153mt increase in the contained Fe from the previous resource estimate in May 2008.

Resource Classification*	Resource (Mt)	Fe%	Contained Fe (Mt)
Measured	154.50	38.61	59.66
Indicated	94.00	42.63	40.07
Inferred	812.01	37.30	302.88
Total	1,058.60	37.96	402.60

* Brazilian Reporting Standards, including Central, Eastern and Western claims

Granulado Sales

During the three months ended 30 June 2008, the Brazilian operations mined 754,383 tonnes ("t") of material, including 365,226t of waste at a waste : ore stripping ratio of 0.95, with 389,157t of Run of Mine (ROM) material being processed during the quarter and 96,120t of granulado product being produced. Details of granulado production and sales are as follows:

Period	ROM (t)	Granulado (t)	% of ROM	Fines (t)	% of ROM	Tailings (t)	% of ROM
Apr-08	139,417	34,857	25.00	58,555	42.00	46,005	33.00
May-08	114,413	28,606	25.00	48,053	42.00	37,754	33.00
Jun-08	135,327	32,657	24.13	57,824	42.73	44,846	33.14
June Quarter 08	389,157	96,120	24.70	164,432	42.25	128,605	33.05
June Quarter 07	338,647	94,821	28.00	149,005	44.00	94,821	28.00
6 months 2008	792,229	201,135	25.39	333,706	42.12	257,388	32.49
6 months 2007	652,001	184,820	28.35	284,620	43.65	182,561	28.00

Period	Sales of Granulado	Sales of Granulado (USD)	Ave Price of Granulado (USD)	No of Customers
Apr-08	21,504	1,406,260	65.40	11
May-08	24,356	1,466,803	60.22	12
Jun-08	24,305	1,714,387	70.54	15
June Qtr 08	70,165	4,587,450	65.38	
6 months 2008	188,114	9,660,271	51.35	

Saudi Arabia

On 29 April 2008, a detailed joint venture agreement drafted in accordance with Saudi Law was signed by the Company and National Mining Company. Saudi London Iron Ltd, the Saudi Arabia resident joint venture company has been formally approved by the Saudi Arabian government and is currently in the process of completing incorporation.

The joint venture will develop the Wadi Sawawin iron ore project in Saudi Arabia. Scoping and previous studies have indicated the feasibility of a five million tonnes per annum direct reduction pellet production operation on the current mining licence. A drilling campaign is currently underway to define and expand the 411 million tonnes reserves (USB code). The Wadi Sawawin project will benefit from a new port, will be in close proximity to one of the new government-funded "Economic Cities"(in the Tabuk region), and expects to benefit from economical transport infrastructure, power and water. The Company has initiated a bankable feasibility study and further engineering and metallurgical studies.

Feasibility Studies

- *Mine area:*

Snowden Consultants has started the Feasibility Study for the mine area. The following activities are planned to be carried out in the next three months:

- Ultimate Pit, Waste Dumps and Stockpile Designs
- Phase Designs (Intermediate Push Backs)
- Optimization of Life of Mine Production Schedule
- Detailed Production Scheduling
- Drainage and Sediment Control
- Ongoing Rehabilitation and Mine Closure
- Equipment Requirements
- Labour Requirements
- Mining Infrastructure Design
- Owner Mining Capital and Operating Cost Estimation
- Mining Implementation Plan
- Risk Assessment
- Reporting
- New drilling works.

- *Mineral Processing area:*

Corus Consulting was hired to provide consulting services and to bring the knowledge it has acquired during the previous phases of studies on this project. A kick-off meeting was held in Brazil with the participation of Corus, London Mining and EMP (a Brazilian consultant firm).

Three Mineral Research Centers in Brazil was analyed and the CETEC (Minas Gerais State Research Center) was selected to carry out additional pilot plant tests. The preparation of 30 tonnes sample from Wadi Sawawin was started to generate feedstock for the testwork.

- *Infrastructure, mineral processing plant and port:*

The procurement process to select the engineering company to carry out the feasibility study is almost concluded. It is expected to start this work in September and conclude at the end of 2008.

