



131.5 CARAT DIAMOND DISCOVERED AT LULO

LONRHO MINING LIMITED (ASX: LOM) is pleased to announce the company has recovered a gem quality 131.5 carat diamond and a 38.3 carat diamond from its Lulo Concession in Angola.

The white 131.5 carat diamond was recovered from the BLK_08 bulk sample (Figure 1) and is by far the biggest diamond recovered by Lonrho since the Perth-based company began treating alluvial gravels through its Dense Media Separation (DMS) plant at the Lulo project in 2010. The 38.3 carat stone was also from BLK_08 and is the third biggest diamond recovered from Lulo to date.



131.5 carat diamond from Lulo

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The pictures of the 131.5 and 38.3 carat diamonds recovered from the Lulo Concession were taken prior to acid washing to remove surface impurities.

BLK_8 is one of a series of bulk samples collected from the valley of the Cacuiló River within the Lulo Concession. The alluvial sampling program is designed to evaluate widespread and different aged diamondiferous gravel deposits identified within the Cacuiló River valley.



Diamonds from BLK_08

The recovery of the 131.5 and 38.3 carat diamonds comes as Lonrho prepares for the exciting kimberlite drilling phase at the 3,000km² Lulo Concession. This involves the drill testing of 61 kimberlite targets which were prioritised by international diamond expert Manfred Marx.

Lonrho Managing Director Miles Kennedy said the latest diamond recoveries underline the world-class exploration potential of the Lulo Concession.

“The recovery of such a spectacular 131.5 carat diamond in particular highlights both the prospectivity of the diamondiferous gravels in the Cacuiló River valley and, more significantly, the kimberlite pipe that has shed this stone,” said Mr Kennedy.

“Given the incredible size of this diamond, there is little doubt the kimberlite source is very close by.”

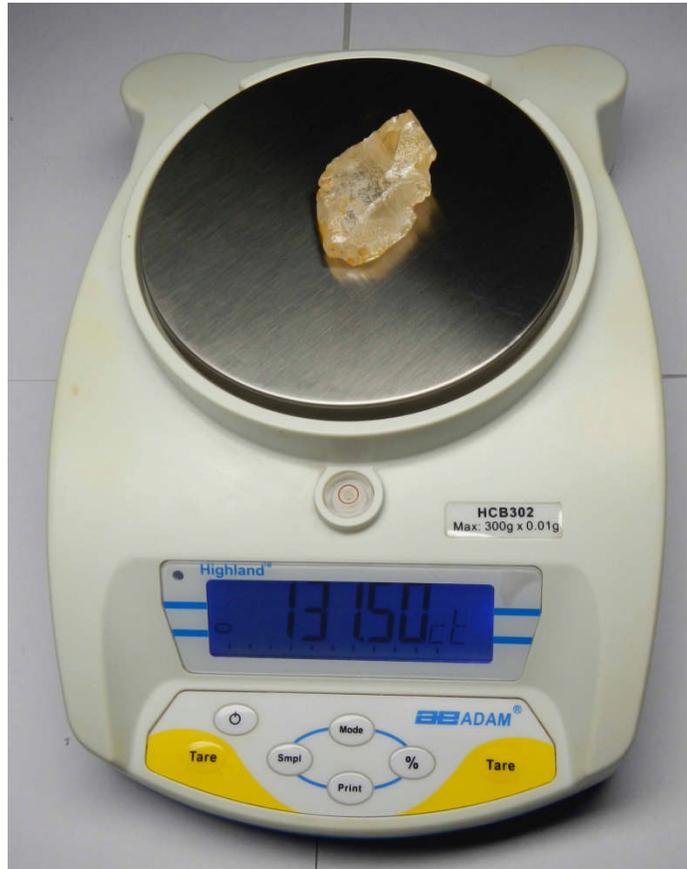
As reported to the ASX on 30 July 2012, the specialist BAUER rig has arrived on site at Lulo in preparation for the kimberlite drilling program, which is the culmination of a systematic four-year exploration program.



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The BAUER rig can undertake both narrow diameter drilling to confirm the presence of kimberlite and wide diameter drilling to extract bulk samples to process through Lonrho's DMS plant.



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Lonrho continues to treat alluvial gravels from BLK_08 through its DMS plant. The results from BLK_08 to date are summarised in Table 1.

