

LONRHO MINING LIMITED

ACN 44 111 501 663

NOTICE OF ANNUAL GENERAL MEETING

incorporating

EXPLANATORY STATEMENT and PROXY FORM

DATE AND TIME OF MEETING

FRIDAY, 30 JULY 2010 AT 9.30AM (AWST)

PLACE OF MEETING

12 Walker Avenue, West Perth WA 6005

This is an important document. It should be read in its entirety. If you are in doubt as to the course you should follow, consult your financial or other professional advisor.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Annual General Meeting (**Meeting**) of the shareholders of Lonrho Mining Limited will be held at:
12 Walker Avenue
West Perth WA 6005
On: Friday, 30 July 2010
Commencing: 9.30 am

Voting Entitlements

For the purposes of the Corporations Act 2001 (Cth) (**Corporations Act**), all shares of the Company that are quoted securities at 9.30 am (AWST) two days prior to the Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at the time and such persons are eligible to vote at the Meeting.

How to Vote

The business of the Meeting affects your shareholding and your vote is important. Please take action by voting in person (or authorised representative) or by proxy.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 9.30 am (AWST).

Proxies

A Proxy Form accompanies this Notice of Annual General Meeting. To be effective, the Proxy Form must be completed and received at either the Company's registered office or its share registry, Security Transfer Registrars no later than 48 hours before the Meeting.

Registered Office

Company Secretary
12 Walker Avenue
West Perth WA 6005
Or by facsimile on:
+61-8 9321 5884
Or by electronic address:
general@lonrho.com.au

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Fax:
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

If any shareholder wishes to lodge a proxy electronically, it will be necessary to scan an image of a signed proxy form and e-mail that image of the proxy form with the signature affixed to be received no later than 48 hours before the Meeting. This is needed to comply with the requirements of section 250A of the Corporations Act that a valid proxy be in writing and be signed by the shareholder appointing the proxy.

If you are entitled to attend and cast a vote at the Meeting you may appoint up to two proxies. A proxy may be an individual or a corporation but need not be a shareholder. If you appoint two proxies each proxy may exercise half of the shareholders votes if no proportion or number of votes is specified.

If you appoint a proxy but attend the Meeting yourself, the rights of the proxy to speak and vote on your behalf at the Meeting will be suspended while you are present.

Corporate Representatives

A corporation may appoint an individual as a representative to exercise its powers as shareholder or as a shareholder's proxy. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it was previously given to the Company's share registry.

Powers of Attorney

A person appearing as an Attorney for a shareholder should produce a properly executed original (or certified copy) of an appropriate Power of Attorney for admission to the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is given that the 2010 Annual General Meeting of shareholders of **Lonrho Mining Limited (LOM or the Company)** will be held at 12 Walker Avenue, West Perth WA 6005 on Friday, 30 July 2010 at 9.30 am AWST. This Notice of Annual General Meeting should be read in conjunction with the accompanying Explanatory Statement.

AGENDA

GENERAL BUSINESS

2010 FINANCIAL STATEMENTS AND REPORTS

To receive, consider and discuss the Company's financial statements for the year ended 28 February 2010 and the related reports of the Directors and Auditors thereon.

ORDINARY BUSINESS

RESOLUTION 1 – RE-ELECTION OF DIRECTOR – MR DAVID JONES

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That Mr David Jones, who, having been appointed as a director of the Company by its other directors, retires in accordance with the rules of the Company's Constitution, and being eligible, is re-elected as a director of the Company."

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr Jones (and/or his nominee) or any of his associates.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR DAVID LENIGAS

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That in accordance with the rules of the Constitution, Mr David Lenigas, a director who retires by rotation, and being eligible, is re-elected as a director."

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr Lenigas (and/or his nominee) or any of his associates.

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MRS KAGISO CHIKANE

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That in accordance with the rules of the Constitution, Mrs Kagiso Chikane, a director who retires by rotation, and being eligible, is re-elected as a director."

