LONDON MINING PLC

25 February 2010

London Mining Plc

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

OPERATIONAL UPDATE

FOR THE PERIOD POST 31 DECEMBER 2009

London Mining ("The Company") today provides an update on operations at its four key iron ore projects and an update on its coal investments in DMC and ICC for the period post 31 December 2009.

Highlights

- **Commenced construction of 1.5Mtpa Marampa tailings operation and project infrastructure**
- **Bankable feasibility study optimisation and JORC upgrade for Wadi Sawawin on schedule and financing discussions progressing**
- **Completed Isua pre-feasibility study shows potential for 5mtpa, scaleable up to 10mtpa at significantly lower costs**
- **Reorganisation of investment gives London Mining 28% interest in DMC Consolidated SA**

London Mining CEO Graeme Hossie said "Today's announcement demonstrates London Mining's ability to deliver on its stated milestones across all its projects. At our main project, Marampa in Sierra Leone, development of tailings production is underway and work continues on the expansion project. We are making progress with financing for Wadi Sawawin in Saudi Arabia and further drilling could identify increased resources to extend mine life and production. The pre-feasibility at Isua in Greenland is completed, and has demonstrated that it will benefit from consideration as a much larger project. These milestones demonstrate progress across our projects, which are scaleable, have deliverable logistics and can be rapidly developed."

Marampa, Sierra Leone (100% owned)

Having secured all the final government approvals and confirmed to JORC standard sufficient resources to commence development, the construction of the initial tailings operation at Marampa has begun. The tailings will produce 1.5Mtpa of iron ore concentrate with a grade of 66% Fe and suitable for use as sinter feed. Ausenco are working with the London Mining team to secure long lead items and further refine the critical path to first production. The 18.7km gravel haul road from mine to the barge loading jetty at Tawfayim is over 50% complete with all the major structures in place ahead of the wet season, which begins in April. The major long lead item for the plant, the Wet High Intensity Magnetic Separation (WHIMS) plant, is expected to be ordered in March 2010. A provider of barges and floating cranes has been identified and London Mining still expects start-up in Q1 2011 with first shipment of iron ore concentrate expected in Q2 2011.

The next phase of development at Marampa will be to produce concentrate from the primary ore body. Ausenco was appointed in January 2010 to complete a technical study, the results of which will contribute to a prefeasibility study (the "PFS"). The PFS will look to confirm expansion potential for a 5 to 8Mtpa operation, and it is expected to be completed by the end of 2010. An extensive resource definition programme is ongoing and will form the basis of the expansion plans.

London Mining has now completed all the aircore drilling on the tailings resource and, as previously announced, plans to report updated tailings and preliminary primary ore resource estimates at the end of Q1 2010. An updated resource statement for the primary ore is expected in Q3 2010, with a further estimate of satellite deposit potential by the end of 2010.

Wadi Sawawin, Saudi Arabia (50% owned)

As announced in December 2009, a bankable feasibility study ("BFS") for the Wadi Sawawin Project has been completed and submitted to London Mining's local partners, National Mining Company ("NMC"), and the Saudi government. The BFS was completed on the basis of a production capacity of 5Mtpa Direct Reduced ("DR") pellets for a 14 year mine life. The BFS assumes capex of USD1.6 billion and opex of USD58/t pellets (assuming power and water are provided by a third party) or capex of USD2.0 billion and operating costs of USD47/t if a power and desalination plant is included in the project.

During Q1 2010, London Mining is continuing with further drilling and resource verification with the expectation that the BFS will be revised to a 20 year mine life at 5Mtpa capacity. 80 holes comprising 8,000m are planned for 2010 of which 3,000m will target areas outside the current exploitation licence. All the current resources are contained within an exploitation licence of 3.5km2. A further 211.2km2 are held under exploration licences which will be explored in the next phase of drilling with the aim of identifying sufficient resources to increase production to 10Mtpa. The current schedule assumes a final feasibility study and completion of an updated JORC resource to be in place by the end of Q2 2010 and financing secured by the end of 2010. This would allow for construction to commence in H1 2011 with an expected start-up in H2 2013.

London Mining and NMC are currently in discussions with Saudi Binladin group regarding a joint venture to build, fund and operate the project.

Isua, Greenland (100% owned)

A prefeasibility study has now been completed for the Isua Project. This has determined that the project could be built for an estimated capex of USD1.74 billion (+/- 25%), complete with all the supporting facilities necessary to produce 5Mtpa of 70.8% DR pellet feed. It was also shown that a 23 year life-of-mine project can be operated at an average annual cost of USD37/tonne. A desk top scoping study has also been completed which shows that the economics of the Isua project are greatly improved if a 10Mtpa operation is considered producing a high grade, low impurity, blast furnace pellet feed concentrate that can also feed HYL-type DRI plants. If this alternative configuration is considered, the operating cost could be reduced to USD27/t with estimated capex of USD2.4 billion. London Mining plans to undertake a prefeasibility study on an enlarged operation which it expects to complete during Q2 2010.

China Global Mining Resources JV (CGMR), China (50% owned)

In the year ending 2009, the CGMR JV mined 1,006,151 tonnes of ore grading 28% Fe with a stripping ratio of 0.97 and produced 273,444 tonnes of magnetite concentrate at an average grade of 62% Fe. Average cash operating costs for 2009 are expected to be below USD40/t of concentrate excluding management and operator fees. The average realised iron ore price for the year was USD65/t with the average price in December USD73/t, signifying an upward pricing momentum for iron ore.

Activities to optimise the existing pit continue and CGMR is working to consolidate the other operators on the licence. Since acquiring the Chinese operations, CGMR has undertaken a programme to define upside to the existing resource and has also identified opportunities to optimise processing to increase recoveries and concentrate grade. These works will form the basis of future expansion plans. CGMR is currently raising external finance to assist in the process of acquiring the two adjacent pits, SBQ and Guquiao, acquiring further deep mining rights and providing further payments to the vendor.

SRK were engaged in September 2009 to provide an estimate of the resource potential of the enlarged XNS licence. Initial calculations were based on historical work undertaken in the 1970s including 55 vertical diamond drill holes totalling c.25,000m of drill core. 5,000m of further twin hole drilling has now been completed and SRK expect an estimate of the resource to be reported to an international standard by Q3 2010.

International Coal Company (ICC), Colombia (20% owned)

London Mining is currently in detailed discussions with ICC regarding the funding of the construction of the proposed coke ovens. ICC has also been undertaking a series of desktop studies on the coking coal concessions that it currently holds in the Socha region where the coke ovens are located.

DMC Consolidated, South Africa (28% owned)

On 8 August 2008, London Mining through its wholly-owned subsidiary, Rannerdale, announced that it had agreed to take an initial 39.3% interest in DMC Coal, a company in which parent company DMC Consolidated SA ("DMC") has a 30.35% interest, for a total consideration of USD16.5m. London Mining also issued a USD18.5m loan to DMC Energy, a subsidiary of DMC. DMC is the holding company for all the DMC group's coal and iron ore assets and prospects in Africa, which include: Rietkuil coal project, Springbok Flats coal project, and Limpopo coal project, all in South Africa and various coal prospecting and exploration rights in Botswana and Swaziland.

On 13 January 2010, London Mining converted the USD18.5m loan (including accrued interest) and its USD16.5m investment in DMC Coal into 28% of the issued share capital of DMC, on a fully diluted basis.

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The Company's website can be found at 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).

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