

ASX and Media Release
30 January 2008

LONRHO MINING FINALISES AIRBORNE SURVEY AND RECEIVES GOVERNMENT APPROVAL TO COMMENCE ALLUVIAL OPERATIONS AT LULO DIAMOND CONCESSION, ANGOLA

HIGHLIGHTS

- **Lonrho Mining has completed 70% of the airborne magnetic and radiometric survey over 1000km² target area for the Lulo Diamond Concession**
 - **Preliminary data is of exceptionally high quality and the geological structures appear very well defined**
 - **Construction of the Caculo River base camp has commenced and due for completion in March 2008**
 - **The Angolan Government has gazetted the alluvial diamond exploration and mining joint venture allowing for intended commencement of alluvial operations in April 2008**
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Australian based diamond exploration and development company Lonrho Mining Limited (ASX: LOM) ("Lonrho Mining" or the "Company"), is pleased to provide the following key updates in relation to the commencement of operations at the Lulo Diamond Concession in Angola (see Figure 1, Location Map).

Airborne Magnetic and Radiometric Survey

Fugro expects to complete the Company's helicopter borne aeromagnetic and radiometric survey (which is over 1000km²) subject to weather conditions, by 7 February 2008. The preliminary results are anticipated by mid-February with a final interpretation report available by the end of February 2008.

The survey is targeting kimberlite pipes within the survey area, of which 27 are known to occur within the interfluvial area between the Lulo and Caculo Rivers. On completion of the survey and the interpretation of the data, the Company will select the pipes with the largest surface area for evaluation which will include drilling followed by bulk sampling. The survey may also provide valuable information on the morphology and extent of the terrace gravels at the project.

Lonrho Mining's technical team is very pleased with data received to date which is of exceptionally high quality. Significantly, the preliminary results demonstrate that the geological structures are very well defined.

Camp Construction at Caculo River

Following a site visit last week by the Company, preparations for establishing a diamond recovery plant on the Caculo River is now well underway.

Technical staff have been employed to manage the construction of the Caculo River base camp and to procure the earth moving equipment as well as the diamond recovery units in readiness for commencement of operations. Initially, the core of the recovery section will consist of two 16 feet rotary pans and an X-ray flowsort machine for final diamond recovery. The alluvial evaluation manager, the construction foreman and the security officer will be Angolan expatriates recruited in South Africa, while the majority of the field and Luanda office staff will be Angolans.

Camp construction is scheduled for completion by mid March 2008 and the construction of the recovery section by mid April 2008, depending on numerous logistical considerations.

During this phase of the work, a geological mapping survey of the Caculo River picro-ilmenite rich terrace gravels will be conducted. The most suitable site for river diversion mining will also be selected. Excavation of the 6,000 tonne bulk sample will commence as soon as the geological mapping has been completed, by end of March 2008.

Gazettal of Alluvial Diamond Exploration and Mining Joint Venture

The first Board Meeting of the Lulo Joint Venture was held at the Endiama office building in Luanda on 17 January 2008. The Board of Directors consists of:

Chairman	Dr. Tiago Domingos Dias (Endiama Administrator)
Director	Mr. Charles Mostert (Lonrho Mining)
Director	Dr Celso Rosas (Rosas e Petalas)

The Executive Administration Committee was also appointed consisting of:

Director General	Mr. Charles Mostert (Lonrho Mining)
Ass. Director General	Dr Joaquina Costa (Endiama appointee)
Mine Geologist	Mr. Manfred Marx (Lonrho Mining)
Planning and Finance	Mr. Berend van Deventer (Lonrho Mining)
Supply and Logistics	Rosas e Petalas appointee
Human Resources/ Security	Endiama appointee

Lonrho Mining is particularly pleased to welcome Dr Joaquina Costa to the team who is a geologist with extensive Angolan diamond mining experience. She has served on the staff of several foreign mining companies operating in Angola, including Trans Hex and ITM.

Commenting on the progress at Lulo, Chief Executive Officer of Lonrho Mining, Charles Mostert stated:

"We are delighted that the survey over the Lulo Diamond Concession is progressing well and remain very confident that it will identify many kimberlite pipes within the survey area."

"It is also very pleasing to have received government approval to commence the alluvial operations at Lulo. We intend to commence bulk sampling in April 2008 to test the significant alluvial potential along the diamond bearing gravels within the lower Caculo River."

"We also welcome Dr Costa to the Executive Administration Committee of the Lulo Joint Venture. Dr Costa is a geologist with extensive Angolan diamond mining experience who will add significant local and technical insight in bringing the Lulo Diamond Concession into early production."