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mrs Chikane (and/or her nominee) or any of her associates.

RESOLUTION 4 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

"That the Remuneration Report contained in the 2010 Financial Report be adopted by the Company."

Note: The vote on this resolution is advisory only and does not bind the directors or the Company.

SPECIAL BUSINESS

RESOLUTION 5 – RATIFICATION OF SECURITIES ISSUE

To consider and, if thought fit, to pass the following as an ordinary resolution:

"THAT, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the allotment of 4 million fully paid ordinary shares issued at \$0.01 each and 4 million options (expiring 18 November 2010 exercisable at \$0.01 each) in the capital of the Company, more fully described in the Explanatory Statement accompanying this Notice."

NOTICE OF ANNUAL GENERAL MEETING

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who participated in the issue of securities referred to in this resolution and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any votes cast by an associate of such person. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS TO DAVID JONES (DIRECTOR)

To consider and, if thought fit, to pass the following as an ordinary resolution:

“THAT, in accordance with the provisions of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the Company approves and authorises the issue 10 million options to acquire ordinary fully paid shares at an exercise price of \$0.02 per share to David Jones (or his nominee(s)) on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by David Jones and any person associated with him. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

RESOLUTION 7 – APPROVAL TO ISSUE OPTIONS TO MILES KENNEDY (DIRECTOR)

To consider and, if thought fit, to pass the following as an ordinary resolution:

“THAT, in accordance with the provisions of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the Company approves and authorises the issue 5 million options to acquire ordinary fully paid shares at an exercise price of \$0.02 per share to Miles Kennedy (or his nominee(s)) on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by Miles Kennedy and any person associated with him. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS TO DAVID LENIGAS (DIRECTOR/CHAIRMAN)

To consider and, if thought fit, to pass the following as an ordinary resolution:

“THAT, in accordance with the provisions of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the Company approves and authorises the issue 5 million options to acquire ordinary fully paid shares at an exercise price of \$0.02 per share to David Lenigas (or his nominee(s)) on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by David Lenigas and any person associated with him. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

RESOLUTION 9 – APPROVAL TO ISSUE OPTIONS TO GEOFFREY WHITE (DIRECTOR)

To consider and, if thought fit, to pass the following as an ordinary resolution:

“THAT, in accordance with the provisions of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the Company approves and authorises the issue 5 million options to acquire ordinary fully paid shares at an exercise price of \$0.02 per share to Geoffrey White (or his nominee(s)) on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by Geoffrey White and any person associated with him. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

NOTICE OF ANNUAL GENERAL MEETING

RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS TO JOHN FIRTH (MANAGER ANGOLA)

To consider and, if thought fit, to pass the following as an ordinary resolution:

“THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves and authorises the issue 5 million options to acquire ordinary fully paid shares at an exercise price of \$0.02 per share to John Firth (or his nominee(s)) on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by John Firth and any person associated with him and a person who might obtain a benefit, except a benefit solely on the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

RESOLUTION 11 – APPROVAL TO ISSUE OPTIONS TO JEAN MATHIE (COMPANY SECRETARY)

To consider and, if thought fit, to pass the following as an ordinary resolution:

“THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves and authorises the issue 5 million options to acquire ordinary fully paid shares at an exercise price of \$0.02 per share to Jean Mathie (or her nominee(s)) on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by Jean Mathie and any person associated with her and a person who might obtain a benefit, except a benefit solely on the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD



Jean Mathie
COMPANY SECRETARY

Dated: 25 June 2010

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of members of Lonrho Mining Limited in connection with the business to be conducted at the General Meeting of members to be held at 12 Walker Avenue, West Perth WA 6005 on Friday, 30 July 2010 at 9.30 am (AWST).

2010 FINANCIAL STATEMENTS AND REPORTS

The Corporations Act 2001 requires that the report of the Directors, the Auditor's report and the financial report be laid before the Annual General Meeting. In addition, the Constitution provides for such reports and statements to be received and considered at the meeting.

Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act 2001 nor the Company's Constitution requires a vote of members at the Annual General Meeting on such reports or statements. However, members will be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report through its ASX announcements at www.lonrhominig.com.

RESOLUTIONS 1 RE-ELECTION OF DIRECTOR MR DAVID JONES

Mr Jones was appointed by the Board as the technical/exploration director on 26 February 2010 in accordance with Rule 6.2 of the Constitution and as such must not hold office without re-election beyond the next annual general meeting of the Company. Accordingly, Mr Jones retires from office in accordance with Rule 6.3 of the Constitution and, being eligible, offers himself for re-election as a director of the Company.

Full details of the qualifications and experience of Mr Jones are set out in the Company's 2010 Directors' Report.

RESOLUTIONS 2 AND 3 – RE-ELECTION OF DIRECTORS MR DAVID LENIGAS AND MRS KAGISO CHIKANE

Rule 6.3 of the Constitution requires that one third of the directors must retire at each annual general meeting (except a managing director) provided that no director shall hold office for a period in excess of three years or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. The directors who retire by rotation under rule 6.3 of the Constitution are eligible for re-election.

Both Mr Lenigas and Mrs Chikane will be retiring by rotation and seek re-election under Resolutions 2 and 3 respectively.

RESOLUTION 4 – ADOPTION OF REMUNERATION REPORT

Section 298 of the Corporations Act requires that the Annual Directors' Report contain a Remuneration Report prepared in accordance with section 300A of the Corporations Act 2001. The Remuneration Report for the financial year ended 28 February 2010 is set out in the Directors' Report of the 2010 Annual Report. Section 250R(2) of the Corporations Act 2001 requires companies to put a resolution to their members that the Remuneration Report be adopted. Pursuant to Section 250R (3) of the Corporations Act 2001 shareholders should note that this resolution is an "advisory only" resolution which does not bind the directors or the Company. However, the directors will take the outcome of the vote into consideration when determining the future remuneration policies for directors and executives. There will be an opportunity for shareholders to comment on and ask questions about the Company's Remuneration Report.

RESOLUTION 5 – RATIFICATION OF SECURITIES ISSUE

Resolution 5 has been proposed so that Shareholders may consider and if thought fit approve and ratify for the purposes of ASX Listing Rule 7.4 the issue by the Company of 2,000,000 ordinary shares at \$0.01 per share on 21 December 2009 and 2,000,000 options expiring 18 November 2010 exercisable at \$0.01 each, for nil consideration and 2,000,000 ordinary shares at \$0.01 per share on 23 December 2009 and 2,000,000 options expiring 18 November 2010 exercisable at \$0.01 each, for nil consideration.

The shares and options were issued to persons or entities being clients of Indian Ocean Capital (Stockbrokers of Perth WA), comprising sophisticated and professional investors of the kind contemplated

EXPLANATORY STATEMENT

by section 708 of the Corporations Act 2001 (Cth). The funds raised from these placements were for general working capital purposes.

ASX Listing Rule 7.1 restricts the number of securities the Company may issue without shareholder approval in a 12-month period to the number which is 15 percent of its issued capital.

ASX Listing Rule 7.4 allows Shareholders to ratify previous issues of securities for the purposes of ASX Listing Rule 7.1. In order to replenish its capacity to issue shares in accordance with ASX Listing Rule 7.1, the Company is seeking shareholder approval of the above issues pursuant to ASX Listing Rule 7.4. This will give the Company the flexibility to raise further funds up to the 15 percent threshold without the need to obtain shareholder approval.

If, however, Resolution 5 is not approved, this will have no impact on the securities issued, which are already officially quoted on ASX. It does however mean that the shares would be included in calculating the 15 percent limit of additional securities, which may be issued by the Company in any 12-month period.

