

## London Mining - Triggers

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### Disclaimer

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### Introduction

This document attempts to collect all the significant milestones of LOND (<http://www.londonmining.co.uk>), in addition to production and revenue estimates. Earnings and share price estimates are deliberately excluded and left as an exercise for the reader.

Several people at the StockTalk.no London Mining forum have helped out; in particular, special thanks go to: **renud**, **beginnersluck**, **zolo**, and **nickelbase**

### List of triggers

On the next page is a list of milestones coming up for London Mining.

The following abbreviations are used for the projects:

- **SL** - Sierra Leone
- **SA** - Saudi Arabia
- **G** - Greenland
- **CA** - China
- **CE** - Chile
- **M** - Mexico
- **ICC** - Activities relating to International Coal Company Ltd. (Colombia)
- **R** - Rietkuil (DMC)
- **SF** - Springbrok Flats (DMC)
- **LOND** - General London Mining events not related to any specific project

Time	Project	Trigger	Value evaluation	Risks
<b>2009</b>				
Q4	LOND	Pareto analysis	Likely positive; short-term potential <= 10%	Delays, prioritization of NAUR, negative result
Q4	LOND	AIM-listing	LOND priced similarly to its peers	Attack from London's shorting mob
Q4	LOND	UK broker analysis	Likely positive	LOND gets little attention on AIM
Q4	SL	Agreement ratification	Phase change; significant derisking, start of constr.	Politics of Sierra Leone
Q4	SL	Tailings resource stmt	Further derisking; possible increase of target prod.	Bad resources
Q4	SA	Resource statement	Further derisking; possible increase of target prod.	Bad resources
Q4	SA	BFS; 5mtpa	Phase change; better project economics	Delays, negative results, small CAPEX decrease
Q4	G	Resource statement	Derisking	Bad resources
<b>2010</b>				
Q1	ICC	\$5M funding deal	Coke ovens can be a significant value-add	Deal risk
Q1	R	BFS; X mtpa	Big if economically viable (resource >200mt)	Delays, negative results, bad project economy
Q1	CA	Acquisition	Immediately +0.3mtpa, longer term >1mtpa	Deal risk, funding
Q1	G	PFS; 5mtpa	Significant derisking of Greenland project	Delays, negative results, bad project economy
Q2	SL	Orebody res.stmt.	Derisking of 1.5+mtpa expansion project	Bad resources
Q2	SA	Resource statement	Increase of target/mine life, better funding terms	Bad resources
Q3	CA	Resource statement	Increase of target prod/mine life	Bad resources
Q4	SA	Funding agreement	Significant trigger if terms are good	Deal risk
Q4	SA	Start of construction	Phase change	Delays, funding
Q4	G	BFS; 5mtpa	Phase change	Delays, negative results, bad project economy
Q4	SL	First production	Phase change	Delays, politics of Sierra Leone
Q1-4	CA	Output increase	1mtpa by year-end	Delays, funding, requires acquisition of neighb. mine
Q1-4	CA	Funding/HK-listing	Room for more acquisitions and high CMGR valuation	Delays, funding
Q1-4	CE	Results of studies	Exploration project - uncertain but likely good upside	Delays, no economically viable resources
Q1-4	M	Sale	Small value; should be glad if initial inv. is recovered	Deal risk
Q1-4	SF	Earn-in	Potentially huge resource of which DMC can own 51%	Deal risk, funding, resource risk
<b>2011</b>				
Q2	SA	PFS Phase 2; +5mtpa	Doubling the production of WS	Delays, negative results, bad project economy
Q1-4	SL	Output increase	1.5mtpa, cash flow funds further expansions	Delays, politics of Sierra Leone
Q1-4	ICC	Expansion	ICC expands with 4x more coke ovens	Deal risk, funding

Time	Project	Trigger	Value evaluation	Risks
<b>2012</b>				
Q1	SL	Construction Phase 2	Doubling the production of SL	Funding, delays, politics of Sierra Leone
Q1	G	Start of construction	Huge project; this will be the final derisking	Delays, funding, bad project economy
Q2	SA	BFS phase 2; +5mtpa	Doubling the production of WS	Delays, negative results, bad project economy
Q4	G	BFS phase 2; +5mtpa	Doubling the production of Greenland	Delays, funding, bad project economy
<b>2013</b>				
Q1	SL	First prod. Phase 2	Doubling the production of SL to >3mtpa	Funding, delays, politics of Sierra Leone
Q2	SA	First production	5mtpa	Funding, delays
Q2	SA	Financing Phase 2	Will be a similar trigger to Q410 financing P1	Bad funding deal, delays
Q3	SA	Start of construction	Final derisking of SA Phase 2	Funding, delays
Q4	G	Financing Phase 2	Will be a similar trigger to Q410 SA financing P1	Bad funding deal, delays
<b>2014</b>				
Q1	G	Start of constr. P2	Final derisking of G Phase 2	Funding, delays
Q3	SA	First prod., Phase 2	Important step to achieve 10mtpa from SA in 2017	Funding, delays
<b>2015</b>				
Q2	G	First prod., Phase 2	Important step to achieve 10mtpa from G in 2017	Funding, delays
<b>2016</b>				
Q1-4	SA	Output increase	From 6.5 to 10mtpa by year-end	Delays
Q1-4	G	Output increase	From 5 to 7.5mtpa by year-end	Delays
<b>2017</b>				
Q1-4	G	Output increase	From 7.5mtpa to 10mtpa by year-end	Delays
<b>2018</b>				
Q1	LOND	Medium-sized player	<b>Total production 24mtpa, net 13.50</b>	Delays

## Production/Revenue Estimates

Below is a table showing the estimated production (in terms of million tons of iron ore per annum) of London Mining in the coming years. Note that the production estimates do not include coal assets. Note that these are careful estimates; there should be substantial room to increase production from all projects. We assume a Greenland ownership of 50% and the following prices:

- Sierra Leone - USD 63/t
- China - USD 65/t
- Saudi Arabia - USD 113/t
- Greenland - USD 85/t

Year	China	Sierra Leone	Saudi Arabia	Greenland	Total production (100%)	Net production	Revenue (M\$)
2009	0.4	0	0	0	0.4	0.20	<b>13.00</b>
2010	0.6	0	0	0	0.6	0.30	<b>19.50</b>
2011	1.0	1.5	0	0	2.5	2.00	<b>127.00</b>
2012	1.0	1.5	0	0	2.5	2.00	<b>127.00</b>
2013	1.0	3.0	3.0	0	7.0	5.00	<b>391.00</b>
2014	1.0	3.0	5.0	5.0	14.0	8.50	<b>716.50</b>
2015	1.0	3.0	6.5	6.0	16.5	9.75	<b>843.75</b>
2016	1.0	3.0	8.5	7.0	19.5	11.25	<b>999.25</b>
2017	1.0	3.0	10.0	8.5	22.5	12.75	<b>1147.75</b>
2018	1.0	3.0	10.0	10.0	24.0	13.50	<b>1211.50</b>