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REGULATORY RELEASE

14 May 2018

2018 Interim Results

Lonmin Plc ("Lonmin" or "the Company") today publishes its Interim Results for the six month period ended 31 March 2018 and the Q2 Production Report in a separate announcement.

KEY FEATURES

Safety

- 10 months fatality free since July 2017.
- Rolling LTIFR to 31 March 2018 improved by 8.6% and TIFR to 31 March 2018 improved by 12.8%.
- Significant reduction in S54 safety stoppages.

Operational Highlights

- Weak platinum prices and currency movements continue to create a difficult operating environment.
- Tonnes mined from our Generation 2 shafts up 6.4% on prior year.
- Total tonnes mined marginally down by 1.1%, reflecting the planned reduction from high cost areas. Newman shaft and E2 shaft on care and maintenance. Section 189 process commenced, impacting 1,993 staff, with a net headcount reduction of 1,504 employees and contractors, of the 3,700 jobs identified for this year; (12,600 jobs could potentially be impacted over the next three years).
- Immediately Available Ore Reserves ("IAOR") for Generation 2 acceptable at 17.8 months average production.
- Metals-In-Concentrate ("MIC") Platinum production up by 5.8% to 307,862 ounces.
- Saleable refined Platinum production of 284,011 ounces down 5.7% on prior year period, due to the lock up of circa 47,000 PGM ounces from the previously reported outage. Furnace recommissioned and lock-up is expected to unwind in H2 2018.
- Bulk Tailings Treatment ("BTT") project completed and in the process of ramping up to full throughput by H2 2018.
- Unit cost at R12,983 per PGM ounce 7.7% higher compared to prior year, primarily driven by the 8% wage increase, lock up of metals, and higher variable costs.

Financial Results

- Net cash at 31 March 2018 was $17 million ($75 million at 31 March 2017, $63 million at 31 December 2017). Normalising for smelter lock-up of $47 million, net cash at March 2018 in-line with December 2017. During the period under review net cash was further reduced by $27m due to restructuring costs, which are not expected to repeat in H2.
- Gross cash of $167 million, which includes $150 million drawn term loan and $17 million cash.
- Revenue of $561 million up 15.4%, driven by a 26.7% increase in the dollar basket price.
- The Rand was on average 6% stronger against the Dollar when comparing period on period.
- Operating loss of $32 million - prior year period operating loss of $181 million (includes impairment charge of $146 million).
- Covenant waivers remain in place until 28 February 2019 or until the Sibanye-Stillwater Transaction "the Transaction" closes or lapses (if earlier).

Strategic Highlights

- The Transaction is progressing on schedule, with submissions made to competition authorities.

Outlook and Guidance

- Sales guidance of 650,000 to 680,000 Platinum ounces for the full financial year maintained.
- Unit costs guidance for the year maintained; expected to be at the upper end of the R12,000-R12,500 per PGM ounce range.
- Full year capital expenditure guidance revised to between R1.2 billion and R1.3 billion (from R1.4 billion and R1.5 billion).

Commenting on the results Lonmin CEO Ben Magara said: "The Lonmin team remains focused on operational excellence, and dealing successfully with the tougher conditions that currently face our entire industry. I'm particularly pleased with a third consecutive fatality free quarter. Our solid mining performance is demonstrated by the 6.4% increase in mining production from our Generation 2 shafts. We remain in a net cash positive position at the end of the period, demonstrating the strength of our mine-to-market business, notwithstanding the c$47 million from the lock-up of metal, which is expected to unwind in our traditionally stronger second half of the year. All this has been achieved in spite of the period required to close our Transaction with Sibanye-Stillwater and the disruption experienced by our employees. As is typical of transactions of this nature, our focus remains on minimising disruption to the business as we move towards completion. We have to remain cash vigilant in order to maintain a resilient business, ready for the next era. We are maintaining our sales guidance at between 650,000 and 680,000 Platinum ounces for the full year."

FINANCIAL HIGHLIGHTS

	6 months to 31 March 2018	6 months to 31 March 2017
Revenue	**$561m**	**$486m**
EBITDA [i]	**$(26)m**	**$nil**
Operating loss [ii]	**$(32)m**	**$(181)m**
Impairment to non-financial assets		**$146)m**
Operating loss [ii] excluding impairment to non-financial assets	**$(32)m**	**$(35)m**
Loss before taxation	**$(51)m**	**$(199)m**
Loss per share	**(19.1)c**	**(64.4)c**
Unit cost of production per PGM ounce	**R12,983/oz**	**R12,059/oz**
Trading cash outflow [iii]	**$(62)m**	**$(48)m**
Capital expenditure	**$33m**	**$45m**
Free cash outflow [iv]	**$(95)m**	**$(93)m**
Cash and cash equivalents	**$167m**	**$229m**
Interest bearing loans and borrowings	**$(150)m**	**$(154)m**
Net cash as defined by the Group [v]	**$17m**	**$75m**

Footnotes:

The Group measures performance using a number of non-GAAP measures which better allow for understanding of the financial performance and position of the Group.

i EBITDA is operating profit before depreciation, amortization and impairment of goodwill, intangibles and property, plant and equipment.

ii Operating loss is defined as revenue less operating expenses before finance income and expenses and share of loss of equity accounted investment.

iii Trading cash flow is defined as cash flow from operating activities.

iv Free cash flow is defined as trading cash flow less capital expenditure on property, plant and equipment and intangibles, proceeds from disposal of assets and dividends paid to non-controlling interests.

v Net cash as defined by the Group comprises cash and cash equivalents, bank overdrafts repayable on demand and interest bearing loans and borrowings less unamortised bank fees, unless the unamortised bank fees relate to undrawn facilities in which case they are treated as other receivables.

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Notes to editors

Lonmin, which is listed on both the London Stock Exchange and the Johannesburg Stock Exchange, is one of the world's largest primary producers of PGMs. These metals are essential for many industrial applications, especially catalytic converters for internal combustion engine emissions, as well as their widespread use in jewellery.

Lonmin's operations are situated in the Bushveld Igneous Complex in South Africa, where nearly 80% of known global PGM resources are located.

The Company seeks to create value for shareholders through mining, refining and marketing PGMs and has a vertically integrated operational structure - from mine to market. Lonmin's mining operations extract ore from which the Process Operations produces refined PGMs for delivery to customers. Underpinning the operations is the Shared Services function which provides high quality levels of support and infrastructure across the operations.

For further information please visit our website: http://www.lonmin.com

CHIEF EXECUTIVE OFFICER'S REVIEW

1. Introduction

Following the recommended offer from Sibanye-Stillwater to acquire Lonmin (the 'Transaction'), our management's principal objectives for the Company in 2018 are to continue to manage the deliverables within our control and remain at least cash neutral. I am pleased with the commissioning of the BTT as this will contribute low cost PGM ounces to the Group over the next seven years.

We are making good progress with the Transaction and expect to complete in the second half of the 2018 calendar year. I am particularly pleased that filings were submitted to the Competition Commission of South Africa in March 2018. Subsequently meetings have been held with the Commission and further information provided. Pre-filing with the Competition and Markets Authority in the UK also took place in April 2018.

The operating environment remains challenging, as the Company strives to balance economic, social and environmental imperatives. The platinum mining industry has delivered negative returns in the last decade as a result of low platinum prices and inflationary cost pressures. The challenging "lower for much longer" platinum pricing environment is creating long-term damage to an already ailing industry which has sacrificed at least 26, 000 jobs in the last five years and continues to under-invest in its future. Despite its great mining and processing assets, Lonmin continues to be hamstrung by the macro economic challenges, its capital structure and liquidity constraints.

Comparing the Rand:USD exchange rates at the balance sheet dates, the Rand strengthened by 13% against the Dollar from R13.55:$ at 30 September 2017 to R11.83:$ at 31 March 2018 driven by positive sentiments brought about by the election of Mr Cyril Ramaphosa as President of the ANC in December and subsequently as President of South Africa in February 2018. Early efforts to root out the perceived corruption and appointing competent boards at State Owned Enterprises have been warmly welcomed, with credit rating agencies holding out on downgrading South Africa. However, the recent renewal of service delivery protests poses a real threat to the renewed confidence and the "new dawn".

Lonmin remains in net cash positive position at the end of the period with net cash of $17 million as at 31 March 2018. However, normalising this figure to allow for the smelter lock-up of $47 million would result in net cash at March 2018 of $64 million, which would have been in-line with the net cash of $63 million at 31 December 2017. The lock-up is expected to unwind within the second half of the year. In addition, the smelter clean-up project is expected to deliver around 13,000 PGM ounces, equivalent to around $13 million of cash inflows in H2 2018.

