

LONRHO MINING

ASX Release

30 September 2009

LONRHO MINING LIMITED (ASX: LOM) QUARTERLY REPORT FOR PERIOD ENDED 31 AUGUST 2009

ANGOLA

LULO DIAMOND CONCESSION

The Lulo Diamond Concession (3,000km²) lies within the north eastern Lunda Norte Province of Angola. A base camp was established on the banks of the Caculo River, close to the main highway linking the capital city Luanda (720km) with the interior.

Apart from maintaining a security presence at the Lulo project, no field work was carried out during the quarter due to the concentration of effort and available funds being directed toward the resolution of Schmidtsdrift. Following the capital raising which is announced today and which will be supported by the Company's major shareholders, it will be the Company's intention to focus solely on Lulo over the next period of time.

SOUTH AFRICA

SCHMIDSDRIFT

The Company has concluded an Agreement for the sale of the entire shareholding in its wholly owned South African subsidiary, Lonrho Mining SA (Pty) Ltd (formerly Nare Adamas (South Africa) (Pty)), and that this sale is now due for completion.

Under the Agreement, the purchaser has undertaken to release the Company from various guarantees, suretyships, indemnities and letters of comfort which the Company may have given for the obligations of Lonrho Mining SA (Pty) Ltd.

The purchaser is obliged to discharge all liabilities and to pay any amounts called and the purchaser will indemnify the Company against those liabilities and make payments under its indemnity as soon as the Company becomes obliged to make payment in respect of any indemnified liability. Upon completion this will finally conclude the Company's involvement in South Africa.

CORPORATE

CAPITAL RAISING

The Company has today announced that it is proposing to make a renounceable entitlements issue to shareholders on the basis of 1.5 new shares, at the issue price of 1 cent per share (together with one free attaching new option exercisable at 1 cent each within 12 months of the date of issue), for every one 1 share held at the record date, to raise a total of approximately \$4.02 million (before costs).

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The minimum subscription for the Issue will be \$2 million, and the Company is pleased to announce that its major shareholders, representing almost half of the current issued capital of the Company, have indicated that they will subscribe for their entitlements under the Issue.

Based on the Company's current issued capital the Rights Issue will, if fully subscribed, result in the issue of approximately 401,949,388 new shares and 401,949,388 free attaching options.

As the entitlements under the Issue will be renounceable, eligible shareholders will be entitled to sell or transfer all or part of their entitlements.

The Issue will not be underwritten, but Indian Ocean Capital Pty Ltd has been appointed to act as Lead Manager to the Issue.

Further details of the Issue, including the timetable for the issue, will be detailed in a prospectus which is expected to be lodged with ASIC on or about 5 October 2009.

MILES KENNEDY
DIRECTOR

30 September 2009