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AIRBORNE SURVEY COMMENCES AT LULO DIAMOND PROJECT, ANGOLA - DIAMOND SALE RAISES US\$1.1 MILLION

HIGHLIGHTS

- **Airborne magnetic and radiometric survey to commence on the Lulo Diamond Project in Angola**
 - **Major target of the survey will be to identify kimberlite pipes within the interfluvial area between the Lulo and Caculo Rivers**
 - **Results of survey expected by December 2007**
 - **Latest diamond sale realises US\$1,084,823 from 1,764 carats**
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Australian based diamond exploration and development company Lonrho Mining Limited (**ASX: LOM**) ("Lonrho Mining" or the "Company"), has concluded an agreement with Fugro Airborne Surveys Pty Ltd ("Fugro") to conduct a helicopter borne high resolution magnetic and radiometric survey covering 1,000km² within the Lulo Diamond Concession in Angola.

The Lulo Concession is Lonrho Mining's flagship project and is located in the Lunda Norte Province in north-eastern Angola, approximately 630km from the capital city of Luanda. The Lulo Concession is adjacent to the BHP Billiton /Petra Diamonds *Alto Cuilo* Diamond Project.

Airborne Magnetic and Radiometric Survey

The survey is scheduled to commence in early November 2007 and the anticipated duration of the field operation is 4 to 5 weeks with all final products to be supplied to Lonrho within 28 days of completion of the survey. The flight lines of the airborne survey will be spaced at 100m for an anticipated 11,402 line kilometres and the terrain clearance will be between 15 to 25 metres above the surface. Expedition of the survey will be dependent on prevailing weather conditions, acquisition of the necessary authorisations and the availability of fuel.

The survey is being conducted within the interfluvial area between the Lulo and Caculo Rivers which is where 29 kimberlite pipes have already been identified and is prospective for the discovery of additional pipes (see Figure 1). On completion of the survey, the Company will select the biggest pipes for evaluation, which will include drilling and bulk sampling. The survey will also target the terrace gravels along the banks of Lulo and Caculo Rivers in order to outline these potential resources for bulk sampling.

Commenting on the aerial survey, Manfred Marx, Consulting Geologist, stated:

"We are confident that this survey will assist us in identifying the significant kimberlite pipes on the concession. This strategy was successfully used within the adjacent Alto Cuilo project where over 70 large kimberlites have been identified by BHP/Petra Diamonds".

Latest Diamond Sale – Schmidtsdrift Mine

The Company also announced the results of its latest diamond sale completed last week under the Off-Take Agreement with Unitrade 1066 CC. A parcel of 1,764 carats was sold for an average price of US\$615 per carat (before sales costs) for a total gross value of US\$1,084,823.

Since re-commencing prospecting and trial mining operations in April 2006, the Company has focused on increasing its diamond production from trial mining operations at the Schmidtsdrift alluvial diamond mine, located in the Republic of South Africa.

Since April 2006 up to 30 September 2007:

- the mine has produced 13,372 carats of diamonds from 2,528,968 tonnes at an average grade of 0.53 carats per hundred tonnes.
- 315 stones in excess of 5 carats in size have been recovered, including a rare 235 carat stone, two 66 carat stones and 37 stones between 15 and 50 carats in size.
- Lonrho Mining has sold a total of 12,636 carats of diamonds at an average price of US\$866 per carat raising a total of US\$10,943,731.
- Lonrho Mining has increased the ore resource from 30 million tonnes to 46 million tonnes through exploration activities.

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About Lulo

The Lulo Diamond Concession is located in the Cuango River catchment area within the Lunda Norte Province of northeastern Angola. This concession has been one of the prime targets for Lonrho in its evaluation of Angolan projects and contains an identified 29 kimberlite pipes and extensive alluvial resources.

It is located close to existing proven kimberlite pipes and alluvial resources and is widely seen as a highly prospective concession. The Catoca Mine, which is the third largest kimberlite diamond mine in the world and which produces 60% of Angola's diamond production, is located 150km east of the Lulo Diamond Concession. A joint venture between Petra Diamonds and BHP Billiton on the Alto Cuilo Concession is adjacent to the Lulo Diamond Concession where 70 kimberlite pipes have been found, the largest of which is currently being evaluated.