We have succeeded in making progress in this tough operating environment by improving our production performance and remaining fatality free for the last ten months, notwithstanding the anxiety weighing on our employees caused by the lengthy period to close the Transaction. We are continuing with the removal of high cost ounces and the related restructuring of our business, together with the operational efficiency improvement program which commenced in 2015, which would potentially see 12,600 employees and contractors removed over the three financial years of FY2018, FY2019 and FY2020. Of the 3,700 employees (including approximately 800 contractors) we expect to be impacted in the current year, 1,993 employees and contractors have already been impacted during this period, including through natural attrition, with a net reduction in headcount of 1,504. I thank our employees for their continued resilience and maintaining focus in a challenging environment.

2. Safety

I am particularly pleased that Lonmin is now 10 months fatality free since July 2017. Our safety strategy is centred on the belief that Zero Harm is achievable and important contributions are required from all stakeholders to achieve this. Lonmin is grateful to the collaboration among its management, employees and the Rustenburg DMR Inspectorate. All our Generation 2 shafts are currently on millionaire status (fatality free shifts), notably Saffy shaft is on 6.0 million fatality free shifts (four years).

Lost Time Injury Frequency Rate ("LTIFR") improved by 8.6% to 4.13 at 31 March 2018 from 4.52 at 30 September 2017 on a 12 month rolling basis. Year on year, the LTIFR has improved by 16%. Our Total Injury Frequency Rate ("TIFR") improved 13% to 10.39, from 11.92 at 31 March 2017.

Several Processing plants have achieved one year or more Lost Time Injury ("LTI") free status, i.e. Assay Lab – 12 years LTI free and K4 Concentrator and the PMR are both two years LTI free.

We believe that this good performance is as a result of our heightened focus on positively influencing employee behaviour. The Near-Miss programme rolled out throughout the operations and the proactive cross-site audits to verify levels of compliance with Lonmin Life rules are enabling the identification of underlying high potential risks and assisting the organisation to manage proactively the risks and hazards. We continue to carry out frequent safety inspections to ensure learnings from serious injuries and fatalities from the industry are implemented.

We are continuing to see a reduction in the number and impact of Section 54s stoppages. The number of Section 54s issued in the first half of FY18 (17) is 50% lower than the previous year (34). We believe this is a reflection of our improving safety performance and our on-going efforts to effectively engage with the Department of Mineral Resources (DMR), as well as developing an improved understanding and working relationship with the inspectorate and our employees and organised labour.

3. Production Performance

Mining Operations

Generation 2 shafts

Tonnes mined from our Generation 2 shafts were 3.5 million tonnes, an increase of 6.4% or 211,000 tonnes on the prior year period.

- K3, our biggest shaft, produced 1,339,000 tonnes in H1 2018, an increase of 14.2% on the prior year period.
- Saffy shaft produced 1,019,000 tonnes in H1 2018, an increase of 2.9% on the prior year period, demonstrating that the shaft is maintaining its steady state performance, and is now focused on efficiency improvements.
- Rowland shaft produced 866,000 tonnes in H1 2018, a decrease of 1.2% or 10,000 tonnes on the prior year as mining levels reach the extremities of Rowland's lease area and the reducing IAOR at the operation and the resultant limited mining flexibility. Rowland's IAOR now stands at 10.2 months and Lonmin believes that the shaft has sufficient IAOR for at least the current financial year. The shaft's future flexibility to continue to operate at optimal levels post the current financial year will be compromised in the event third party funding for its MK2 extension project is not secured. Lonmin is progressing discussions to secure partial third party funding for this project.
- On completion of the Pandora acquisition, combined with the progress made pursuant to our recovery plans, the E3 shaft and Pandora production have been combined and reclassified as a Generation 2 shaft, with comparative numbers adjusted accordingly. The combined area produced 294,000 tonnes, an increase of 9.7% on the prior year period.

Generation 1 shafts

The performance at the Generation 1 shafts is in line with our plan to reduce high cost production in a low price environment. Tonnes mined from our Generation 1 shafts (4B, Hossy, W1 and E1 and E2) were 1.1 million tonnes, a decrease of 19.4%, or 260,000 tonnes on the prior year period, reflecting the expected decline in production. The decrease is also due to both Newman and E2, which produced in H1 2017, now being on care and maintenance. E2 shaft was put on care and maintenance in November 2017 due to the remaining limited reserves becoming uneconomical to mine in the current macro-economic environment.

As previously reported, following a review of 4B's performance and reserve life, this shaft was reclassified as a Generation 1 shaft and comparative numbers adjusted accordingly. 4B produced 596,000 tonnes, a decrease of 12.5% on the prior year

period, as the challenging geological conditions persist and mining on the UG2 reef horizon approaches the end of the resource life.

As W1 and E1 are mining remnant areas, these shafts are at the end of their resource lives and contractors continue to operate them and they are responsible for all the costs associated with such shafts. Lonmin pays a predetermined rate per tonne, which has been reduced in line with Lonmin's cost cutting measures. We thus retain the flexibility to cease production if and when unprofitable.

Hossy shaft was scheduled to be put on care and maintenance, but it continues to demonstrate potential to contribute to the business. Based on this and the available and planned IAOR, we will continue to operate Hossy for the duration of FY 2018.

Ore Reserve Development

Summary of Immediately Available Ore Reserves

	(m² '000)		Months	
	31 Mar 2018	**30 Sep 2017**	**31 Mar 2018**	**30 Sep 2017**
K3	761	844	17.0	18.9
Saffy	691	772	21.9	24.5
Rowland	320	309	10.9	11.2
E3 Total	326	345	27.1	28.7
Generation 2	2 098	2 270	17.8	19.6
Generation 1	539	700	17.6	17.2
K4	188	188	-	-
Lonmin Total	2 825	3 158	17.8	19.0

- We closely monitor our Immediately Available Ore Reserve position, in order to protect our operational flexibility.
- The ore reserve position of the Marikana mining operations at 2.8 million square metres represents an average of 16.7 months' production, down from 19.0 from September 2017, but still well above the industry benchmark of around 15 months.
- The decrease in Rowland available ore reserve to 10.9 months is due to current mining levels reaching the extremities of Rowland's lease area and remains a concern.

Production Losses

We are encouraged that tonnes lost due to Section 54 safety stoppages for the first half of the year were significantly lower at 15,000 tonnes compared to the prior year period of 194,000 tonnes. This emphasised our improving safety record and continued proactive engagement with all stakeholders including unions, employees and the DMR Inspectorate.

We are continuing to see a reduction in the number and impact of Section 54s, with seventeen stoppages issued in the first half of the year, compared to thirty four in the previous year.

	H1 2018 Tonnes	**H1 2017 Tonnes**
Section 54 safety stoppages	15,000	194,000
Management induced safety stoppages	62,000	130,000
Total tonnes lost	**77,000**	**324,000**

Process Operations

Platinum production (Metals-in-Concentrate) was 307,862 ounces, an increase of 5.8% on the prior year period and PGM production (Metals-in-Concentrate) was 590,257 ounces, an increase of 5.7% on the prior year period.

Concentrator production - Mining
Total tonnes milled from mining operations in the period under review were 4.7 million tonnes, up 1.4% or 0.1 million tonnes, on H1 2017.

Underground milled head grade was 4.57 grammes per tonne, marginally higher than the 4.56 grammes per tonne from H1 2017. Underground concentrator recoveries for the half year remained excellent at 87.5%, exceeding the 86.8% achieved in H1 2017.

Concentrator production - BTT
The BTT project was successfully hot commissioned on 14 February within budget, and is on track to ramp up and reach full throughput during H2 2018. Once at steady-state, the project is expected to deliver amongst the lowest cost ounces in the Lonmin portfolio, producing about 29,000 ounces of Platinum per year or some 55,000 ounces of PGMs. The project is expected to be mined over a seven-year period and further tailings dams are being explored for life extension.

Since commissioning in February, 347,000 tonnes were milled from the BTT project, equivalent to 759 Platinum ounces and 1,440 PGM ounces. The feed from the BTT project will have relatively low milled head grade and recovery rates when compared to underground ore. We expect the current levels to improve as the project continues to ramp up and for milled head grade and recovery rates to average 1.4 grams per tonne and 31% respectively over the life of the project.

Smelting and Refining
Total saleable refined Platinum production for H1 2018 at 284,011 ounces was 5.7% or 17,249 ounces lower than H1 2017, due to the lock-up of 47,000 PGM ounces as a result of the unplanned outage on Furnace Number One on 2 December 2017 as previously reported. We expect the lock-up of ounces to unwind within the second half of the financial year.

There was no release of Platinum ounces from the smelter clean-up project during this period due to the furnace outage, compared to the 10,295 Platinum ounces release in H1 2017. It is expected that circa 13,000 PGM ounces will be released from the smelter clean-up project during the second half of the year.