RESOLUTIONS 6, 7, 8 AND 9 – APPROVAL TO ISSUE OPTIONS TO DIRECTORS

The Company has resolved, subject to obtaining shareholder approval, to allot and issue a total of 10,000,000 Options to David Jones and 5,000,000 Options to each of Miles Kennedy, David Lenigas and Geoffrey White (**Related Parties**) as an incentive for their ongoing commitment to the Company on the terms and conditions set out below. The issue of options as part of the remuneration package of directors is an established practice of junior public listed companies and has the benefit of conserving cash whilst seeking to properly rewarding the directors. Based on this, the independent directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001 requires shareholder approval to be obtained for the issue of any options to directors.

ASX Listing Rule 10.11

For the purposes of Listing Rule 10.13 the following information is provided to shareholders.

1. Securities will be issued to the following persons or their nominees:
 - i. David Jones
 - ii. Miles Kennedy
 - iii. David Lenigas
 - iv. Geoffrey White

2. The number of securities to be issued:

i.	David Jones:	10,000,000 Options
ii.	Miles Kennedy	5,000,000 Options
iii.	David Lenigas	5,000,000 Options
iv.	Geoffrey White	5,000,000 Options

3. The date by which the Company will issue the securities:
Within one month of the General Meeting.

4. The issue price of the securities and terms of the issue:
There is no issue price for these Options and they will be granted for no cash consideration. The terms and conditions of the Options are set out below.

5. Voting exclusion statement:
See Notice of Meeting.

6. The intended use of the funds raised:
There will be no funds raised.

By reason of ASX Listing Rule 7.2 (Exception 14) if the approval of the shareholders for the issue of these Options is obtained pursuant to Listing Rule 10.11, separate approval is not required pursuant to Listing Rule 7.1. This means that the issue of these Options will not erode the Company's ability to issue equity securities up to the 15% limit prescribed by ASX Listing Rule 7.1 without further shareholder approval.

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Chapter 2E of the Corporations Act 2001 (the Act)

Chapter 2E of the Act prohibits, subject to certain exceptions (none of which are relevant here), a company from giving a financial benefit to a related party of the company without prior shareholder approval.

A **related party** for the purposes of the Act is widely defined. It includes a director of a public company or specified members of the directors' family. It also includes an entity over which a director maintains control.

A **financial benefit** for the purposes of the Act is also defined widely. It includes a public company paying money to another entity. It also includes the public company granting an option over its securities. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and the effect of the transaction (rather than just the legal form) and any consideration which has been given is to be disregarded, even if it is full or adequate.

For the purposes of Chapter 2E of the Act, Messrs Jones, Kennedy, Lenigas and White are related parties of the Company and the issue of options to them constitutes financial benefits which require prior shareholder approval.

In accordance with Section 219 of the Act, the following information is provided to shareholders to allow them to assess whether or not it is in the Company's interests to pass this resolution.

- a) Messrs Jones, Kennedy, Lenigas and White are each related parties of the Company by virtue of them being directors of the Company. Subject to shareholder approval, the following maximum number of Options will be granted to Messrs Jones, Kennedy, Lenigas and White or their respective nominees.

i.	David Jones	10,000,000 Options
ii.	Miles Kennedy	5,000,000 Options
iii.	David Lenigas	5,000,000 Options
iv.	Geoffrey White	5,000,000 Options

- b) The nature of the financial benefit is the issue of the Options for nil consideration (as noted above) and on the terms set out at the end of this Explanatory Statement.

- c) All of the Directors were available to consider Resolutions 6, 7, 8 and 9.

Mr Jones expresses no opinion and makes no recommendations to the shareholders in respect of Resolution 6 because he has a material interest in the outcome of that resolution.

Mr Kennedy expresses no opinion and makes no recommendations to the shareholders in respect of Resolution 7 because he has a material interest in the outcome of that resolution.

Mr Lenigas expresses no opinion and makes no recommendations to the shareholders in respect of Resolution 8 because he has a material interest in the outcome of that resolution.

Mr White expresses no opinion and makes no recommendations to the shareholders in respect of Resolution 9 because he has a material interest in the outcome of that resolution.

