

ANGEL MINING PLC
(the "Company" or "Angel Mining")
AIM: ANGM

FINANCIAL UPDATE

Highlights

- Conditional contracts signed for new US\$25 million committed finance facility exercisable through the issuance of 10 year medium term notes with associated warrant and option rights
- A general meeting to be convened on 27 September 2010 to approve additional authorities to issue equity to facilitate the new financing arrangements and the revised financing arrangements with FBC Holdings Sarl ("FBC") previously announced.

Subsequent to the financial update released on 31 August 2010, the Board of Angel Mining is pleased to provide the following financial update.

New finance facility from Socius CG II, Ltd ("Socius")

The Company has set up a medium term note programme constituting up to US\$25 million of 10% loan notes each with a 10 year maturity (the "Notes"). Simultaneously, the Company has entered into a programme agreement with Socius (a limited liability company incorporated in Bermuda), a fund controlled and managed by Socius Capital Group, LLC, pursuant to which Socius has committed to purchase, subject to satisfaction of certain conditions, all of the Notes (the "Programme Agreement").

Pursuant to the terms of the Programme Agreement, the Company has also agreed to grant Socius options and warrants to subscribe for ordinary shares in the capital of the Company ("Ordinary Shares") on the terms set out below.

The Directors believe that this Note programme will ensure that the Company is able to meet its repayment obligations under its existing financing agreements with FBC and progress its plans to develop the Black Angel mine.

The Company is not obliged to issue Notes to Socius or any other party but, if it chooses to, it may do so at any time and from time to time up to two years from the date of the establishment of the note programme.

It is the Company's intention that the Notes will be listed on the Channel Isles Stock Exchange (the "CISX") and that the medium term notes thereby become Eurobonds. To this end, the Company has appointed Carey Commercial Limited to act as sponsor and to liaise with the CISX to effect the listing.

The arrangements described above are subject to the approval of Angel Mining shareholders.

Rationale for the facility

On 12 July 2010, the Company announced that it was in discussions with a third party regarding a potential US\$100 million financing facility. Although Socius was willing to enter into a facility of that size, the directors of Angel Mining decided to take an initial facility of US\$25 million. This change of strategy was decided upon for the following reasons:

- the Directors did not wish to incur a commitment fee on the \$100 million facility, which is likely to be excess of the Company's actual needs;
- it is understood that the Company can extend the facility in the future, if needed, and if it is considered to be the most appropriate means of financing the development of the Group; and
- the Board believes that much of the finance for the development of Black Angel should be debt based project finance, to restrict any unnecessary equity dilution.

General Meeting

Notice of a General Meeting of the shareholders of the Company to be convened on 27 September 2010 at the offices of Davenport Lyons, 30 Old Burlington Street, London, W1S 3NL at 11:15 am at which the various resolutions referred to above will be considered, will today be sent to all shareholders of the Company and will be made available on the Company's website, www.angelmining.com.

Angel Mining CEO, Nicholas Hall, commented: *"We are delighted to have secured the funding with Socius. This facility ensures that we are able to meet our obligations for the repayment of the short term loan from FBC and continue with the development of the Black Angel mine.*

Although potentially dilutive, the facility does not preclude the use of debt finance for project development and it is our intention to use it sparingly. It is expected that the security provided by the agreement with Socius will make it more practical for the Company to raise project finance for Black Angel. During the course of the two-year period that the facility is available to us, I also hope that it will enable us to finance additional new developments in Greenland and the surrounding area.

Angel Mining is now in a position to fund its own operations, strengthen its balance sheet and at the same time continue to develop its largest asset. The risk profile of the group has been dramatically reduced and our ability to succeed has been much enhanced."

Terms of the Notes

The Notes may be issued in any number of series, each of which shall have identical terms other than the maturity date (which shall, in each case, be 10 years from the date of issuance), amount and denomination.

The 10% per annum fixed rate interest on the Notes will be deferred for the first two years. Subsequent to that, the interest can be paid in cash, or, at the Company's option, can continue to be deferred and paid on the maturity date of the Notes. If interest is deferred, it will compound on each anniversary of the issuance of the relevant Notes, and such compounded interest shall itself accrue interest at the rate of 10% per annum.