Platinum sales for the six months period were 287,749 ounces, 6.3% lower than prior year period; this included 7,525 Platinum ounces equivalent of BMR concentrate sold, to unlock some of the cash associated with the lock-up. PGM sales of 554,637 ounces were achieved, 9.1% lower than prior year period. The mix of metals sold increased revenue by $19 million mainly due to the higher proportion of Platinum and Palladium sold in H1 2018.

Furnace Number One was recommissioned after the unplanned outage, with the first matte tap taking place on 13 February. Number Two furnace was on a planned shut-down from 3 April and has since been started up and is now operating.

Shaft Head Cost Per Tonne and Per PGM Ounce
The Generation 2 shafts shaft head cost per tonne and per PGM ounce were R1,014 and R8,083 respectively, an increase on H1 2017 of 6.2% and 4.3%.

- At K3, the shaft head cost per tonne and per PGM ounce was R1,000 and R8,677 respectively, a decrease on H1 2017 of 3.0% and 4.2%, due to the higher volumes, offset by higher spend.
- At Rowland, the shaft head cost per tonne and PGM ounce at R1,043 and R8,508 respectively represented cost increases on H1 2017 of 11.2% and 14.0%, reflecting the lower volumes.
- Saffy has become and remains one of our lowest cost Generation 2 shafts at R958 per tonne and R7,037 per PGM ounce. There was an increase on H1 2017 of 8.0% and 2.5% respectively.

- At E3 shaft (Lonmin), the shaft head cost per tonne and per PGM ounce was R1,275 and R9,115 respectively, an decrease on H1 2017 of 1.8% and 20.3%, following the volume increases associated with the Pandora acquisition.

4. Funding and Liquidity, Profitability, Costs and Capital Expenditure

As at 31 March 2018, the Group had gross cash of $167 million. Net cash after deducting the term loan of $150 million from the gross cash, was $17 million compared with net cash of $75 million at 31 March 2017, due to the $47 million locked up by the smelter outage and expected to release in the second half of the financial year. As detailed in the Financial Review section, the Group has undrawn debt facilities which are subject to financial covenants, which include that the consolidated tangible net worth (TNW) of the Group will not be at any time less than $1,100 million. TNW has been below this threshold since 30 September 2017 and covenant waivers were agreed with the lenders during the period under review. At 31 March 2018 the TNW of the Group was significantly below the waived covenant threshold at $631 million (September 2017 - $674 million). The covenant waivers are conditional on the completion of the acquisition of the Transaction; consequently, the waiver period runs to 28 February 2019, the long stop date of the Transaction, or until the Transaction closes or lapses (if earlier). The outcome of conditions precedent to the Transaction represents a material uncertainty to the completion of the Transaction and going concern assumptions. The external auditors in their review report draw attention to the material uncertainty over going concern. More detail is available in the Financial Review section as well as note 9 to the accounts.

Operating loss was $32 million, compared to operating loss of $181 million (which included an impairment charge of $146 million) in the prior year period on revenue of $561 million (H1 2017 - $486 million).

Measures to improve liquidity as part of the Operational Review are in progress as detailed below:

Chrome revenue
The historical pricing in our legacy chrome contract is not aligned to the current market pricing. This is extremely prejudicial to Lonmin and is not sustainable. This contract constitutes 80% of our chrome production. We are working with our partner to find an equitable solution.

Cost of Production per PGM Ounce
Unit costs for the six months under review were R12,983 per PGM ounce, a 7.7% increase on H1 2017, primarily reflecting the 8% wage increase, lock-up of metals and higher variable costs. The release of the metal lock-up position in H2 is expected to have a positive impact on smelting and refining unit costs. This expectation, combined with the fact that the second half of the financial year is traditionally our strongest, and absent any unexpected interruptions to the smooth running of operations, allows us to maintain our guidance for unit costs, at the upper end of the R12,000-R12,500 per PGM ounce range for the full year.

Sale of BMR concentrate
7,525 Platinum ounces equivalent of BMR concentrate were sold to unload some of the cash associated with the lock-up.

Capital Expenditure
Our strategy is to minimise capital expenditure whilst ensuring compliance with regulatory and safety standards and ensuring that the Immediately Available Ore Reserve position is maintained at the level necessary to support planned production at the Generation 2 shafts. Capital expenditure in H1 was limited to R411 million (around $33 million compared with R612 million (around $45 million) in the prior year period as we continue to use capital expenditure as a cash management lever. Accordingly, the stay in business capital which is considered low risk, was deferred.

The BTT construction was largely completed in the FY 2017, and the capital spent in this period of R57 million mainly related to commissioning.

The capital spent on smelting and refinery of R81 million was largely on rebuilding Furnace Number One. Capital invested in the period included R84 million for the Rowland MK2 project and only the 26 level project is being continued on K3, with capital spend of R38 million.

Rowland MK2 project is underspent mainly due to containment of capital spend in a cash strained environment. Lonmin is progressing discussions to secure partial third party funding for this project. Timing of the funding is of the essence since capital allocation for MK2 is expected to run out in the third quarter and we have investigated a contingency plan to have limited ore extraction from this project should the negotiations stall. The shaft's future flexibility to continue to operate at optimal levels post the current financial year will be compromised in the event third party funding for its MK2 extension project is not secured.

As a result of the deferrals, we have reviewed and revised our capital expenditure guidance for the current year to between R1.2billion and R1.3 billion from our original guidance of R1.4 billion to R1.5 billion, whilst minimising the near term impact on production. As in previous years, capital expenditure will be H2 weighted.

The capital spent on infill apartments was $46 million, marginally higher than in H2 2017, and the delivery of 447 units by December 2018 remains on schedule.

Summary of Capital Expenditure:

	6 months to 31 Mar 2017	**6 months to 31 Mar 2018**	**12 months to 30 Sep 2018 Revised Guidance**	**12 months to 30 Sep 2018 Original Guidance**
	Rm	**Rm**	**Rm**	**Rm**
K3	103	38	130	157
Rowland	14	19	55	61
Rowland MK2	111	84	117	137
Saffy	2	12	21	29
Generation 2 shafts	**230**	**152**	**323**	**385**
K4	5	-	-	2
Hossy	-	5	42	30
Generation 1 & 3 shafts	**5**	**5**	**42**	**32**
Central and other mining	49	20	120	139
Total Mining	**284**	**177**	**485**	**556**
Concentrators – Excl BTT	67	36	130	159
BTT	146	57	74	59
Smelting & Refining	45	81	318	324
Total Process	**258**	**175**	**522**	**542**
Hostel / Infill Apartments	43	46	161	191
Other	27	14	51	40
Total	**612**	**411**	**1,219**	**1,329**

5. PGM Market Overview

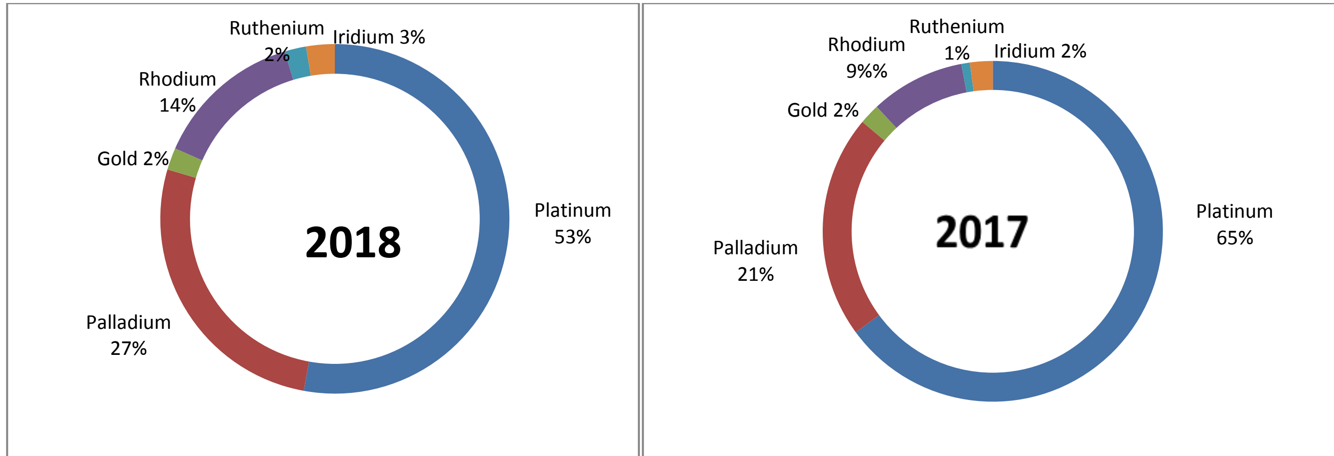
Palladium traded at a premium to platinum over the six months under review for the first time since 2001. The palladium price rose 4% to $970/oz having traded as high as $1,129/oz in January. Platinum underperformed rising 3% to $936/oz, while rhodium was the clear outperformer gaining 72% to $2,040/oz.