The respective material interests Messrs Jones, Kennedy, Lenigas and White have in the outcome of these resolutions and details of the potential benefits are listed below.

The Independent Director recommends that shareholders vote in favour of Resolutions 6, 7, 8 and 9 and the Chairman of the meeting intends to vote undirected proxies in favour of Resolutions 6, 7, 8 and 9.

Other than the information disclosed in the Explanatory Statement, no director has an interest in the outcome of the proposed Resolutions 6, 7, 8 and 9 (other than as directors of, and holders of securities in, the Company) and neither the directors nor the Company are aware of any other information that is reasonably required by shareholders in order to decide whether or not it is in the Company's interests to pass Resolutions 6, 7, 8 and 9.

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Other information that is reasonably required by members to make a decision and that is known to the Company or any of its directors

Current Share Capital

If the Options are issued pursuant to the proposed Resolutions 6, 7, 8 and 9, the Company considers that Messrs Jones, Kennedy, Lenigas and White will each have a vested interest in the affairs of the Company as an incentive to ensure that the market price of the shares of the Company increases to create a value in the Options issued to each of them respectively and this will benefit all shareholders. Should all the Options be exercised, \$500,000 of working capital will be raised at no significant cost to the Company.

As the primary purpose of the proposed issue to these directors is not to raise capital but to provide an incentive to those directors for services they intend to provide, the Company does not believe that the issue will involve any significant lost opportunity cost.

The potential cost to the Company of the issue of 25,000,000 Options is that there will be dilution of the issued share capital if the Options are exercised. In the unlikely event that the Options were all exercised before the current issued capital of 674,915,647 was otherwise expanded, the dilutionary effect would be 3.70 percent. However, it is possible that the current capital will be expanded before the Options are exercised. For example, if all of the options currently on issue are exercised first, the dilutionary effect of the exercise of all of the Options would be 91.02 percent.

The Options are likely to be exercised at a time when the market price of the Company's shares is greater than the exercise price of these options. It follows that in that case there will be a theoretical detriment to the Company insofar as the Company will be required to issue shares at a price lower than it might otherwise have been able to achieve by a placement of new shares, with the results that less funds will be raised through the exercise of Options than from the placement of new shares.

Valuation of Options

ASIC guidelines specify that a valuation must be carried out in line with the International Accounting Standards Board's (IASB) Exposure Draft on Share Based Payments. This leaves it up to individual companies to choose a valuation model from a number of alternatives.

ASIC has indicated the Black-Scholes option price calculation method is an acceptable method for valuing options. This method is designed to value listed securities that are freely tradeable.

Using the Black-Scholes option valuation model, the value of each Option to be issued to the directors as at the date of this Notice of Meeting is assessed to be approximately \$0.005 per option based on the particulars contained in Table 1.

Table 1	
Item	Options
Exercise price of Options	\$0.02
Share price used (closing ASX price 20 June 2010)	\$0.016
Expiry date	1 August 2013
Total number of Options	25,000,000
Risk-free rate	4.50%
Volatility	50.00%
Black-Scholes total notional value	\$122,499
Black-Scholes notional value (per Option to 3dp)	\$0.005

Other Information

During the 12 months preceding this Notice of Meeting the Company's Share price has traded between \$0.024 and \$0.007. On the business day prior to the date of this Notice of Meeting, the Company's share price closed at \$0.018.

If the Options issued pursuant to Resolutions 6, 7, 8 and 9 inclusive, are all exercised, then the issue of shares pursuant to the exercise of those Options (up to an aggregate of 25,000,000 shares) will dilute the holdings of the existing shareholders.

