

# LONDON MINING - ROYALTY AGREEMENT TO FUND BANKABLE FEASIBILITY STUDY AT ISUA

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London Mining plc ("London Mining") today announces that it has entered into a royalty agreement with [Anglo Pacific Group plc](#) ("Anglo Pacific") regarding future iron ore production at its 100%-owned Isua Project ("Isua") located in Greenland.

Under the terms of the royalty agreement, Anglo Pacific will pay USD30 million to London Mining's subsidiary London Mining Greenland A/S ("London Mining Greenland") in return for 1% royalty over all consideration received from the sale of iron ore concentrate from the Isua Project. Proceeds from the transaction will be used to fund the Bankable Feasibility Study on the Isua Project, which has already commenced and is scheduled to be completed by the end of 2011, and transaction costs. In the event London Mining Greenland does not fulfil certain milestones, of which the earliest is completion of a BFS by 31 December 2012 at the latest, Anglo Pacific can demand repayment of the USD30m, which can be satisfied in cash or London Mining shares.

The Isua project bankable feasibility study is considering a 15Mtpa open pit and processing operation with a 15 year initial mine life. First production is targeted in 2015.

The Government of Greenland does not currently levy a royalty on iron ore mines. However in addition to the Anglo Pacific royalty, Isua is subject to a payment of USD0.40/t of ore mined payable to the original vendor of the mine.

London Mining CEO Graeme Hossie said, "The signing of the royalty agreement with Anglo Pacific represents a key milestone in the development of Isua and demonstrates Anglo Pacific's recognition of the quality and deliverability of the project to production. This provides funds for the Bankable Feasibility Study for the project which will form the basis of discussions on project funding in 2012."

London Mining was advised by Macquarie Capital, RBC Capital Markets and Travers Smith LLP on the transaction.

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. London Mining is developing three iron ore mines in Sierra Leone, Saudi Arabia and Greenland as well as an early stage coking coal project in Colombia. All London Mining's assets have deliverable production with potential for expansion. The Company is currently listed on the AIM in London and Oslo Axess and trades under the symbols LOND.L and LOND.NO (Reuters) and LOND LN and LOND NO (Bloomberg). The Company's shares will be delisted from Oslo Axess on 3 October 2011.

## About Anglo Pacific Group

[Anglo Pacific Group plc](#) (LSE:APF) (TSX: APY) is a global natural resources royalties company. The strategy of the Group is to expand its mineral royalty interests in low-cost, long-life mining assets. The Group achieves this through both direct acquisition and investment in projects at the development and production stage. It is a continuing policy of the Group to pay a substantial proportion of these royalties to shareholders as dividends.

This information is subject of the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

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