Platinum jewellery demand continued to struggle in China, its largest market, but the broader jewellery market is improving which could help stabilise platinum jewellery demand. Automotive platinum demand declined as growth in

global light and heavy duty commercial vehicle sales have so far added insufficient demand to offset the declining Western European diesel passenger car market, which is set to continue to shrink, albeit at a slower pace. Global light vehicle sales are rising and gasoline is gaining share in Europe resulting in strong demand for palladium and rhodium, which has resulted in elevated lease rates.

Platinum's contribution to Lonmin's PGM basket revenues reduced from 65% to 53%, while Palladium improved by 6 points to 27% and Rhodium increased from 9% to 14% of the total revenue basket.

Pie chart of relative contribution to basket of each metal between 2017 and 2018.



6. Greater Lonmin Community

As part of our values as a Company, we continue to make improvements in the lives of our immediate communities and labour sending areas. One of the achievements I am proud to announce is the launch of our Grievance System, aptly named Buang Le Rona (meaning talk to us), which is aimed at opening even further the ways in which our community can engage with Lonmin. The system went live in April 2018.

We have also continued to invest in the areas of community healthcare, education and social infrastructure, and recently opened two schools. I am particularly proud of the work that the Sixteen Eight Memorial Trust has done and I wish our three beneficiaries who have graduated from their respective tertiary institutions well as they pursue their future ambitions.

Focus has also continued on initiatives to improve the general wellbeing of our employees including housing and living conditions, and the delivery of 447 infill apartments by December 2018 remains on schedule, as mentioned under the capital expenditure section.

Our ambulance programme saw 21 panel vans secured and converted into 17 ambulances, with one patient transporter donated to the Department of Health as part of our Social Labour Plan commitments.

Our Employee Indebtedness Rehabilitation Programme has saved employees approximately R7 million.

As Lonmin we will continue to collaborate and create shared value with our stakeholders and communities, because we believe that with collaboration, trust and respect, we can unearth the true potential of our social partners and our business.

7. Board Update

As announced on 13 March 2018, Dr Len Konar, who had been a non-Executive Director of the Company since 2010, decided to retire from the Lonmin Board with effect from 14 March 2018. We thank Len for his contribution to Lonmin and wish him well in his international endeavours.

8. Update on offer by Sibanye Stillwater

Lonmin's Operational Review in 2017, focused on determining the best ways of preserving value for shareholders and safeguarding the long-term interests of employees and all key stakeholders, and this was superseded by the recommended offer from Sibanye-Stillwater to acquire Lonmin.

The consolidation of Sibanye-Stillwater and Lonmin will increase utilisation of Lonmin's under-utilised processing capacity. The consolidation of Rustenburg Platinum Mines, Aquarius South Africa & Marikana is the most rational geographic and strategic fit due to the geographical proximity of mines and it will facilitate the rationalisation of the K3/Siphumelele mine boundary. The combination will unlock operational synergies and will enable Sibanye-Stillwater to become a fully integrated PGM producer in South Africa.

Some of the key milestones for Transaction closure include competition and regulatory approvals in relevant jurisdictions, approval by Lonmin and Sibanye-Stillwater shareholders following all regulatory approvals, and UK court approval of the scheme of arrangement to implement the Transaction. The South African and UK Competition Commission filings were both submitted during this period. We expect the Transaction to close in the second half of the 2018 calendar year.

9. Outlook and Guidance

We are maintaining our sales guidance at between 650,000 and 680,000 Platinum ounces for the full year.

Unit cost guidance for the full year is being maintained at the upper end of the range of between R12,000 and R12,500 per PGM ounce. The reversal of the metal lock up due to the furnace outage in the first half and the recommissioning of Furnace Number One is expected to have a positive impact on unit costs in the second half. Mining production in the second half of the year is traditionally stronger, which results in better unit costs in the second half. We therefore expect the production levels to contribute to the reduction in unit cost per PGM ounce in the second half, and accordingly, we are maintaining unit cost guidance for the year.

Full year capital expenditure guidance revised to between R1.2 billion and R1.3 billion from our original guidance of between R1.4 billion and R1.5 billion with no expected impact on current year production.

10. Conclusion

The Lonmin team remains focused on operational excellence, and dealing successfully with the tougher conditions that currently face our entire industry. I'm particularly pleased with a third consecutive fatality free quarter. We expect the $47 million of metals lock-up to be released in the current half year. Sales volumes in the second half of the year normally exceed those of the first half. Our smelting and refining division is now able to operate at full capacity. These factors underpin our net cash at the year-end. We remain hamstrung by our capital structure and liquidity constraints which limit our ability to exploit our high quality ore reserves and assets. In current conditions, approximately 12,600 jobs in Lonmin are at risk over the next three years. The Transaction with Sibanye-Stillwater would provide a far stronger base for all our stakeholders including employees and we are focused on its successful completion. Our sales guidance for the full-year is 650k oz to 680k oz of Platinum. I am grateful to all the employees who have continued to show their commitment to contributing to the business.

Ben Magara
Chief Executive Officer
12 May 2018

FINANCIAL REVIEW

Liquidity and Funding

The Group had gross cash of $167 million at 31 March 2018 together with a fully drawn term loan of $150 million. An unplanned outage at the Number One furnace in December 2017 resulted in an inventory lock-up of 47,000 PGM ounces or c$47 million which is expected to be released in the second half of the year. The debt facilities available to the Group are subject to financial covenants, which include that the consolidated tangible net worth (TNW) of the Group should not be at any time less than $1,100 million. TNW has been below this threshold since 30 September 2017 and covenant waivers were agreed with the lenders during the period under review. The covenant waivers are conditional on the completion of the acquisition of the Group by Sibanye-Stillwater (the Transaction). The waiver period runs from 30 September 2017 to 28 February 2019, the long stop date of the Transaction or until the Transaction closes, lapses or is withdrawn, if sooner. A condition of the waivers was that $66 million of the revolving credit facilities was cancelled and that the Group leaves undrawn all remaining revolving credit facilities during the waiver period. At 31 March 2018 the TNW of the Group was significantly below the waived covenant threshold at $631 million (September 2017 - $674 million). See note 9 to the interim financial statements for further details. The other debt covenants are well within thresholds and are not considered to be at risk.

As disclosed in note 1 to the interim financial statements the covenant waiver on the existing debt facilities is conditional on the completion of the Transaction. The key conditions precedent to the Transaction are receipt of relevant clearances from the competition authorities in South Africa and the UK and approval from Lonmin Plc and Sibanye-Stillwater shareholders. As previously reported in the 2017 Financial Statements which were published on 22 January 2018, whilst it is not a condition of the Transaction the Directors anticipate that the Sibanye-Stillwater shareholders would have a preference for Lonmin to be in a net cash position after repaying the $150 million term loan. We are not in full control of the approvals and there is a risk that the Group net cash position could be materially impacted by adverse changes in PGM prices, Rand:Dollar exchange rates or operational factors. This introduces a material uncertainty that requires consideration in the assessment of going concern.

On, or immediately prior to, completion of the Transaction the facilities agreements require that the $150 million term loan is repaid and the debt facilities cancelled. In the event that the Transaction does not complete, the waiver will cease to apply and the TNW covenants will be reinstated. If they are then breached, the $150 million loan may be required to be repaid. The covenant waivers allow for a 20 business day grace period whilst other options are pursued on condition that the Company is engaging with the lenders. During the 20 day grace period the Company will not be required to repay the loan. During this period, the feasibility of an asset sale to Sibanye-Stillwater, as contemplated in the Rule 2.7 announcement as well as any other alternative transactions will be assessed by the Board, including revisiting some opportunities identified during the Operational Review in the prior year. If alternative transactions do not provide sufficient proceeds to repay the Group’s borrowings, or if the Group itself does not have sufficient gross cash reserves, then the lenders are likely to withdraw their facilities and the Group is likely to be unable to meet its liabilities as they fall due.

The external auditors in their review report draw attention to the material uncertainty over going concern. Whilst there exists an inherent uncertainty regarding the liquidity of the Group, the Directors consider that it remains appropriate to prepare the accounts on a going concern basis. Operational measures to improve liquidity are in progress as detailed in the CEO’s review.

Overview

The Dollar PGM basket price in H1 2018 was 27% higher than H1 2017. Whilst the platinum price was on average 1% lower than H1 2017 the average Palladium price achieved was 39% higher and the average Rhodium price achieved was 101% higher than H1 2017. See the CEO's review for further details on the PGM market.