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About Lulo

The Lulo Diamond Concession is located in the Cuango River Basin within the Lunda Norte Province of north-eastern Angola approximately 630km from the capital city of Luanda. This concession is Lonrho Mining's flagship exploration project based on the high diamond potential. Some 27 kimberlites are known within the concession and extensive diamond bearing (garimpeiro activity) alluvials occur along the Caculo and Lulo Rivers.

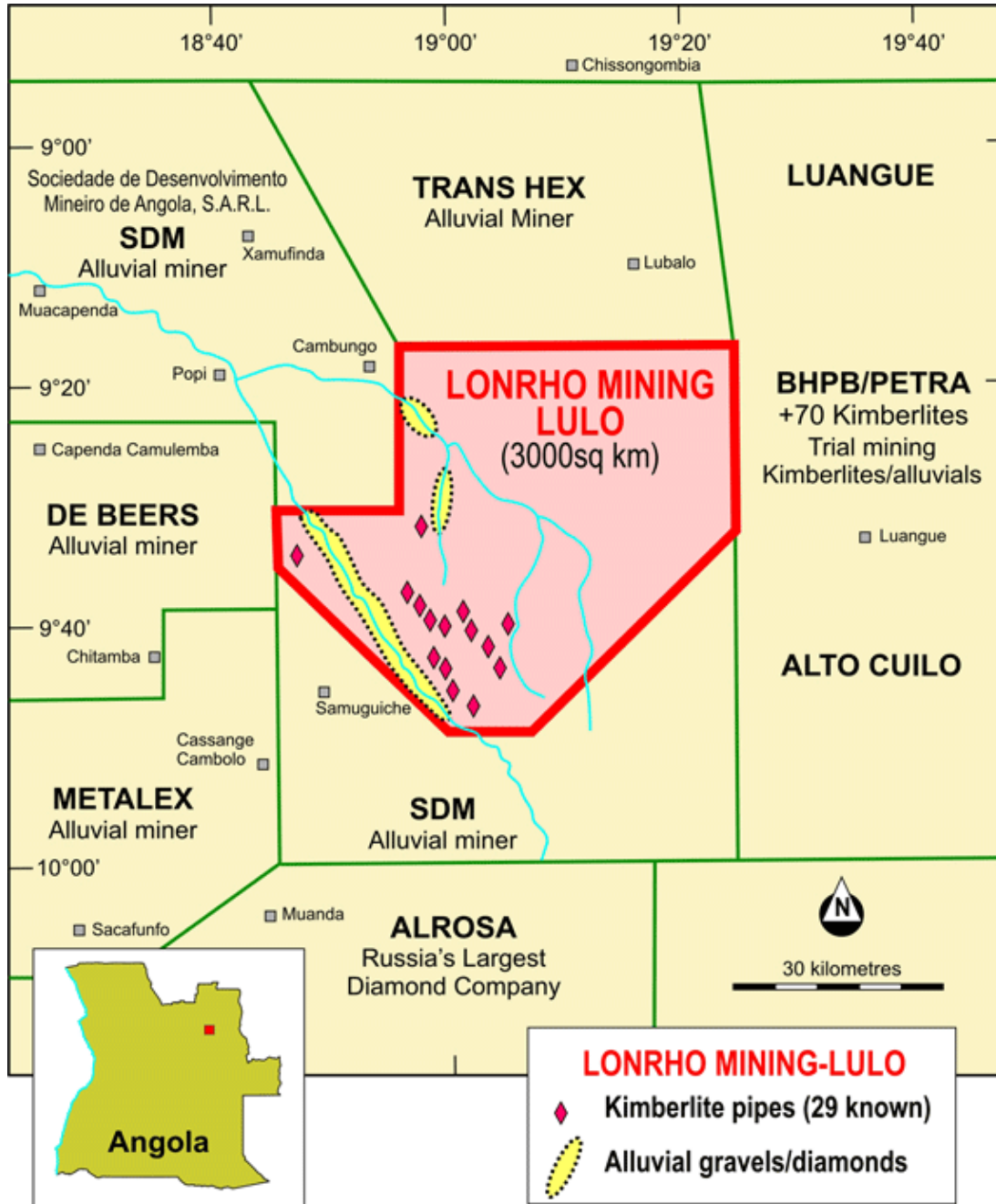
The Lulo Diamond Concession is adjacent to the BHP Billiton / Petra Diamonds owned *Alto Cuilo* Diamond Project.

Earlier this year Lonrho Mining 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. Within the 3,000km² Lulo Concession, Lonrho Mining'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 Mining's participating interest will be 40% in the joint venture.

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

For more information please visit: www.lonrhominig.com

Figure 1- Lulo Diamond Concession



Competent Persons Disclosure

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been prepared by Manfred Marx. 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'. Mr Marx consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.