

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.**

**If you have sold or transferred all of your registered holdings of ordinary shares in the Company please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.**

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**LONDON MINING PLC**  
**(Registered in England and Wales with no. 5424040)**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice of the Annual General Meeting of the Company to be held at the offices of Travers Smith, 10 Snow Hill, London EC1A 2AL on 30 May 2008 at 11.00 a.m. is set out on pages 8 to 10 of this document and the recommendation of the directors is set out on page 7.

A Form of Proxy for use at the Annual General Meeting is enclosed. To be valid, any instrument appointing a proxy must be received by the Company Secretary at 47 Charles Street, London W1J 5EL as soon as possible but in any event so as to arrive no later than 11.00 a.m. on 28 May 2008.

**LONDON MINING PLC**  
**(Registered in England and Wales with no. 5424040)**

**Directors**

Dr. Colin Knight (*Chairman*)  
Christopher Brown (*Managing Director*)  
Graeme Hossie (*Corporate Development and Deputy Managing Director*)  
Malcolm Groat (*Finance Director*)  
Dr. Hans Kristian Schönwandt (*Non-executive Director*)  
Sir Nicholas Bonsor (*Non-executive Director*)

**Registered Office**

47 Charles Street  
London  
W1J 5EL

29 April 2008

*To holders of ordinary shares of £0.002 each in the Company*

Dear Shareholder,

This letter accompanies the 2007 Annual Report and gives details of the business to be transacted at the Annual General Meeting of the Company.

**Annual General Meeting**

Notice of the Annual General Meeting is given on pages 8 to 10. Summary details of the resolutions to be proposed at the Annual General Meeting are set out below.

**Resolution 1 – Adoption of the Annual Accounts, Directors' Report and the Directors' Remuneration Report (Ordinary resolution)**

UK Company law requires the Directors to present their Report, the Annual Accounts and the auditable part of the Directors' Report to shareholders for formal adoption. The Directors' Report, The Annual Accounts and the Directors' Remuneration Report are included in the 2007 Annual Report.

**Resolution 2 – Approval of the Directors' Remuneration Report (Ordinary resolution)**

The purpose of Resolution 2 is to approve the Directors' Remuneration Report for the year ended 31 December 2007. The Directors' Remuneration Report for the year ended 31 December 2007 is contained in the 2007 Annual Report.

**Resolutions 3 to 5 – Re-election and Election of Directors (Ordinary resolutions)**

The articles of association of the Company require that at the Annual General Meeting, one third of all the Directors shall retire by rotation but if that number is not a multiple of three, then the number shall be rounded down to the nearest whole number. At the Annual General Meeting Graeme Hossie will retire and will offer himself for re-election. Resolution 3 proposes the re-election of Graeme Hossie as a Director.

The articles of association of the Company also require Sir Nicholas Bonsor and Malcolm Groat to retire at the conclusion of the Annual General Meeting because they were appointed as Directors by the Board since the conclusion of the previous Annual General Meeting of the Company. Resolutions 4 and 5 propose the election of Sir Nicholas Bonsor and Malcolm Groat respectively as Directors.

Brief biographies of Graeme Hossie, Malcolm Groat and Sir Nicholas Bonsor are set out below.

### **Graeme Hossie – Corporate Development & Deputy Managing Director**

Graeme is a founding director of London Mining and is an experienced corporate finance director and business developer particularly specialising in new and developing ventures. His background includes management consulting with Bain & Company, venture capital raising with Piper Trust, and several years in executive management in growing entrepreneurial ventures. In 1988, he co-founded Steribottle Ltd to commercialise a breakthrough baby product from its first concept and developed the company through successive venture funding rounds to become a business with strong intellectual property, successfully selling products in mainstream UK distribution and licensed around the world. He has founded and/or built a number of businesses in various industry sectors including software and IT, internet services, consumer goods and natural resources. He has assisted resource companies through successful London Stock Exchange AIM flotations, and is on the board of or adviser to several high growth companies and an early stage venture investment fund. Graeme has an Honours degree in Business Administration from Ivey Business School in the University of Western Ontario.

### **Malcolm Groat – Finance Director and Company Secretary**

Malcolm joined the board part-time in June 2007 to succeed Graeme Hossie upon his promotion to Deputy Managing Director. Malcolm is a Fellow of the Institute of Chartered Accountants in England and Wales, having qualified with Price Waterhouse in London. He also holds a masters degree from St Andrews University in Scotland and an MBA from Warwick. Malcolm has served on the boards of a number of companies, both private and public, holding finance and general management posts. Most recently Malcolm was Finance Director and Company Secretary at AIM-listed Platinum Mining Corporation of India Plc. He is also a Non-Executive Director at Community Foods Group, formerly Milk Marque (the old Milk Marketing Board).