Project Management

Manfred Deutsch has been hired for the position of Project Manager for the Wadi Sawawin Iron Ore and Pelletizing projects. Manfred is a Chemical Engineer, graduated in the University of Applied Sciences (Frankfurt, Germany), has more than 35 years of experience, most of them in the Middle East. He has worked for SNC-Lavalin, ThyssenKrupp, Shell, Texaco among others companies.

Integration with Isua

Studies are also being conducted to examine the possibility of using the proposed Wadi Sawawin pelletising plant in the future to process the pellet feed from both the Isua project in Greenland and the Wadi Sawawin Project with a targeted production of 20 million tonnes per annum of DR pellets.

Greenland

Scoping, metallurgical, hydropower, pipeline and harbour studies have all been completed and indicate that the Isua project will support a sizeable open pit mining operation starting at approximately 5 million tonnes per annum of +71% Fe magnetite direct reduction pellet feed, with good logistics via a slurry pipeline and deepwater port with year round shipping.

Activities have increased in Greenland during the second quarter of 2008. These have included:

- The erection of 50 person container camp at Aninganeq to service the Isua mine site;
- Detailed topographical survey of mine site area & ice sheet using LIDAR was carried out during the period;
- Ice sheet studies including staking of ice sheet to re-measure ice flow direction & rate to inform open pit design and mining plan;
- Detailed pipeline reconnaissance survey was done to complete air photo survey & digital topographical map of the pipeline route;
- Re-surveying of 1970's gridline and ice sheet eleavtions to tie in 1970's data to current field studies;
- Performance of an Environmental Impact Study including, inter alia, a marine mammals, fish and sea birds literature study, a wildlife and terrestrial habits literature study, field baseline sampling, an archaeology survey and a land use study;

- Carrying out of a drilling programme entailing 5,000m of diamond core drilling, commencing in late June 2008. Conditions for drilling have been difficult so far and by 27 August, only 550m had been completed;

- Commencement of extensive geological re-mapping of the Isua licence area, to be undertaken from late June 2008 to late August 2008.

Synergies with the Wadi Sawawin project are being studied and favourable shipping costs from Greenland to the Company's planned pelletizing operations in Saudi Arabia have been indicated using two dedicated 300,000t DWT ships through the Suez canal to service a 5-6mtpa operation.

Sierra Leone

Rail and Port

Further to the rail and port negotiations discussed in the March quarter commentary, the final report from the independent consultants advising on the railway between Marampa – Pepel was released in August 2008. The report shows that reopening of the Marampa – Pepel railway is feasible and that it could be in use carrying revenue-earning traffic within 18 months. The final report recommends refurbishing the existing track to facilitate the subsequent complete reconstruction of the line to carry modern 25 tonne axle load trains and concludes that it is feasible to move up to 7.5 million tonnes per annum on the railway at reasonable cost. The report suggests, among other ownership structures, that in the case of an independent company being set up to operate the rail and port, the main users of the rail should be the main shareholders in such a company. A committee has been appointed by the Government of Sierra Leone to consider the independent study and to decide on the rail and port structure to best serve the requirements. London Mining's management is actively promoting the company's interest for the rail and port operation to enable it to commence production as soon as possible.

Mining development

By July 31st 2008, 248 hollow stem auger holes for a total of 1,896 meters on tailings resources had been completed. 1,165 samples have been analyzed for physical size analysis – chemical analysis has commenced. Diamond core drilling has commenced on hard rock deposit to determine the extent of the deposit and confirm JORC resources. Approximate 100,000 tonnes of tailings have been reclaimed and stockpiled.

The basic engineering for the beneficiation plant is nearing completion at Eriez, USA. Pilot plant testing and flow sheet development for primary ore crushing and beneficiation is expected to commence shortly. A 10 tonne sample of the primary ore will be shipped shortly for testing.

Mexico

In June 2008 the Company announced that it had given the go-ahead for the EL Artillero project in Mexico to start production and export iron concentrates. London Mining will commit US dollars 7 million in debt finance for the project and has also increased its interest in Anglo

Mexican Mining Limited, the 98% owner of the project from 49% to 53%. Since that time, further development work has been undertaken, suppliers contracted and operational personnel hired. Testwork is being performed to determine the optimal production grade for resource utilization.