PGM volumes sold were 9% lower than H1 2017 due to restricted processing capacity following an unplanned outage of the Number One furnace in December 2017. The lock-up of inventory amounted to 47,000 ounces of PGMs which is expected to be released in the second half of the year.

Cost in Rand terms increased by R1,096 million or 16% driven by the 8% wage increase and R230 million of costs incurred for voluntary separation packages, restructuring and transaction costs. Concentrate purchases increased by R173 million; shaft head costs increased by R195 million associated with the acquisition of the remaining 50% in the Pandora joint venture, offset by a reduction of R94 million in ore-purchases from the joint venture compared to the prior year period; the cost of the K3 chrome plant was R91 million (H1 2017 - Rnil) as the costs are recognised gross under the new, more favourable contract; and the start-up of the bulk tailings treatment plant increased costs by R75 million.

The Rand was on average 6% stronger against the Dollar when comparing period on period and the increase in costs in Dollar terms was 24% or $123 million.

The cost of production per PGM ounce at R12,983 was 8% higher than H1 2017 driven by the 8% wage increase, the lock up of metals in process at the smelter which contributed an estimated R117 per ounce as well as higher variable costs. Further details on unit costs can be found in the Operating Statistics section of the Report.

The operating loss for H1 2018 was $32 million compared to a loss of $181 million including an impairment charge of $146 million in H1 2017. The depreciation charge was $29 million lower period on period due to the impact of the impairment on the carrying amount of assets in 2017. Loss before interest, tax, depreciation and amortisation (LBITDA) for H1 2018 was $(26) million, a decline of $26 million on H1 2017 as the increase in metal prices was more than offset by the strength of the Rand against the Dollar and cost escalations.

Net cash at 31 March 2018 was $17 million being gross cash of $167 million offset by the drawn term loan of $150 million. This was $86 million lower than 30 September 2017 and $46 million lower than December 2017. However, normalising for the smelter lock-up of $47 million would reduce the decrease on September 2017 to $39 million and net cash at March 2018 would have been in-line with December 2017. The cash outflow from operations for the period was $48 million, a decrease of $10 million on H1 2017 driven by the decreased profitability. Capital expenditure in the period was $33 million, a decrease of $12 million on H1 2017 due to the implementation of cash conservation measures.

Income Statement

	Six months to 31 March	
	2018	**2017**
	$m	**$m**
Revenue	561	486
South African operating cost of sales	(575)	(479)
Other operating costs	(12)	(7)
LBITDA	(26)	-
Depreciation	(6)	(35)
Impairment of Marikana & Akanani CGU	-	(146)
Operating loss	(32)	(181)
Foreign exchange arising on the step acquisition of Pandora	(24)	-
Net financing income / (expense)	5	(15)
Share of loss of equity accounted investment	-	(3)
Loss before tax	(51)	(199)
Tax	(16)	(15)
Loss after tax	(67)	(214)

Revenue

Total revenue for H1 2018 of $561 million reflects an increase of $74 million compared to H1 2017. The US Dollar PGM basket price (including by-products) increased by 27% compared to the H1 2017 average price, resulting in an increase in revenue of $83 million. In Rand terms the basket price (including by-products) increased by 19% as the stronger Rand partially offset the overall increase in Dollar prices. The average prices achieved on the key metals sold are shown below:

		Six months ended 31 March	
Sales volumes		**2018**	**2017**
Platinum	$/oz	947	960
Palladium	$/oz	1,009	727
Rhodium	$/oz	1,609	800
6E PGM basket (including by-product revenue)	$/oz	1,011	797
PGMs sales (including BMR concentrate sales)	koz	555	610
Revenue			
Platinum	$m	273	295
Palladium	$m	136	96
Gold	$m	11	9
Rhodium	$m	72	41
Ruthenium	$m	10	3
Iridium	$m	14	10
PGMs	$m	516	454
Nickel	$m	15	15
Copper	$m	7	1
Chrome	$m	23	16
Total revenue	**$m**	**561**	**486**
Average FX rate for the period	ZAR/USD	12.78	13.56
Rand PGM basket (including by-product revenue)	R/oz	R12,920	R10,852

The PGM sales volume for H1 2018 was 9% lower compared to H1 2017, which had a negative impact on revenue of $41 million. This was mainly attributable to the lock-up of inventory as described above.

The mix of metals sold increased revenue by $19 million mainly due to the higher proportion of Platinum and Palladium sold in H1 2018. Base metal revenue increased by $13 million largely as a result of an increase in prices compared to H1 2017.

Costs

In Rand terms South African operating costs for H1 2018 at R7.9 billion were c16% or cR1.1 billion higher than H1 2017. The impact of the stronger Rand against the Dollar meant that in Dollar terms costs increased by 23% to $622 million.

	$m	Rm
H1 2017 – South African operating costs	**(504)**	**(6,818)**
(Increase)/decrease:		
Mining including bulk tailings	(39)	(525)
Concentrating including bulk tailings	(2)	(21)
Smelting and refining	(7)	(94)
K3 chrome plant	(7)	(91)
Ore purchased from Pandora JV	7	94
Concentrate purchases	(13)	(173)
Overheads and centralised services:		
- Voluntary separation packages	(12)	(161)
- Transaction costs	(5)	(69)
- Other overheads and centralised services	(4)	(55)
H1 2018 – South African operating costs	**(585)**	**(7,914)**
Foreign exchange impact	(37)	
H1 2018 – South African operating costs	**(622)**	

Mining costs including bulk tailings increased by R525 million or 12% period on period driven by the 6% increase in tonnes mined at the Generation 2 shafts, escalation and R195 million of shaft head costs associated with the acquisition of the remaining stake of 50% in the Pandora joint venture, offset by a reduction of R94 million in ore-purchases from the joint venture. Bulk tailings commenced ramp up in February 2018 and mining cost associated with bulk tailings amounted to R23 million in the period (H1 2017 – Rnil). Additional overtime cost was incurred as well as increased contractor costs to mitigate the impact of lower than planned productivity improvements.

Concentrating costs included bulk tailings concentrating costs of R52 million (H1 2017 – Rnil) which drove an overall increase in costs of R21 million or 3%, in-line with the increase in volumes. Smelting and refining costs were R94 million or 13% higher than the prior year period driven by escalation, the running of the higher cost pyromet furnaces during the outage at the Number One furnace, lower grade material due to the impact of the bulk tailings stream and an increase in security costs. A more favourable contract for the K3 chrome plant commenced in September 2017. This was structured in a different manner to the previous contract with revenue and costs recognised gross rather than net. As a result operating costs of R91 million were recognised in H1 2018 compared to Rnil in H1 2017.

Ore purchases from the Pandora joint venture ended in December 2017. Concentrate purchases increased by R173 million period on period driven by increased volumes following the commencement of a new concentrate purchase agreement in H2 2017.

The cost of voluntary separation packages (VSPs) associated with the s189 process amounted to R161 million in H1 2018. Transaction costs relating to the Operational Review, the Transaction with Sibanye-Stillwater to date and the acquisition of Pandora amounted to R69 million in H1 2018.

UK costs at $12 million were $5 million higher than the prior year period due to $7 million restructuring and transaction costs incurred in H1 2018.

LBITDA

The $26 million decline between the LBITDA of $nil for H1 2017 and LBITDA of $(26) million for H1 2018 is analysed below:

	$m
H1 2017 LBITDA	**-**
PGM price	83
PGM volume	(41)
PGM mix	19
Base metals	13
Revenue changes	74
South African operating cost increases excluding foreign exchange impact	(81)
Foreign exchange impact on Rand costs	(37)
Non-South African costs increases	(5)
Cost changes	(123)
Metal stock movement excluding foreign exchange impact	30
Foreign exchange impact on metal stock	23
Metal stock movement	53
Increase in foreign exchange loss on working capital	(30)
H1 2018 LBITDA	**(26)**

Exchange rate impacts

The Rand strengthened by 6% against the US Dollar during the period averaging R12.78/$ in H1 2018 compared to an average of R13.56/$ in H1 2017 resulting in a $44 million negative impact on the underlying operating cost of sales.

	Six months ended 31 March	
	2018	**2017**
	R/$	**R/$**
Average exchange rate	12.78	13.56
Closing exchange rate	11.83	13.42

	2018
	$m
Period on period Dollar cost increase due to impact of stronger Rand	(37)
Foreign exchange impact on metal stock	23
Period on period increase in exchange losses on working capital	(30)
Net impact of exchange rate movements on operating profit	(44)

Metal stock movement

Excluding the impact of exchange rate movements the increase in metal stock of $30 million comprised an increase in metal stock of $59 million in H1 2018 compared with $29 million in H1 2017.

Depreciation and amortisation

Depreciation and amortisation decreased by $29 million period on period driven by the impairment of assets in 2017.