Each series of Notes issued by the Company will have a maturity date of 10 years from the date of issuance but the Company shall be entitled to redeem all (but not part) of any series of Notes prior to such date. In the event that the Company does choose to redeem a series of Notes early, it will have to pay redemption fees as follows:

- in the event that the Company redeems a series of Notes prior to the first anniversary of the issue date thereof, a redemption fee of 35% of the principal amount of the series of Notes redeemed;
- in the event that the Company redeems a series of Notes after the first anniversary of the issue date thereof but prior to the second anniversary, a redemption fee of 26% of the principal amount of the series of Notes redeemed;
- in the event that the Company redeems a series of Notes after the second anniversary of the issue date thereof but prior to the third anniversary, a redemption fee of 18% of the principal amount of the series of Notes redeemed;
- in the event that the Company redeems a series of Notes after the third anniversary of the issue date thereof but prior to the fourth anniversary, a redemption fee of 8% of the principal amount of the series of Notes redeemed; and
- thereafter, no redemption fee shall be payable by the Company.

In addition to the Company's right to redeem a series of Notes prior to its maturity date, Socius may also serve a put notice on the Company at any time after the fourth anniversary of the issue date of such series, pursuant to which it can require the Company to redeem such series of Notes.

As a condition precedent to the Programme Agreement, the Company has also entered into a warrant and option agreement with Socius. Pursuant to this agreement, in the event that the Company issues a notice (an "Issue Notice") to Socius in accordance with the Programme Agreement, requiring it to purchase a series of Notes, Socius shall:

- through the exercise of an option, be entitled to purchase ordinary shares in the Company equal to 110% of the principal amount of the Notes the subject of the Issue Notice. These options will be exercisable for a period of 45 days from the date of the Issue Notice; and

- receive warrants in respect of ordinary shares in the Company equal to 25% of the principal amount of the Notes the subject of the Issue Notice. These warrants will be exercisable for a period of one year from the date of the Issue Notice.

In the case of both the warrants and options referred to above: (i) the value of the Ordinary Shares the subject of the relevant warrants or option shall be based on the market closing pricing on the trading day immediately before the date of the relevant Issue Notice; and (ii) the US\$ amount of the Notes shall be converted into sterling by reference to the closing mid-point spot exchange rate prevailing on the foreign exchange market for the conversion of \$ into £ on the relevant day as published in respect of that day by the Financial Times, subject to a minimum of \$1 to £1.

In the event that Socius chooses to exercise any warrant or option, it may pay the relevant exercise price in cash or by issuing a secured 2% promissory note.

If Socius chooses to issue promissory notes, they will be secured against shares and other investment collateral having a market value not less than the aggregate amounts outstanding under the promissory notes from time to time. Both the Company and, in certain circumstances, Socius may set off their respective obligations under the promissory notes and the Notes against each other.

In order to ensure that Socius' ability to set off amounts owing by it to the Company under the promissory notes can be set off against the liabilities of the Company to Socius under the Notes (and as a condition precedent to the obligations of Socius under the Programme Agreement), the Company has agreed to grant a fixed charge over its rights under the promissory notes to Socius.

The obligation of Socius to purchase Notes is conditional, inter alia, on:

- the approval of FBC;
- the approval of shareholders of the Company at a General Meeting to be held on 27 September 2010 to enable the directors to issue Ordinary Shares, to grant the options and to issue the warrants described above; and
- the execution of an agreed form subordination and intercreditor agreement by Socius, FBC and the Company pursuant to which the rights of Socius with respect to Notes purchased by it shall be fully subordinated to all obligations and liabilities of the Company to FBC.

The Company will pay a commitment fee to Socius of 5% of the total value of Socius' commitment under the Programme Agreement. The commitment fee is payable, at the Company's choice, in cash or in Ordinary Shares. If paid in Ordinary Shares, the value of the Ordinary Shares shall be based on the variable weight adjusted price for the five Trading Days immediately preceding the date on which the last of the conditions precedent under the

Programme Agreement is satisfied or 30 September 2010 if the conditions precedent are not then satisfied.

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