A 3.3mt resource averaging 49.2% Fe has already been estimated, which includes a smaller but higher grade resource (2.1mt averaging 59.1% Fe) that will be exploited once the Federal Mexican Environmental Protection Authorities (SERMANAT) mine approvals have been granted. The ore will be upgraded with magnetic separation and is expected to produce about 75,000 tonnes per month of concentrates grading 63.7% Fe. Production is forecast to commence within the next nine months, depending on when the SERMANAT approvals are granted. Mining will be contracted out.

London Mining will hold marketing rights to 100 percent of the iron ore concentrates produced and will receive a 5 percent marketing fee on sales.

Group Development

London Mining's mission is to develop and operate mines supplying the global steel industry. Having realized proceeds of US$809.9m from the sale of the Brazilian operations in August 2008, the Company will remain focussed on delivering value for its shareholders by developing its other projects and establishing a balanced portfolio of assets with cash flow, near term expansion and longer term significant asset development. The Company aims to maintain exposure to cashflow growth associated with increasing production of commodities supplying the steel industry and in particular the growing world economies and to crystallize value for shareholders by pursuing optimum value creation strategies in its subsidiaries and synergies across the group.

New Coal Division

On 8th August 2008, the company announced its strategic expansion into the coal industry. With a 1.3 billion tonne portfolio of iron assets being developed for the global steel industry, London Mining believes that an expansion into coal extraction can deliver significant value for shareholders. The Company will continue to build up its production and resource base in order to become a significant supplier to the steel markets. Coal assets for the supply of energy markets will be brought into the Company where London Mining's development experience can be easily applied in order to generate near-term and expanding cash flow and value for shareholders.

Both the iron and coal divisions will be overseen at group level with the possibility of mutually beneficial funding, development and off take agreements being made for the complementary projects. Experienced technical and operating management teams shall operate at project level. London Mining believes that its multi asset approach to supplying the steel industry with raw materials will enable it to establish favourable partnering agreements with steel producers and realise benefits from geographic and development stage diversification. With production and late stage development already successfully realised by the Company, replicating that success in its coal division, as well as further building its base of iron ore assets, is the next strategic step.

First Coal Acquisition: South Africa

On 8 August 2008, the Company announced an investment into DMC Energy Pty Ltd. whereby it would subscribe for up to 50.5% of DMC Energy (Pty) Ltd ("DMC Energy"), for a total of up to US dollars 120 million in staged payments, with the first such payment subject only to receipt of regulatory approvals in South Africa.

Following completion of an internal reorganization by DMC Conolidated ("DMC", the parent company of DMC Energy), DMC Energy will own the following interests in South African mining assets:

- 70% of Ashante Mineral Resource (Pty) Ltd, which holds the Rietkuil coal project ("Rietkuil") (Inferred In-Situ Resource of up to 288 million tonnes of coal). Rietkuil is situated 13 km from Eskom's Kendel power station and 43 km from Eskom's refurbished Grootvlei power station. Road, rail and power infrastructure is all available on site.
- 30.35% (to increase to 69.65% upon completion of London Mining investment and DMC Energy reorganisation) of DMC Coal Mining (Pty) Ltd ("DMC Coal"), which holds the Limpopo coal project ("Limpopo") and the Pixley Ka Seme ("PKS") coal and torbanite project. The potential resource of the Limpopo project is 426 million tonnes in situ resource of metallurgical and thermal coal. The PKS project includes a coal deposit in excess of 234 million tonnes in situ as well as 73 million tonnes torbanite (high yielding oil shale) with estimated yield of 1 barrel of synthetic crude per tonne of shale. Coal deposits include anthracite, steam coals and metallurgical coal.

DMC has also secured an irrevocable 40mtpa port allocation through the future Porto du Bella Vista port in Mozambique and is in the process of acquiring additional coal exploration assets in Botswana (70%), Zimbabwe (65%) and Swaziland (70%). These assets will be transferred to DMC Energy after registration is complete and all coal projects developed by DMC shall be developed through DMC Energy.