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The Company currently has the following issued capital:

- 674,915,647 ordinary fully paid Shares;
- 404,949,388 listed options expiring 18 November 2010 exercisable at \$0.01;
- 131,629,982 listed options expiring 30 June 2012 exercisable at \$0.15;
- 40,010,000 unlisted options expiring 30 June 2010 exercisable at \$0.50;
- 4,000,000 unlisted options expiring 30 June 2010 exercisable at \$0.35;
- 4,000,000 unlisted options expiring 30 June 2010 exercisable at \$0.30;
- 10,000,000 unlisted options expiring 18 December 2011 exercisable at \$0.375;
- 19,750,000 unlisted options expiring 30 September 2012 exercisable at \$0.50.

If all existing options are exercised and all 25,000,000 Options (proposed to be issued under Resolutions 6, 7, 8 and 9) are issued, and are exercised, the total cumulative dilution effect of the issue and exercise of those Options on the Company's fully diluted share capital would be approximately 93.25 percent.

Related Parties' Interests

At the date of this Notice of Meeting, each of the Related Parties had a relevant interest in the number of shares and options set out below.

Related Party	Shares	Options
David Jones	2,500,000	150,000
Miles Kennedy	6,250,000	7,750,000
David Lenigas	-	10,000,000
Geoffrey White	-	6,000,000

The Related Parties are currently being remunerated (on an annual basis) by the Company, based on exchange rates current as at the date of this Notice of Meeting, as follows.

Related Party	Current financial year	Previous financial year
David Jones	\$48,000	Nil
Miles Kennedy	\$120,000	\$100,000
David Lenigas	\$57,057	\$57,057
Geoffrey White	\$41,496	\$41,496

Other than the issue of the Options, the subject of Resolutions 6, 7, 8 and 9, the Company currently has no intention of materially altering the above remuneration.

A copy of the terms and conditions of the Options is attached to this Notice of Meeting as Annexure A.

RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS TO JOHN FIRTH (MANAGER ANGOLA)

The Company has resolved, subject to obtaining shareholder approval, to allot and issue a total of 5,000,000 Options expiring 1 August 2013 exercisable at \$0.02 each to John Firth (the manager of the Company's operation in Angola) as an incentive for his ongoing commitment to the Company on the terms and conditions set out above.

For the purposes of Listing Rule 7.3, the Company advises:

- The maximum number of Options to be issued is 5,000,000;
- The Options are intended to be granted as soon as possible following the Meeting but in any event within 3 months of the date of the Meeting;
- The Options are being issued for nil consideration;
- No funds are being raised by the grant of the Options; and
- The Options will be issued on the one day.

A copy of the terms and conditions of the Options is attached to this Notice of Meeting as Annexure A.

Under Listing Rule 7.1, the Company cannot issue new securities which exceed 15 percent of the issued capital of the Company during any 12 month period without shareholder approval (15 percent rule). Shareholder approval is being sought to the issue of the Options to Mr Firth in order to maintain the Company's capacity under the 15 percent rule.

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RESOLUTION 11 – APPROVAL TO ISSUE OPTIONS TO JEAN MATHIE (COMPANY SECRETARY)

The Company has resolved, subject to obtaining shareholder approval, to allot and issue a total of 5,000,000 Options expiring 1 August 2013 exercisable at \$0.02 each to Jean Mathie (company secretary) as an incentive for her ongoing commitment to the Company on the terms and conditions set out above.

For the purposes of Listing Rule 7.3, the Company advises:

- The maximum number of Options to be issued is 5,000,000;
- The Options are intended to be granted as soon as possible following the Meeting but in any event within 3 months of the date of the Meeting;
- The Options are being issued for nil consideration; and
- No funds are being raised by the grant of the Options; and
- The Options will be issued on the one day.

A copy of the terms and conditions of the Options is attached to this Notice of Meeting as Annexure A.

Under Listing Rule 7.1, the Company cannot issue new securities which exceed 15 percent of the issued capital of the Company during any 12 month period without shareholder approval (15 percent rule). Shareholder approval is being sought to the issue of the Options to Ms Mathie in order to maintain the Company's capacity under the 15 percent rule.

GLOSSARY OF TERMS

In this Explanatory Statement the following expressions have the following meanings.

