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## Minmetals and Sinosteel in talks on project - London Mining

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Bloomberg reported that London Mining Plc a developer of iron ore deposits started building its Marampa mine in Sierra Leone and said Chinese commodity trading companies Sinosteel Corp and China Minmetals Corp are interested in the project.

Mr Graeme Hossie CEO of London Mining Plc said Sinosteel, China biggest iron ore trader, Minmetals the nation biggest metals trading company and China National Railways are talking to London Mining about working with the iron ore company on Marampa and other projects

He said that "We're having these discussions now. I'm confident they will lead to potential cooperation which could include investments to accelerate production or a joint venture."

Mr Hossie said London Mining which sold its Brazilian unit to the world biggest steelmaker ArcelorMittal last year for a USD 664 million profit will start production at Marampa in 2011 at an annual rate of 1.5 million tonnes of iron ore and more than double output from 2013. The company ended a dispute in August with African Minerals Ltd over mining rights at Marampa.

He said that the USD 85 million cost of the mine first phase will be funded from London Mining USD 230 million of cash reserves.

Mr Hossie said London Mining and its US partner Wits Basin Precious Minerals Inc are planning to expand the Xiaonanshan mine in China by buying two adjacent deposits, Guqiao and Sanbanqiao. Xiaonanshan produces 400,000 tonnes a year.

He said that London Mining and Wits plan to sell shares of their joint venture in an initial public offering in Hong Kong to raise funds for the expansion. The companies hired ABN Amro Holding NV to work on the IPO.

London Mining said in a statement 37.2 million shares held by its three largest investors were placed with UK shareholders. The shares were sold at 1,924 pence apiece and the stock will begin trading in London tomorrow.

(Sourced from Bloomberg)

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