The coal assets described above will be operated by DMC Energy, which has an office based in Johannesburg. DMC Energy has an experienced board of three executive directors, Pieter Wiese; Maritza Schoeman and Mike Davison and a ten person technical team being expanded in line with the development of the assets. London Mining will also be represented on the board of DMC Energy. Heine van Niekerk, CEO of the Delta Group also sits on the board of DMC Coal. All Black Economic Empowerment requirements for the projects have been met as per the South African minerals legislation and are in place at the operating entity level which holds the mineral rights. The most advanced asset, Rietkuil, is currently being drilled to JORC Measured-Indicated Resource standard with a view to confirming ore reserves later this year prior to completing a Bankable Feasibility Study by mid-2009 on a 1.8mtpa open pit coal operation.

Further growth of the London Mining group assets

The Company is considering acquisitions of cash flow producing iron ore and coal businesses with strong potential for significant near term increased production by the application of capital and management resources.

On 22 August 2008, the company announced that it has signed a letter of intent with Wits Basin Precious Minerals, Inc. ("Wits Basin") which may result in London Mining becoming a joint venture partner for Wits Basin's iron ore project in Ma Anshan in the People's Republic of China. The potential transaction remains subject to due diligence and finalisation of definitive legal documents.

Under the preliminary terms that have been agreed with Wits Basin, London Mining would acquire a 50% interest in the proposed joint venture vehicle for a total consideration of US$45 million. The joint venture vehicle currently holds rights to acquire three Chinese mining companies, Nanjing Sudan Minerals, Maanshan Zhaoyuan Mining and Xiaonanshan Mining. London Mining has also agreed to provide up to US$1 million, in the form of a convertible loan note to be issued by Wits Basin, to cover due diligence and other transaction costs associated with the potential acquisitions.

Financial commentary

The net loss for the six month period to 30 June 2008 of £5,844,644 comprises losses from continuing operations of £6,605,784, partially offset by profits from the Brazilian operations of £761,120. The results from the Brazilian operations have been reclassified as "discontinued operations" for all periods presented in the consolidated income statement, in accordance with International accounting standards.

Included in the losses from continuing operations of £6,605,784 for six month period to 30 June 2008 are the following material components:

- £2,936,751 non cash, share-based payment awards made to consultants, staff directors and key management
- £798,197 of salary costs (excluding share-based payments) to directors and key staff
- £600,630 consultancy fees
- £213,618 legal fees; and
- £1,242,472 of net finance costs

This compares to an equivalent loss from continuing operations of £7,978,234 for the preceding six month period to 31 December 2007. The period on period improvement in the results of £1,372,450 is largely explained by favourable exchange movements arising on the NOK denominated bond and cash balances. The NOK cash and bond balances will be settled as part of the sale of Brazilian operations, recorded after 30 June 2008 period end.

Total cash for the six month period to 30 June 2008 decreased by £14,835,893, comprising £6,362,434 net cash outflow from continuing operations and £8,473,459 net cash outflow from discontinued operations. The £6,362,434 net cash outflow from continuing operations (excluding cash flows from Brazilian operations) included the following material components:

- £4,624,950 outflow from operating activities, which includes £982,805 net interest paid; c£600,000 decrease in payables; salaries and other corporate and transaction costs
- £2,196,525 outflow from investing activities, which largely comprises £1,672,275 payment for mineral rights and exploration costs capitalized in Sierra Leone and

Greenland and £51,106 (net of cash acquired) to increase the Company's interest in Anglo Mexican Mining Ltd

Post period end, the Company received cash consideration of USD809.9 million on disposal of its Brazilian operations to ArcelorMittal on 20 August 2008.

The following warrants were exercised during the three months ended 30 June 2008:

- 161,453 issued on 9 April 2008 in settlement of an obligation of 500,000 US Dollars due to a consultant;
- 30,000 of the warrants issued on 1 May 2006, with an exercise price of 20 pence each, on 9 May 2008;

As at the date of this commentary, 106,033,795 Ordinary Shares were in issue, comprising the following:

- 100,883,795 in issue at 30 June 2008;
- 3,837,500 issued on 20 August 2008 to Altima Global Special Solutions Master Fund Ltd relating to the conversion of 3,837,500 warrants at 200 pence per share; and
- 1,162,500 issued on 20 August 2008 to Altima Global Special Solutions Master Fund Ltd relating to the conversion of 1,162,500 warrants at 125 pence per share; and
- 150,000 issued on the exercise of options by a former employee on 12 August 2008.