Net finance costs

	Six months ended 31 March	
	2018	2017
	$m	$m
Net bank interest	(3)	(2)
Bank fees	(3)	(4)
Unwinding of discounting on environmental provisions	(5)	(5)
Foreign exchange gains on net cash	16	4
HDSA receivable – accrued interest receivable	15	12
HDSA receivable – exchange gains / (losses)	19	(12)
HDSA receivable – impairment	(34)	(8)
Net finance income / (expense)	5	(15)

Net finance income of $5 million for H1 2018 increased by $20 million on H1 2017 driven by exchange gains due to the Rand strength.

The net bank interest charge for the period was $3 million (H1 2017 - $2 million). Bank fees for the period amounted to $3 million (H1 2017 - $4 million) and included $1.4 million commitment fees on the draw-stopped RCFs. The commitment fees of $1.0 million on the draw-stopped $147 million Rand RCF are only payable once the draw-stop is removed. Commitment fees of $0.4 million on the draw-stopped $25 million Dollar RCF continue to be payable during the waiver period. Exchange gains on net cash in H1 2018 amounted to $16 million (H1 2017 - $4 million) as the Rand strengthened by 13% in the period under review compared with a strengthening of 2% in the prior year period.

The Historically Disadvantaged South Africans (HDSA) receivable is the Sterling loan to Phembani Group (Proprietary) Limited (Phembani). The receivable is disclosed as a current asset as the preference shares are redeemable at any time on or after 8 July 2015 at Lonmin's request. The receivable is secured on the HSDA's shareholding in Incwala, whose only asset of value is its underlying investment in WPL, EPL and Akanani. It is not our current intention to request redemption as Phembani could forfeit the loan and the 50.03% that Phembani holds in Incwala would revert to Lonmin. There is ongoing engagement with Phembani around this matter.

The gross loan, excluding impairments in prior years of $450 million, attracted an exchange gain for the period of $19 million (H1 2017 – exchange loss of $12 million) due to the strengthening of Sterling against the US Dollar. The value of the security is driven by the value of WPL, EPL and Akanani and was impaired to $nil at 30 September 2017 due to the decline in the valuation of the Marikana operations. Prior year impairments are based in US Dollar, being the Group's functional currency, resulting in no exchange gains on the impairment. Accrued interest on the loan in the period amounted to $15 million (H1 2017 - $12 million). The loan was impaired by $34 million in the period to offset interest accrued and exchange gains in H1 2018 and bring the carrying value back to nil.

Taxation

The tax charge for H1 2018 was $16 million (H1 2017 – tax charge of $15 million) and comprised a current tax charge of $16 million (H1 2017 – $4 million) and a deferred tax charge $nil (H1 2017 – $11 million).

Cash Generation and Net Cash

The following table summarises the main components of the cash flow during the period:

	Six months ended 31 March	
	2018	2017
	$m	$m
Operating loss	(32)	(181)
Depreciation and amortisation	6	35
Impairment	-	146
Changes in working capital and provisions	(31)	(61)
Deferred revenue received (net)	7	24
Other non-cash movements	2	(1)
Cash flow utilised by operations	(48)	(38)
Interest and finance costs	(6)	(6)
Tax paid	(8)	(4)
Trading cash outflow	(62)	(48)
Capital expenditure	(33)	(45)
Free cash outflow	(95)	(93)
Acquisitions	(4)	(1)
Transfer to restricted funds for rehabilitation obligation	(3)	(8)
Cash outflow	(102)	(102)
Opening net cash / (debt)	103	173
Foreign exchange movements	16	4
Closing net cash	17	75

Cash outflow utilised by operations in H1 2018 at $(48) million represented a decline of $(10) million compared H1 2017. The decrease in profitability in the current year was partially offset by working capital movements which at $(31) million were $30 million favourable to the prior year period. The final $7 million tranche of third party funding for the bulk tailings treatment plant was received (H1 2017 - $24 million funding received). Around $4 million was spent on the project in the first half of the year with the remainder to be spent in the second half of the year.

The cash outflow on interest and finance costs was in-line with the prior year period at $6 million. Tax paid in the period of $8 million was $4 million higher than the prior year period as the parent company Lonmin Plc had no carried forward assessed losses remaining to offset tax payable. Due to the financial position of WPL, changes to inter-group charge-out arrangements were made which will mitigate this cash outflow going forwards.

Trading cash outflow for the period amounted to $(62) million (H1 2017 – (48) million).

Capital expenditure at $33 million was $12 million lower than the prior year period due to the implementation of cash conservation measures.

The acquisition of the remaining 50% of Pandora was completed in the period. The upfront payment was $4 million with the balance payable from distributable free cash flows from the Pandora operations over a period not exceeding six years. The completion of the Pandora transaction unlocks significant synergies including allowing Lonmin to extend mining at Saffy shaft without having to spend R2.6 billion of capital expenditure, of which R1.6 billion would have been required over the next four years.

Management focus in the period was directed on safety, costs and production to protect liquidity with gross cash at 31 March 2018 of $167 million.

Barrie van der Merwe
Chief Financial Officer

Operating Statistics Operating Statistics

			Units	**6 months to 31 March 2018**	6 months to 31 March 2017
Tonnes mined [1]	Generation 2	K3 shaft	kt	**1,339**	1,173
		Rowland shaft	kt	**866**	876
		Saffy shaft	kt	**1,019**	991
		East 2 shaft combined [2]	kt	**294**	268
		East 3 shaft	*kt*	***193***	*39*
		Pandora (100%)	*kt*	***101***	*229*
		Generation 2	**kt**	**3,518**	**3,308**
	Generation 1	4B shaft	kt	**596**	682
		Hossy shaft	kt	**272**	330
		Newman shaft	kt	**-**	50
		W1 shaft	kt	**91**	72
		East 1 shaft	kt	**90**	75
		East 2 shaft	kt	**32**	132
		Generation 1	**kt**	**1,081**	**1,341**
		Underground	**kt**	**4,599**	**4,649**
		Opencast	kt	**34**	38
	Lonmin (100%)	**Total tonnes mined (100%)**	**kt**	**4,634**	**4,686**
	% tonnes mined from UG2 reef (100%)		%	**72.1%**	74.2%
	Lonmin (attributable)	**Tonnes mined**	**kt**	**4,583**	**4,572**
Ounces mined [3]	Lonmin excluding Pandora	Pt ounces	oz	**287,642**	280,745
	BTT	Pt ounces	oz	**759**	-
	Lonmin excl Pandora incl BTT	**Pt ounces**	**oz**	**288,401**	**280,745**
	Pandora (100%)	Pt ounces	oz	**7,557**	15,693
	Lonmin incl Pandora & BTT	**Pt ounces**	**oz**	**295,958**	**296,438**
	Lonmin excluding Pandora	PGM ounces	oz	**553,703**	538,136
	BTT	PGM ounces	oz	**1,440**	-
	Lonmin excl Pandora incl BTT	**PGM ounces**	**oz**	**555,144**	**538,136**
	Pandora (100%)	PGM ounces	oz	**14,962**	31,047
	Lonmin incl Pandora & BTT	**PGM ounces**	**oz**	**570,106**	**569,183**
Tonnes milled [4]	Marikana	Underground	kt	**4,541**	4,310
		Opencast	kt	**12**	49
		Total	kt	**4,553**	4,359
	Pandora [5]	Underground	kt	**101**	229
	BTT Plant [6]	Total	kt	**347**	-
	Lonmin Platinum	Underground	kt	**4,642**	4,539
		Opencast	kt	**12**	49
		BTT Plant [6]	kt	**347**	-
		Total	kt	**5,001**	4,588
Milled head grade [7]	Lonmin Platinum	Underground	g/t	**4.57**	4.56
		Opencast	g/t	**4.42**	4.42
		BTT Plant [6]	g/t	**1.13**	-
		Total	g/t	**4.33**	4.56
Concentrator recovery rate [8]	Lonmin Platinum	Underground	%	**87.5**	86.8
		Opencast	%	**66.0**	68.3
		BTT Plant [6]	%	**12.0**	-
		Total	%	**86.1**	86.6