Sample Number	Gravel Volume (m ³)	Size Distribution ¹				Number of Diamonds	Diamond Weight (ct)	Average Size (ct)	Grade ² (ct/100m ³)	Largest Diamond (ct)
		<1ct	1-2ct	2-5ct	>5ct					
BLK_08 ³	161	17		1	3	21	188.2	8.96	116.72	131.50

Notes:

- 1) Lonrho is treating gravel in the +2mm -34mm size range.
- 2) Grade is quoted in carats per 100 cubic metres of gravel.
- 3) Processing of BLK_08 is not complete

Table 1: BLK_08 diamond recoveries

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Competent Person's Statement - Information in this announcement that relates to exploration results, mineral resources or ore reserves is based on information compiled by David Jones BSc (Hons) MSc of Ascidian Prospecting Pty Ltd, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Jones is a director of Lonrho Mining Limited. Mr Jones has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Jones consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

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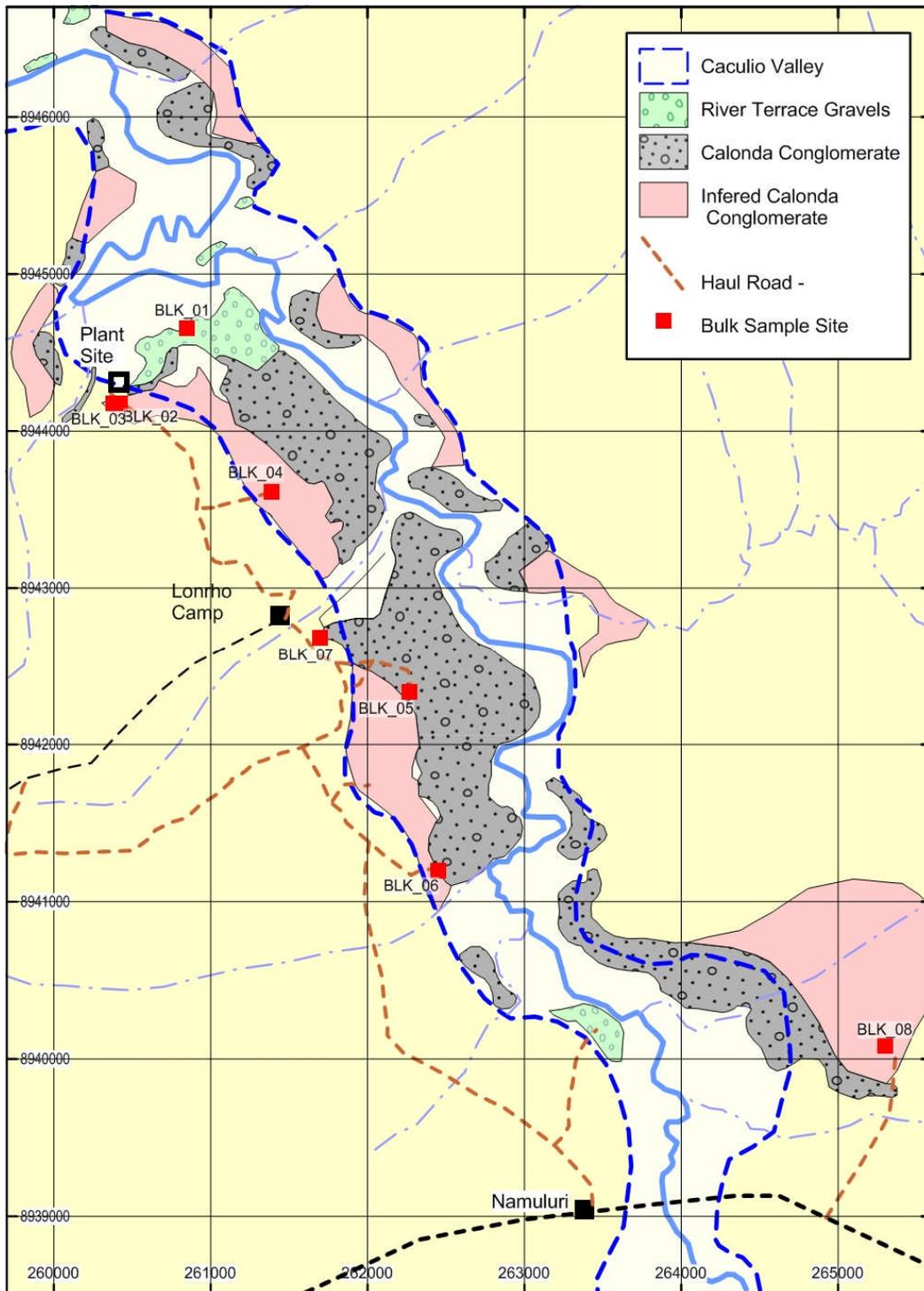


Figure 1: Location of bulk sample sites at Lulo

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