In addition, as at the date of this commentary, a total of 4,000,000 warrants, each to acquire one Ordinary Share in the Company, had been granted and had not yet been exercised, being exercisable at the following prices:

- 3,000,000 exercisable at 20 pence;
- 1,000,000 exercisable at 174 pence; and

A total of 5,380,000 options, each to acquire one Ordinary Share in the Company have been granted and not yet exercised at the date of this commentary, being exercisable at the following prices:

- 4,380,000 exercisable at 174 pence;
- 500,000 at an exercise price of 309 pence; and
- 500,000 at an exercise price of 344 pence.

Finally, as at the date of this commentary, rights to 3,400,000 Ordinary Shares vesting over 3 years from issue as part of an employee Long Term Incentive Plan have been issued with such shares to be purchased from the market by an Employee Benefit Trust.

CJ Knight
Chairman

29 August 2008

London Mining Plc
Unaudited condensed consolidated income statement

	Note	Unaudited Three months ended 30 June 2008	Unaudited Six months ended 30 June 2008	Unaudited Three months ended 30 June 2007	Unaudited Six months ended 30 June 2007	Year ended 31 December 2007 £
Continuing operations						
Revenue		-	-	-	-	-
Cost of sales		-	-	-	-	-
Gross profit		-	-	-	-	-
Corporate development	5	(223,123)	(556,082)	(49,541)	(66,287)	(1,478,124)
Sales and distribution expenses		-	-	-	-	-
Administrative expenses		(2,053,675)	(4,807,230)	(500,636)	(752,992)	(5,036,452)
(Loss) from continuing operations		(2,276,798)	(5,363,312)	(550,177)	(819,279)	(6,514,576)
Finance income	7	496,614	3,352,685	538,393	560,862	3,321,330
Finance costs	8	(1,134,492)	(4,595,157)	(1,114,075)	(1,552,084)	(6,579,648)
Loss before taxation		(2,914,676)	(6,605,784)	(1,125,859)	(1,810,501)	(9,772,894)
Taxation	9	-	-	1,479	5,814	(10,027)
Loss for the period from continuing operations		(2,914,676)	(6,605,784)	(1,124,380)	(1,804,687)	(9,782,921)
Discontinued operations						
Profit for the period from discontinued operations	10	631,426	761,120	290,486	286,337	1,307,359
Loss for the period		(2,283,250)	(5,844,664)	(833,894)	(1,518,350)	(8,475,562)
Attributable to:						
- Equity holders of parent		(2,283,250)	(5,844,664)	(833,894)	(1,518,353)	(8,475,565)
- Minority interest		-	-	-	3	3
		(2,283,250)	(5,844,664)	(833,894)	(1,518,350)	(8,475,562)
(Loss) / gain per share expressed in pence per share						
From continuing operations:						
Basic and diluted	11	(2.89)	(6.59)	(1.53)	(2.85)	(12.70)
From discontinued operations:						
Basic and diluted	11	0.63	0.76	0.40	0.45	1.70
From all operations:						
Basic and diluted	11	(2.26)	(5.83)	(1.13)	(2.40)	(11.00)