			Units	**6 months to 31 March 2018**	6 months to 31 March 2017
Metals-in-concentrate [9]	Marikana	Platinum	oz	**290,016**	274,671
		Palladium	oz	**134,964**	126,868
		Gold	oz	**7,192**	6,915
		Rhodium	oz	**41,227**	38,933
		Ruthenium	oz	**69,718**	65,353
		Iridium	oz	**14,396**	13,535
		Total PGMs	**oz**	**557,513**	**526,275**
	Pandora	Platinum	oz	**7,557**	15,693
		Palladium	oz	**3,573**	7,395
		Gold	oz	**52**	112
		Rhodium	oz	**1,261**	2,632
		Ruthenium	oz	**2,105**	4,319
		Iridium	oz	**414**	896
		Total PGMs	oz	**14,962**	**31,047**
	BTT Plant [6]	Platinum	oz	**759**	-
		Palladium	oz	**306**	-
		Gold	oz	**8**	-
		Rhodium	oz	**95**	-
		Ruthenium	oz	**219**	-
		Iridium	oz	**53**	
		Total PGMs	**oz**	**1,440**	**-**
	Lonmin Platinum before concentrate purchases	Platinum	oz	**298,332**	290,364
		Palladium	oz	**138,843**	134,263
		Gold	oz	**7,252**	7,026
		Rhodium	oz	**42,583**	41,565
		Ruthenium	oz	**72,042**	69,673
		Iridium	oz	**14,864**	14,431
		Total PGMs	**oz**	**573,916**	**557,322**
	Concentrate purchases	Platinum	oz	**9,530**	603
		Palladium	oz	**3,057**	164
		Gold	oz	**34**	2
		Rhodium	oz	**1,279**	58
		Ruthenium	oz	**1,948**	99
		Iridium	oz	**493**	24
		Total PGMs	**oz**	**16,340**	**950**
	Lonmin Platinum	Platinum	oz	**307,862**	290,966
		Palladium	oz	**141,899**	134,427
		Gold	oz	**7,286**	7,028
		Rhodium	oz	**43,862**	41,624
		Ruthenium	oz	**73,990**	69,771
		Iridium	oz	**15,357**	14,456
		Total PGMs	**oz**	**590,257**	**558,272**
		Nickel [10]	MT	**1,460**	1,437
		Copper [10]	MT	**945**	893

			Units	**6 months to 31 March 2018**	6 months to 31 March 2017
Refined production	Lonmin refined metal production	Platinum	oz	**275,757**	300,238
		Palladium	oz	**129,890**	133,131
		Gold	oz	**7,402**	7,678
		Rhodium	oz	**40,507**	42,593
		Ruthenium	oz	**61,260**	68,726
		Iridium	oz	**13,107**	14,683
		Total PGMs	**oz**	**527,922**	**567,048**
	Toll refined metal production	Platinum	oz	**729**	1,023
		Palladium	oz	**257**	195
		Gold	oz	**13**	8
		Rhodium	oz	**47**	77
		Ruthenium	oz	**142**	236
		Iridium	oz	**25**	27
		Total PGMs	**oz**	**1,213**	**1,566**
	Total refined PGMs	Platinum	oz	**276,486**	301,261
		Palladium	oz	**130,147**	133,326
		Gold	oz	**7,414**	7,685
		Rhodium	oz	**40,553**	42,670
		Ruthenium	oz	**61,401**	68,962
		Iridium	oz	**13,133**	14,710
		Total PGMs	**oz**	**529,135**	**568,614**
	BMR concentrate sales (Saleable refined Production)	Platinum	oz	**7,525**	-
		Palladium	oz	**3,211**	-
		Gold	oz	**178**	-
		Rhodium	oz	**1,093**	-
		Ruthenium	oz	**1,815**	-
		Iridium	oz	**369**	-
		Total PGMs	**oz**	**14,192**	-
	Total saleable refined PGMs [11]	Platinum	oz	**284,011**	301,261
		Palladium	oz	**133,358**	133,326
		Gold	oz	**7,593**	7,685
		Rhodium	oz	**41,646**	42,670
		Ruthenium	oz	**63,217**	68,962
		Iridium	oz	**13,502**	14,710
		Total PGMs	**oz**	**543,327**	**568,614**
	Base metals	Nickel [12]	MT	**1,523**	1,477
		Copper [12]	MT	**871**	846
Sales	Refined metal sales	Platinum	oz	**280,224**	306,996
		Palladium	oz	**131,856**	132,516
		Gold	oz	**8,020**	7,345
		Rhodium	oz	**43,548**	50,997
		Ruthenium	oz	**62,847**	97,676
		Iridium	oz	**13,951**	14,329
		Total PGMs	**oz**	**540,445**	**609,858**
		Nickel [12]	MT	**1,537**	1,728
		Copper [12]	MT	**1,096**	215
		Chrome [12]	MT	**645,022**	651,655

			Units	**6 months to 31 March 2018**	6 months to 31 March 2017
Sales (continued)	BMR concentrate sales [13]	Platinum	oz	**7,525**	-
		Palladium	oz	**3,211**	-
		Gold	oz	**178**	-
		Rhodium	oz	**1,093**	-
		Ruthenium	oz	**1,815**	-
		Iridium	oz	**369**	-
		Total PGMs	**oz**	**14,192**	-
	Lonmin Platinum	Platinum	oz	**287,749**	306,996
		Palladium	oz	**135,067**	132,516
		Gold	oz	**8,198**	7,345
		Rhodium	oz	**44,641**	50,997
		Ruthenium	oz	**64,663**	97,676
		Iridium	oz	**14,320**	14,329
		Total PGMs	**oz**	**554,637**	**609,858**
	Base metals	Nickel [12]	MT	**1,537**	1,728
		Copper [12]	MT	**1,096**	215
		Chrome [12]	MT	**645,022**	651,655
Average prices		Platinum	\$/oz	**947**	960
		Palladium	\$/oz	**1,009**	727
		Gold	\$/oz	**1,290**	1,207
		Rhodium	\$/oz	**1,609**	800
		Basket price of PGMs [14]	\$/oz	**929**	745
		Basket price of PGMs [15]	\$/oz	**1,011**	797
		Basket price of PGMs [14]	R/oz	**11,842**	10,129
		Basket price of PGMs [15]	R/oz	**12,920**	10,852
		Nickel [12]	\$/MT	**9,732**	8,643
		Copper [12]	\$/MT	**6,568**	5,465
Capital expenditure [16]			Rm	**411**	612
			\$m	**33**	45
Employees and contractors	as at 31 March	Employees	#	**23,516**	24,922
	as at 31 March	Contractors	#	**7,524**	7,658
	as at 31 March	**Total**	**#**	**31,040**	**32,580**
Productivity (Generation 2)	m^2 per mining employee (shaft head)	K3 shaft	m^2/person	**5.3**	4.7
		Rowland shaft	m^2/person	**5.4**	5.4
		Saffy shaft	m^2/person	**5.2**	5.0
		E3 shaft combined	m^2/person	**4.6**	3.9
		Generation 2	**m^2/person**	5.2	**4.9**
	m^2 per stoping, ledging & white area crew	K3 shaft	m^2/crew	**264**	240
		Rowland shaft	m^2/crew	**353**	327
		Saffy shaft	m^2/crew	**279**	281
		E3 shaft combined	m^2/crew	**254**	219
		Generation 2	**m^2/crew**	**285**	**269**
Exchange rates [17]	Average rate for period		R\$	**12.78**	13.56
			£\$	**1.36**	1.23
	Closing rate		R\$	**11.83**	13.42
			£\$	**1.40**	1.25

			Units	**6 months to 31 March 2018**	6 months to 31 March 2017
Cost of sales	PGM operations segment	Mining incl BTT	$m	**(394)**	(331)
		Concentrating incl BTT	$m	**(65)**	(59)
		Smelting and refining [18]	$m	**(63)**	(52)
		Shared services	$m	**(41)**	(35)
		Management and marketing services	$m	**(8)**	(8)
		Ore and concentrate purchases	$m	**(21)**	(14)
		Limpopo mining	$m	**(1)**	-
		ESOP & Community trust donations	$m	**-**	-
		Other [19]	$m	**(21)**	(1)
		K3 Chrome plant	$m	**(7)**	-
		Royalties		**(3)**	(2)
		Inventory movement	$m	**82**	29
		FX and group charges	$m	**(46)**	(9)
	Total PGM Operations		**Rm**	**(588)**	**(484)**
		Exploration – excluding FX	$m	**(1)**	(3)
		Corporate – excluding FX	$m	**(8)**	-
		FX	$m	**11**	-
	Total cost of sales		**$m**	**(587)**	**(486)**
	PGM operations segment	Mining incl BTT	Rm	**(5,016)**	(4,491)
		Concentrating incl BTT	Rm	**(824)**	(803)
		Smelting & refining [18]	Rm	**(798)**	(704)
		Shared services	Rm	**(511)**	(464)
		Management and marketing services	Rm	**(105)**	(114)
		Ore and concentrate purchases	Rm	**(272)**	(193)
		Limpopo mining	Rm	**(6)**	(6)
			Rm		
		ESOP and community trust donations	Rm	**(4)**	-
		Other [19]	Rm	**(246)**	(5)
		K3 Chrome plant	Rm	**(91)**	-
		Royalties	Rm	**(42)**	(39)
		Inventory movement	Rm	**708**	317
		FX and Group charges	Rm	**2,329**	298
			Rm	**(4,877)**	**(6,203)**