Earlier this year Lonrho announced that it had signed a Joint Venture Agreement with Endiama, the national diamond company of Angola and exclusive concessionary for Angolan diamond mining rights, to develop the highly prospective 3,000km² diamond concession. On all kimberlite deposits Lonrho's participating interest will initially be 39% of the joint venture which will decrease to 30% after recoupment of its investment in the Project. On all alluvial deposits Lonrho's participating interest will be 40% in the joint venture.

Under the terms of the Joint Venture with Endiama, Lonrho has paid a cash deposit of US\$1.4 million which is refundable after exploration expenditure of an equal amount by the Company within nine months after signing of the Joint Venture agreement. Lonrho is also required to fund a work programme for which the first year of exploration expenditure will total US\$6 million. Under the terms of the Joint Venture, Lonrho will receive in priority the funds it has expended on exploration from future cash flow from mining operations.

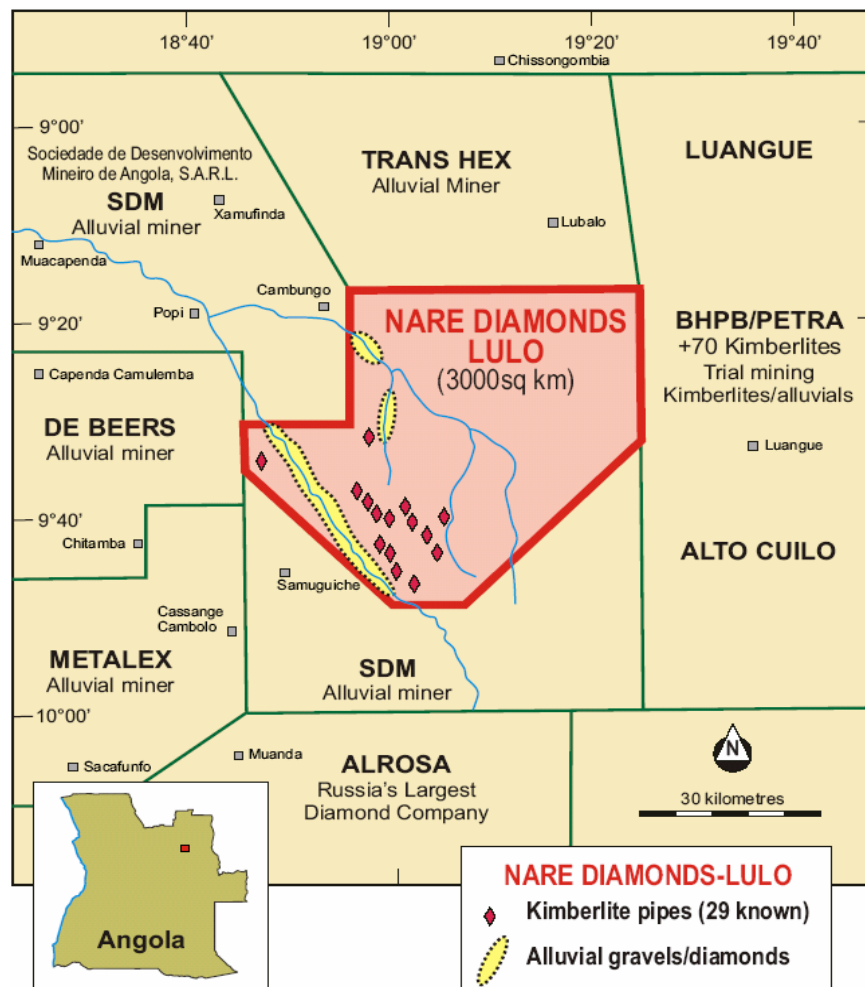


Figure 1



Figure 2- Bell Jet Ranger for aerial survey of the Lulo Project

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been prepared by Manfred Marx (in relation to Angola) and Gerhard du Plessis (in relation to South Africa). Mr Marx is a consultant to the Company and has sufficient experience with the relevant style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to be qualified as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr du Plessis is a full time employee of the Company and has sufficient experience with the relevant style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to be qualified as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Each of Mr Marx and Dr du Plessis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