### **Sir Nicholas Bonsor – Non Executive Director**

A practicing barrister specialising in regulatory and commercial law, Sir Nicholas was a member of British Parliament from 1979 to 1997 where he specialised in Foreign Affairs and Defence, serving as Chairman and Vice-Chairman of numerous backbench committees and finally as Chairman of the Defence Select Committee (HCDC) from 1992-1995 and Minister of State at the Foreign Office 1995-1997. He has served as Chairman of a number of charities, including the Verdin Trust for the Mentally Handicapped, the Cyclotron Trust for Cancer Treatment and the Baronets Trust for Children's Hospitals. Nicholas Bonsor was a Member of the Council of Lloyd's from 1988-1992 and Vice-Chairman of the Hardship Committee 1990-1993. He is currently the Honorary Colonel of the Royal Buckinghamshire Hussars in which he served from 1964-1969 and Chairman of the Buckinghamshire Reserve Forces and Cadets Association. He was appointed a Deputy Lieutenant of

Buckinghamshire in 2007. He is a Freeman of the City of London (1988), a Member of the Chartered Institute of Arbitrators and a Fellow of the Royal Society of Arts. Sir Nicholas practiced as a Barrister from 1967 to 1975 and holds a Master of Arts in Jurisprudence from Oxford University.

**Resolution 6 – To reappoint the auditors (Ordinary resolution)**

The Company is required to appoint auditors at each Annual General Meeting at which accounts are laid before the Company, to hold office until the conclusion of the next such meeting. The Audit Committee has reviewed the effectiveness of, independence and objectivity of the external auditors, BDO Stoy Hayward LLP, on behalf of the Board, who now proposes their reappointment as auditors of the Company.

**Resolution 7 – Authority for the Directors to fix the auditors remuneration (Ordinary resolution)**

This Resolution authorises the Directors, in accordance with standard practice, to negotiate and agree the remuneration of the auditors. In practice, the Audit Committee will consider the audit fees for recommendation to the Board.

**Resolution 8 - Authority to allot shares (Ordinary resolution)**

This Resolution asks shareholders to grant the Directors authority under section 80 Companies Act 1985 to allot shares up to a maximum aggregate nominal value of £67,235, being approximately one-third of the nominal value of the issued ordinary share capital of the Company as at 28 April 2008. This is the maximum permitted amount under best practice UK corporate governance guidelines. The authority will expire at the conclusion of the next Annual General Meeting or, if earlier, the date falling 15 months from the passing of the resolution. The Directors have no present intention of exercising such authority. The Resolution replaces a similar resolution passed at the Annual General Meeting of the Company held on 30 August 2007.

**Resolution 9 - Disapplication of pre-emption rights (Special resolution)**

If the Directors wish to allot unissued shares or other equity securities for cash or sell any shares which the Company holds in treasury, following a purchase of its own shares pursuant to the authority in Resolution 10 below, the Companies Act 1985 requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holding. Resolution 9 asks shareholders to grant the Directors authority to allot equity securities or sell treasury shares for cash up to an aggregate nominal value of £10,085 (being approximately 5% of the Company's issued ordinary share capital as at 28 April 2008) without first offering the securities to existing shareholders. The Resolution also disapplies the statutory pre-emption provisions in connection with a rights issue and allows the Directors, in the case of a rights issue, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise. The authority will expire at the conclusion of the next Annual General Meeting or, if earlier, the date falling 15 months from the passing of this Resolution. The authority provides the Company with the flexibility to allot shares or other securities for cash without first offering the securities to existing shareholders, however the authority will only be exercised if the Directors consider that it is in the

best interests of the Company at the time. The Resolution replaces a similar resolution passed at the Annual General Meeting of the Company held on 30 August 2007.

#### **Resolution 10 - Purchases of own shares by the Company (Special resolution)**

Resolution 10 to be proposed at the Annual General Meeting seeks authority from holders of ordinary shares of £0.002 each in the capital of the Company ("**ordinary shares**") for the Company to make market purchases of its own ordinary shares, such authority being limited to the purchase of 15% of the ordinary shares in issue as at 28 April 2008. The maximum price payable for the purchase by the Company of its own ordinary shares will be limited to not more than 10% above the average of the middle market quotations of the Company's ordinary shares, as derived from the Oslo Børs/Oslo Axess, for the five business days prior to the purchase. The minimum price payable by the Company for the purchase of its own ordinary shares will be £0.002 per share (being the amount equal to the nominal value of an ordinary share). The authority to purchase the Company's own ordinary shares will only be exercised if the Directors consider that there is likely to be a beneficial impact on earnings per ordinary share and that it is in the best interests of the Company at the time. The Resolution renews a similar resolution passed at the Annual General Meeting of the Company held on 30 August 2007.