London Mining Plc
Unaudited condensed consolidated balance sheet

	Note	Unaudited As at 30 June 2008 £	As at 31 December 2007 £	Unaudited As at 30 June 2007 £
Assets				
Non-current assets				
Property, plant and equipment		754,700	40,894,093	35,818,693
Intangible assets		6,849,033	4,766,720	4,746,214
Investment in associate			201,859	-
Inventories		-	10,266,569	9,300,339
Receivables		-	115,180	76,467
Deferred tax assets		-	-	-
Total non-current assets		7,603,733	56,244,421	49,941,713
Current assets				
Inventories		-	259,797	133,198
Receivables		815,701	1,479,596	901,168
Cash and cash equivalents		29,399,787	45,573,154	24,270,433
		30,215,488	47,312,547	25,304,799
Assets classified as held for sale	12	71,958,705	-	-
Total current assets		102,174,193	47,312,547	25,304,799
Total assets		109,777,926	103,556,968	75,246,512
Liabilities				
Non-current liabilities				
Borrowings	13	-	(41,244,363)	(39,352,413)
Provisions	14	-	(830,491)	(735,521)
Deferred tax liabilities		(16,136)	(558,420)	(166,653)
Total non-current liabilities		(16,136)	(42,633,274)	(40,254,587)
Current liabilities				
Trade and other payables		(1,920,328)	(3,796,649)	(3,846,001)
Borrowings	13	(35,756,266)	(1,517,266)	(119,513)
Tax liabilities		-	(308,719)	(27,072)
		(37,676,594)	(5,622,634)	(3,992,586)
Liabilities directly associated with assets classified as held for sale	12	(12,730,908)	-	-
Total current liabilities		(50,407,502)	(5,622,634)	(3,992,586)
Total liabilities		(50,423,638)	(48,255,908)	(44,247,173)
Total net assets		59,354,288	55,301,060	30,999,339

London Mining Plc
Unaudited condensed consolidated balance sheet (*continued*)

	Note	Unaudited As at 30 June 2008 £	As at 31 December 2007 £	Unaudited As at 30 June 2007 £
Capital and reserves				
Share capital	15	201,768	198,304	158,999
Share premium reserve	15	56,661,799	55,423,904	30,328,252
Other reserves		18,765,188	10,328,007	4,231,157
Retained earnings		(16,493,819)	(10,649,155)	(3,719,069)
Attributable to equity holders of the Company		59,134,936	55,301,060	30,999,339
Minority interest		219,352	-	-
Total equity		59,354,288	55,301,060	30,999,339

London Mining Plc
Unaudited condensed consolidated statement of changes in equity

	Share capital	Share premium reserve	Retained earnings	Warrant and option reserve	Foreign exchange reserve	Option premium on convertible loan notes	Equity attributable to equity holders of the Company	Minority interest	Total equity
	£	£	£	£	£	£	£	£	£
Balance at 31 December 2006	101,537	3,150,731	(2,200,716)	279,969	(3,799)	27,126	1,354,848	233	1,355,081
Changes in equity for six months to 30 June 2007									
Exchange difference on translating foreign operations	-	-	-	-	1,267,052	-	1,267,052	8	1,267,060
Net income recognised directly in equity	-	-	-	-	1,267,052	-	1,267,052	8	1,267,060
Loss for the period	-	-	(1,518,353)	-	-	-	(1,518,353)	3	(1,518,350)
Total recognised income and expense for the period	-	-	(1,518,353)	-	1,267,052	-	(251,301)	11	(251,290)
Acquisition of minority interest	-	-	-	-	(3)	-	(3)	(244)	(247)
Recognition of share-based payments	-	-	-	113,467	-	-	113,467	-	113,467
Issue of share capital	57,462	28,545,335	-	2,547,345	-	-	31,150,142	-	31,150,142
Expenses incurred in issuing share capital	-	(1,367,814)	-	-	-	-	(1,367,814)	-	(1,367,814)
Balance at 30 June 2007	158,999	30,328,252	(3,719,069)	2,940,781	1,263,250	27,126	30,999,339	-	30,999,339
Changes in equity for six months to 31 December 2007									
Exchange difference on translating foreign operations	-	-	-	-	3,094,242	-	3,094,242	-	3,094,242
Net income recognised directly in equity	-	-	-	-	3,094,242	-	3,094,242	-	3,094,242
Loss for the period	-	-	(6,957,212)	-	-	-	(6,957,212)	-	(6,957,212)
Total recognised income and expense for the year	-	-	(6,957,212)	-	3,094,242	-	(3,862,970)	-	(3,862,970)
Recognition of share-based payments	-	-	-	3,270,399	-	-	3,270,399	-	3,270,399
Transfer on redemption of convertible loan notes	-	-	27,126		-	(27,126)	-	-	-
Issue of share capital	39,461	29,786,538	-	-	-	-	29,825,999	-	29,825,999
Transfer on exercise of warrants and rights to shares at par value	-	240,665		(240,665)	-	-	-	-	-
Cancellation of unpaid shares	(156)	-	-	-	-	-	(156)	-	(156)
Expenses incurred in issuing share capital	-	(4,931,551)	-	-	-	-	(4,931,551)	-	(4,931,551)
Balance at 31 December 2007	198,304	55,423,904	(10,649,155)	5,970,515	4,357,492	-	55,301,060	-	55,301,060
Changes in equity for six months to 30 June 2008									
Exchange difference on translating foreign operations	-	-	-	-	5,700,859	-	5,700,859		5,700,859
Net income recognised directly in equity	-	-	-	-	5,700,859	-	5,700,859	-	5,700,859
Loss for the period	-	-	(5,844,664)	-	-	-	(5,844,664)	-	(5,844,664)
Total recognised income and expense for the period	-	-	(5,844,664)	-	5,700,859	-	(143,805)	-	(143,805)
Recognition of share-based payments	-	-	-	3,267,459	-	-	3,267,459	-	3,267,459
Acquisition of minority interest	-	-	-	-	-	-		219,352	219,352
Issue of share capital	3,464	1,332,329	-	(531,137)	-	-	804,656	-	804,656
Expenses incurred in issuing share capital	-	(94,434)	-	-	-	-	(94,434)	-	(94,434)
Balance at 30 June 2008	201,768	56,661,799	(16,493,819)	8,706,837	10,058,351	-	59,134,936	219,352	59,354,288