- **ASX Listing Rules** means the Listing Rules of the ASX (including the ASTC Settlement Rules, ASX Market Rules and the ACH Clearing Rules).
- **ASX** means ASX Limited ABN 98 008 624 691.
- **Company** or **LOM** means Lonrho Mining Limited (ABN 44 111 501 663).
- **Constitution** means the Company's Constitution.
- **Explanatory Statement** means this explanatory statement.
- **Independent Director** means Kagiso Chikane
- **Meeting** means the general meeting of shareholders of the Company convened by this Notice.
- **Options** mean the options described in Resolutions 6, 7, 8, 9, 10 and 11.
- **Notice** or **Notice of Annual General Meeting** means the notice of annual general meeting which accompanies this Explanatory Statement.
- **Share** means fully paid ordinary voting share issued in the capital of Lonrho Mining Limited.

EXPLANATORY STATEMENT

ANNEXURE A

Terms and Conditions of the Options expiring 1 August 2013 exercisable at \$0.02

- (a) Definitions:
- (i) **Company** means Lonrho Mining Limited (ABN 44 111 501 663).
 - (ii) **Corporations Act** means Corporations Act 2001 (Cth).
 - (iii) **Exercise Price** means the exercise price of each Option, being \$0.02.
 - (iv) **Expiry Date** means 5.00 pm (AWST) on 1 August 2013.
 - (v) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising Options.
 - (vi) **Option** means an option to subscribe for a Share at the Exercise Price prior to the Expiry Date in the manner set out in these Terms and Conditions.
 - (vii) **Option Holder** means the person or persons registered as the holder of one or more Options from time to time.
 - (viii) **Share** means a fully paid ordinary share in the capital of the Company.
 - (ix) **Unexercised Options** means all Options not exercised on or before the Expiry Date.
- (b) Each Option carries the right to subscribe for one Share.
- (c) Each Option is fully transferable and negotiable.
- (d) The Options are not quoted on the ASX.
- (e) Options may be exercised by the Option Holder by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Expiry Date.
- (f) Each Exercise Notice must state the number of Options to be exercised and be accompanied by the relevant holding statement(s), if any, and payment (in Australian currency) to the Company of an amount (the Application Monies) being the result of the Exercise Price multiplied by the number of Options being exercised.
- (g) Following receipt of a properly executed Exercise Notice and Application Monies in respect of the exercise of any Options, the Company will issue the resultant Shares and deliver notification of shareholdings.
- (h) The Company will make application to have the Shares (issued pursuant to an exercise of Options) listed for quotation by ASX within 7 days of the date of issue.
- (i) Shares issued pursuant to an exercise of Options shall rank, from the date of issue, pari passu with existing Shares in all respects.
- (j) Options carry no right to participate in pro rata issues of securities to shareholders unless the Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
- (k) Each Option Holder will be notified by the Company of any proposed pro rata issue of securities to shareholders in accordance with ASX Listing Rules.
- (l) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the Options will be changed to the extent necessary to comply with the requirements of the Corporations Act and ASX Listing Rules (in force at the time of the reorganisation).
- (m) Except as noted in paragraph (l) above, an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

LONRHO MINING LIMITED

REGISTERED OFFICE:
12 WALKER AVENUE
WEST PERTH WA 6005

ACN: 44 111 501 663

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: LOM

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

Input box for appointment type

OR

Input box for name of person appointed

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing
(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 9.30am (WST) on Friday, 30 July 2010 at 12 Walker Avenue, West Perth WA 6005 and at any adjournment of that meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Table with columns: RESOLUTIONS, For, Against, Abstain* and sub-columns For, Against, Abstain* for each resolution.

If you wish to appoint the Chairperson as your proxy and you do not wish to direct the Chairperson how to vote, please mark "X" in the box.
By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him/her other than as a proxy holder will be disregarded because of that interest.

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.
* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Signature lines for Individual or Security Holder, Security Holder 2, and Security Holder 3.

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

7165394500 Reference Number:

1 LOM 1

