

**ASX and Media Release  
3 June 2008**

## **EXCEPTIONAL 18.39 CARAT DIAMOND DISCOVERED**

### **61.30 CARAT DIAMOND SELLS FOR US\$754,321**

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#### **HIGHLIGHTS**

- **18.39 carat fancy yellow diamond and 9.9 carat stone expected to yield high value**
- **61.30 carat fancy yellow diamond sells for US\$12,305 per carat**

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Australian based diamond exploration and development company Lonrho Mining Limited (ASX: LOM) ("Lonrho Mining" or the "Company") today announced it had discovered another exceptional diamond, an 18.39 carat stone, at its Schmidtsdrift Mine located in the Republic of South Africa.

In addition, a 9.9 carat diamond was discovered from the same mining zone on the previous day.

Like the 61.30 carat diamond discovered earlier this month, the 18.39 carat diamond is a fancy yellow perfect octahedron and is also expected to yield a high value (see Figure 1). Further photos of the diamond can be viewed on the Company's website at [www.lonrhominig.com](http://www.lonrhominig.com).

The 61.30 carat fancy yellow perfect octahedron was recently sold for US\$12,305 per carat (US\$754,321) (see Figure 2). It formed part of a parcel of 472.66 carats which was sold for US\$1,094,200.

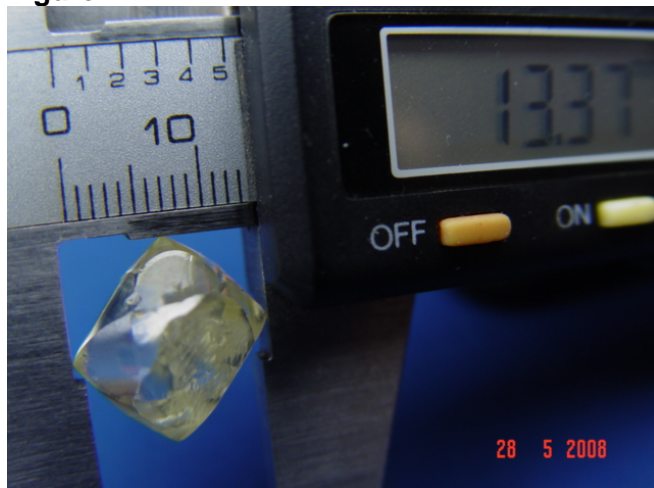
Commenting on the recent discovery of these diamonds, Lonrho Mining's Chief Executive Officer Charles Mostert stated:

*"We are pleased to see that Schmidtsdrift is once again producing large stones. These discoveries are due to a recently completed organizational restructure at the alluvial mine."*

The Schmidtsdrift mine, which is owned by Lonrho Mining (80%) and the Schmidtsdrift Communal Property Association (20%), comprises six contiguous farms along the western bank of the Vaal River, with a combined area of 320km<sup>2</sup>.

Up to April 30 2008, the mine has produced 16,395 carats of diamonds from 3,255,969 tonnes at an average grade of 0.5 carats per hundred tons since the Company commenced operations in April 2006. The production has included 328 stones in excess of 5 carats in size, including a rare 235 carat stone, two 66 carat stones and 25 stones between 15 and 50 carats in size.

**Figure 1**



*18.39 carat stone*

**Figure 2**



*61.30 carat stone sold for US\$754,321*

**For further information, please visit [www.lonrhominig.com](http://www.lonrhominig.com) or contact:**

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**Background**

The Schmidtsdrift diamond mine comprises six contiguous farms along the western bank of the Vaal River, with a combined area of 320km<sup>2</sup> and divided into 24 mining zones.

The Company's flagship project is the Lulo Diamond Concession located in north eastern Angola. The Company recently announced the identification of 217 magnetic anomalies from a helicopter borne aeromagnetic and radiometric survey conducted at Lulo. Other diamond operators in this region have reported that up to 75% of the targeted magnetic anomalies drilled are kimberlite pipes. Based on this comparison, approximately 160 of the anomalies on the Lulo concessions are likely to be kimberlites. Lulo is located in an area which many experts believe will become a prolific region for the production of diamonds. Petra Diamonds Alto Cuilo and Luangue projects, borders the Lulo Diamond Concession to the east. Petra Diamonds has announced that more than 70 kimberlite pipes have been found on Alto Cuilo, the largest of which is 175 hectares in size and is currently being evaluated with encouraging results received to date.

Lulo is also in close proximity to the Catoca Mine, one of the largest kimberlite diamond mines in the world, which produces 60% of Angola's diamond production and is located 90km east of the Lulo Diamond Concession. The Catoca mine produced approximately 7 million carats in 2007. In addition, the Company owns interests in three other South African diamond exploration projects.