Options and warrants to subscribe for up to 13,780,000 ordinary shares have been granted and are outstanding as at 28 April 2008 (being the latest practicable date prior to publication of this document) representing 13.7% of the issued ordinary share capital at that date. If the Directors were to exercise in full the power for which they are seeking authority under Resolution 10, the options outstanding as at 28 April 2008 would represent 15.1% of the ordinary share capital in issue following such exercise.

#### **Resolution 11 – Adoption of New Articles of Association (Special resolution)**

On 8 November 2006, the Companies Act 2006 (the "**2006 Act**") received Royal Assent. All of the provisions of the 2006 Act, which overhauls the existing 1985 Act, are expected to be in force by October 2009. Certain provisions of the 2006 Act have come into force since the 2007 Annual General Meeting and, consequently, a number of changes are required to the Company's existing articles of association (the "**Existing Articles**") to reflect these developments and some of those changes expected later this year.

Resolution 11 proposes the adoption of new articles of association (the "**New Articles**") in substitution of the Existing Articles. The New Articles will be substantially the same as the Existing articles other than the following material changes:

- **Votes of members**

The 2006 Act provided that proxies are entitled to vote on a show of hands whereas the Existing Articles state that proxies are only entitled to vote on a poll. The New Articles reflect these new provisions.

- **Conflicts of interest**

The 2006 Act sets out directors' general duties which largely codify the existing law but with some changes. Under the 2006 Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The 2006 Act allows a company's articles of association to contain provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision and, second, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers to authorise conflicts are operated effectively.

- **Directors' indemnities and loans to fund expenditure**

The 2006 Act has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies.

- **General**

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles to the terminology of the 2006 Act.

Copies of the proposed New Articles and a version of the Articles of Association showing the proposed changes to the Existing Articles are available for inspection at the Company's registered office during usual business hours on any weekday from the date of this letter until the conclusion of the Annual General Meeting.

The Board expects that the New Articles will also need to be updated at the 2009 Annual General Meeting as additional provisions of the 2006 Act come into force.

### **Location of meeting**

The Annual General Meeting will be held at the offices of Travers Smith, 10 Snow Hill, London EC1A 2AL.

### **Voting**

If you are a registered shareholder you will find enclosed a Form of Proxy for use at the Annual General Meeting. Please complete the Form of Proxy and return it, together with any power of attorney or other authority under which it is signed or a notarially certified or office copy thereof to the Company Secretary, London Mining Plc, 47 Charles Street, London W1J 5EL, so as to arrive no later than 11.00 a.m. on 28 May 2008. Completion of the Form of Proxy does not prevent you from attending and voting in person.

If you have a beneficial interest in shares in the Company and DnB NOR Bank ASA ("**DnB NOR**") holds such shares as nominee, you will find enclosed a letter from DnB NOR setting out details of how to instruct DnB NOR to appoint the Chairman of the Annual General Meeting as its proxy to vote your shares at the Annual General Meeting or alternatively how to appoint you (or a third party nominated by you) as proxy for DnB NOR in respect of your shares, so that you (or a third party nominated by you) can attend, speak and vote at the Annual General Meeting.

Voting on all the resolutions to be proposed at the Annual General Meeting will be by a poll. Shareholders and proxies at the meeting will be invited to participate in the poll. Accordingly, there will be no voting on the resolutions on a show of hands. Given that a majority of shareholders (both by number and the number of shares held) hold their shares through DnB Nor, we consider that poll voting is more appropriate than voting on a show of hands.

### **Recommendation**

The Board believes that the resolutions to be put to the Annual General Meeting are in the best interests of the shareholders as a whole and, accordingly, recommends that the shareholders vote in favour of the resolutions, as the Directors intend to do in respect of their beneficial shareholdings in the Company.

Yours sincerely

Dr. Colin Knight  
**Chairman**

## NOTICE OF ANNUAL GENERAL MEETING

### LONDON MINING PLC

(Registered in England and Wales with no. (5424040))

**NOTICE** is hereby given that the Annual General Meeting of London Mining Plc (the "**Company**") will be held at the offices of Travers Smith, 10 Snow Hill, London EC1A 2AL on 30 May 2008 at 11.00 a.m. for the transaction of the following business of which Resolutions 1 to 8 will be proposed as ordinary resolutions and of which Resolutions 9 to 11 will be proposed as special resolutions:

To consider and, if thought fit, to pass the following resolutions:

1. That the Company's annual accounts for the year ended 31 December 2007, together with the Directors' report and the auditors' report on those accounts and on the auditable part of the Directors' remuneration report, be received and adopted.
2. That the Directors' remuneration report for the year ended 31 December 2007, which is set out in the annual report of the Company for the year ended 31 December 2007, be approved.
3. That Graeme Hossie be re-elected as a Director.
4. That Sir Nicholas Bonsor be elected as a Director.
5. That Malcolm Groat be elected as a Director.
6. That BDO Stoy Hayward LLP be re-appointed as auditors to the Company until the conclusion of the next Annual General Meeting of the Company.
7. That the Directors be authorised to fix the auditors' remuneration.
8. THAT for the purposes of section 80 Companies Act 1985 (the "**Act**") (and so that expressions used in this resolution shall bear the same meanings as in the said section 80):
  - 8.1 the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities up to a maximum nominal amount of £67,235 to such persons and at such times and on such terms as they think proper during the period expiring at the end of the next Annual General Meeting of the Company in or, if earlier, the date falling 15 months after the passing of this resolution (unless previously revoked or varied by the Company in general meeting); and
  - 8.2 the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant

securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution;

so that all previous authorities of the Directors pursuant to the said section 80 be and are hereby revoked.

9. THAT, the Directors be and are empowered in accordance with section 95 of the Act to sell treasury shares (as defined in section 162 of the Act) subject to the passing of Resolution 8 set out in the notice governing this Meeting make other allotments of equity securities (as defined in section 94 of the Act) for cash, pursuant to the authority conferred on them to allot relevant securities (and the expression "allotment of equity securities" and like expressions shall have the meaning given to them by virtue of section 94 of the Act) by that resolution, in each case as if section 89(1) and sub-sections (1) - (6) of section 90 of the Act did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to:

9.1 the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering (other than the Company itself in respect of any shares held by it as treasury shares) where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and

9.2 the allotment (otherwise than pursuant to paragraph 9.1 above) of equity securities up to an aggregate nominal value not exceeding £10,085;

and this power, unless renewed, shall expire at the end of the next Annual General Meeting of the Company or, if earlier, the date falling 15 months after the passing of this resolution but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

10. THAT the Company be and is hereby generally and unconditionally authorised for the purpose of section 166 of the Act to make market purchases (as defined in section 163 of the Act) on the Oslo Børs/Oslo Axess (including the OTC market) of ordinary shares of £0.002 each in the capital of the Company ("**ordinary shares**") provided that:

10.1 the maximum number of ordinary shares hereby authorised to be purchased is 30,256 (representing approximately 15% of the Company's issued ordinary share capital);

- 10.2** the minimum price (exclusive of expenses) which may be paid for such ordinary shares is £0.002 per share, being the nominal amount thereof;
- 10.3** the maximum price which may be paid for such ordinary shares shall not be more than 10% above the average of the middle market quotations for an ordinary share as derived from the Oslo Børs/Oslo Axes for the five business days immediately preceding the day on which the ordinary shares are purchased;
- 10.4** the authority hereby conferred shall (unless previously renewed or revoked) expire at the end of the next Annual General Meeting of the Company or, if earlier, the date following 15 months after the passing of this resolution; and
- 10.5** the Company may make a contract to purchase its own ordinary shares under the authority conferred by this resolution prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and the Company may make a purchase of its own ordinary shares in pursuance of any such contract.
- 11.** THAT pursuant to Section 9 of the Companies Act 1985, the existing Articles of Association of the Company be deleted in their entirety and the new Articles contained in the document submitted to the Meeting and for the purposes of identification signed by the Chairman, be approved and adopted as the Articles of Association of the Company.

BY ORDER OF THE BOARD

**Malcolm Groat**

Company Secretary

Date 29 April 2008

Registered Office: 47 Charles Street, London W1J 5EL

**Notes:**

- (i) A member entitled to attend and vote at the Annual General Meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his place. A proxy need not be a member of the Company.
- (ii) A Form of Proxy is enclosed. To be effective, it must be deposited at the Company's Registered Office so as to be received not later than 48 hours before the time appointed for holding the Annual General Meeting. Completion of the proxy does not preclude a member from subsequently attending and voting at the Annual General Meeting in person if he or she so wishes.
- (iii) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company as at 11.00 a.m. on 28 May 2008 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at such time. If the Annual General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned Annual General Meeting is 11.00 a.m. on the day preceding the date fixed for the adjourned Annual General Meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.
- (iv) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (v) Voting on all the resolutions to be proposed at the Annual General Meeting will be by a poll.
- (vi) The following documents are available for inspection at the registered office of the Company, 47 Charles Street, London W1J 5EL during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting:
  - (a) copies of the Directors' service contracts and the letter of appointment for the Non-executive Directors; and
  - (b) copies of the existing Articles of Association of the Company, the proposed Articles of Association of the Company and a version of the Articles of Association showing the proposed changes