The warrant and option reserve includes warrants and options granted as equity settled employee benefits and warrants issued for cash.

London Mining Plc
Unaudited condensed consolidated cash flow statement

	Note	Unaudited Six months ended 30 June 2008 £	Unaudited Six months ended 30 June 2007 £	Year ended 31 December 2007 £
Cash flows from operating activities				
Net cash flow from operating activities	17	(1,866,432)	1,182,017	(157,575)
Interest received		1,056,691	284,400	1,166,082
Interest expense		(2,039,496)	(7,359)	(1,843,468)
Net realised exchange losses		(38,895)	(26,540)	(168,648)
Income taxes paid		(124,488)	(44,623)	(138,535)
Net cash from (absorbed by) operating activities		(3,012,620)	1,387,895	(1,142,144)
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired		(51,106)	(33,618,716)	(33,618,716)
Investment in associate		-	-	(201,859)
Loan to associate		(51,587)	-	-
Payments to acquire intangible assets	17	(1,672,275)	(854,899)	(1,309,366)
Purchase of property, plant and equipment		(9,703,632)	(219,150)	(2,824,797)
Proceeds on disposal of property, plant and equipment		-	-	43,268
Net cash used in investing activities		(11,478,600)	(34,692,765)	(37,911,470)
Cash flows from financing activities				
Ordinary Shares issued	17	459,041	27,234,983	52,129,297
Proceeds from issue of warrants		-	2,547,345	2,547,345
Callable and Putable Bonds 2007/2012 issued		-	30,133,470	30,133,470
Payment of instalment on deferred payment portion of MIL purchase priced		(803,714)	-	-
Convertible loan notes redeemed		-	(1,650,000)	(1,650,000)
Settlement of liability in respect of acquisition of mining lease		-	(1,360,700)	(1,360,700)
Net cash from financing activities		(344,673)	56,905,098	81,799,412
Net (decrease) increase in cash and cash equivalents		(14,835,893)	23,600,228	42,745,798
Cash and cash equivalents at beginning of period		45,573,154	285,566	285,566
Exchange difference on translation		2,697,828	384,639	2,541,790
Cash and cash equivalents at end of period		33,435,089	24,270,433	45,573,154
Classified as:				
Continuing operations		29,399,787	24,270,433	45,573,154
Discontinued operations		4,035,302	-	-
		33,435,089	24,270,433	45,573,154