			Units	**6 months to 31 March 2018**	6 months to 31 March 2017
Shaft head unit costs - underground operations excluding K4	Rand per tonne	K3 shaft	R/T	**(1,000)**	(1,032)
		Rowland shaft	R/T	**(1,043)**	(938)
		Saffy shaft	R/T	**(958)**	(887)
		E3 shaft combined	R/T	**(1,181)**	(920)
		East 3 shaft	*R/T*	***(1,275)***	*(1,298)*
		Pandora (100%)	*R/T*	***(1,003)***	*(855)*
		Generation 2	R/T	**(1,014)**	(954)
		Generation 1	R/T	**(1,137)**	(929)
		Total Underground	R/T	**(1,043)**	(947)
	Rand per PGM oz	K3 shaft	R/oz	**(8,677)**	(9,057)
		Rowland shaft	R/oz	**(8,508)**	(7,466)
		Saffy shaft	R/oz	**(7,037)**	(6,863)
		E3 shaft combined	R/oz	**(8,283)**	(6,943)
		East 3 shaft	*R/oz*	***(9,115)***	*(11,440)*
		Pandora (100%)	*R/oz*	***(6,786)***	*(6,298)*
		Generation 2	R/oz	**(8,083)**	(7,753)
		Generation 1	R/oz	**(9,881)**	(7,874)
		Total Underground	R/oz	**(8,479)**	(7,786)
Cost of production (PGM operations segment) [20]	Cost	Mining incl BTT	Rm	**(5,016)**	(4,491)
		Concentrating incl BTT	Rm	**(824)**	(803)
		Smelting and refining [18]	Rm	**(798)**	(704)
		Shared services	Rm	**(511)**	(464)
		Management and marketing services	Rm	**(105)**	(114)
			Rm	**(7,254)**	**(6,576)**
	PGM saleable ounces	Mined ounces excl ore purchases and incl BTT	oz	**555,144**	**538,136**
		Metals-in-concentrate before concentrate purchases	oz	**573,916**	**557,322**
		Total saleable refined PGMs	oz	**543,327**	**568,614**
		Metals-in-concentrate including concentrate purchases	oz	**590,257**	**558,272**
	Cost of production	Mining	R/oz	**(9,036)**	**(8,346)**
		Concentrating	R/oz	**(1,436)**	**(1,441)**
		Smelting and refining [18]	R/oz	**(1,468)**	**(1,238)**
		Shared services	R/oz	**(866)**	**(831)**
		Management and marketing services	R/oz	**(177)**	**(204)**
			R/oz	**(12,983)**	**(12,059)**

			Units	**6 months to 31 March 2018**	6 months to 31 March 2017
Cost of production (PGM operations segment) [20] (continued)	% change in cost of production	Mining	%	**(8.3)**	n/a
		Concentrating	%	**0.4**	n/a
		Smelting and refining [18]	%	**(18.6)**	n/a
		Shared services	%	**(4.2)**	n/a
		Management and marketing services	%	**13.3**	n/a
			%	**(7.7)**	**n/a**

Footnotes:

1 Reporting of shafts are in line with our operating strategy for Generation 1 and Generation 2 shafts.

2 E3 Shaft and Pandora underground tonnes mined will be reported as E3 Shaft Combined from 1 December 2017 when Lonmin required 100% of Pandora.

3 Ounces mined have been calculated at achieved concentrator recoveries and with Lonmin standard downstream processing recoveries to present produced saleable ounces.

4 Tonnes milled exclude slag milling.

5 As from 1 December 2017 Lonmin owns 100% of Pandora joint venture and there will be no ore purchases thereafter.

6 The BTT (Bulk Tailings Treatment) project was commissioned in February 2018.

7 Head Grade is the grammes per tonne (5PGE + Au) value contained in the tonnes milled and fed into the concentrator from the mines (excludes slag milled).

8 Recovery rate in the concentrators is the total content produced divided by the total content milled (excluding slag).

9 Metals-in-concentrate have been calculated at Lonmin standard downstream processing recoveries to present produced saleable ounces.

10 Corresponds to contained base metals-in-concentrate.

11 Saleable refined production includes production associated with BMR concentrate sales.

12 Nickel is produced and sold as nickel sulphate crystals or solution and the volumes shown correspond to contained metal. Copper is produced as refined product but typically at LME grade C. Chrome is produced in the form of chromite concentrate and volumes shown are in the form of chromite.

13 Includes saleable refined production associated with BMR concentrate sales.

14 Basket price of PGMs is based on the revenue generated in Rand and Dollar from the actual PGMs (5PGE + Au) sold in the period based on the appropriate Rand / Dollar exchange rate applicable for each sales transaction.

15 As per note 14 but including revenue from base metals.

16 Capital expenditure is the aggregate of the purchase of property, plant and equipment and intangible assets (includes capital accruals and excludes capitalised interest).

17 Exchange rates are calculated using the market average daily closing rate over the course of the period.

18 Comprises of Smelting and Refining costs as well as direct Process Operations shared costs and group security costs.

19 Other includes costs such as Restructuring and reorganisation costs, Debt refinancing costs and Share Based payments. (Previously reported as “Special costs”.)

20. It should be noted that with the implementation of the revised operating model, cost allocation between business units has been changed and, therefore, whilst the total is on a like-for-like basis, individual line items are not totally comparable.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE INTERIM FINANCIAL REPORT

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and
- the interim management report includes a fair review of the information required by:

  (a) DTR4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the enterprise during that period; and any changes in the related party transactions described in the last annual report that could do so.

Brian Beamish
Chairman

Barrie van der Merwe
Chief Financial Officer

12 May 2018

INDEPENDENT REVIEW REPORT TO LONMIN PLC

Conclusion
We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2018 which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2018 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Material uncertainty – Going Concern
We draw attention to note 1 to the condensed set of financial statements which indicates that the there is a material uncertainty relating to the Group's ability to continue as a going concern.

In particular, that note describes uncertainties concerning the substantial achievement of forecasts, the successful completion of the proposed acquisition of the Group by Sibanye-Stillwater (including the receipt of clearances from the competition authorities in South Africa and the UK and approval from Lonmin Plc and Sibanye-Stillwater shareholders) or the successful sale of assets to enable the Group to repay its existing $150 million loan.

These events and conditions, along with the other matters explained in note 1, represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Adrian Wilcox
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
12 May 2018

Consolidated income statement

for the 6 months to 31 March 2018

	Notes	**6 months to 31 March 2018 $m**	6 months to 31 March 2017 $m	Year ended 30 September 2017 $m
Revenue	2	**561**	486	1,166
(LBITDA)/EBITDA [i]	2	**(26)**	-	40
Depreciation and amortisation		**(6)**	(35)	(66)
Impairment	10	**-**	(146)	(1,053)
Operating loss [ii]	2	**(32)**	(181)	(1,079)
Foreign exchange arising on stepped acquisition of Pandora	11	**(24)**	-	-
Finance income	3	**52**	19	49
Finance expenses	3	**(47)**	(34)	(137)
Share of loss of equity accounted investment		**-**	(3)	(3)
Loss before taxation		**(51)**	(199)	(1,170)
Income tax (charge) / credit	4	**(16)**	(15)	18
Loss for the period		**(67)**	(214)	(1,152)
Attributable to:				
- Equity shareholders of Lonmin Plc		**(66)**	(182)	(996)
- Non-controlling interests		**(1)**	(32)	(156)
Basic and diluted loss per share [iii]	5	**(23.3)c**	(64.4)c	(352.7)c

Footnotes:

i (LBITDA)/EBITDA is operating (loss) / profit before depreciation, amortisation and impairment of intangibles and property, plant and equipment.

ii Operating (loss) / profit is defined as revenue less operating expenses before finance income and expenses and share of loss of equity accounted investment and foreign exchange arising on stepped acquisition of Pandora.

iii Diluted (loss) / earnings per share is based on the weighted average number of ordinary shares in issue adjusted by dilutive outstanding share options.

Consolidated statement of comprehensive loss

for the 6 months to 31 March 2018

	Notes	**6 months to 31 March 2018 $m**	6 months to 31 March 2017 $m	Year ended 30 September 2017 $m
Loss for the period		**(67)**	(214)	(1,152)
Items that have been / may be reclassified subsequently to the income statement:				
- Changes in fair value of available for sale financial assets	7	**6**	1	8
- Foreign exchange gain on retranslation of equity accounted investment		**-**	-	1
- Foreign exchange loss on retranslation of equity accounted investment transferred to the income statement	11	**24**	-	-
- Deferred tax on items taken directly to the statement of comprehensive income		**-**	-	2
Total other comprehensive income for the period		**30**	1	11
Total comprehensive loss for the period		**(37)**	(213)	(1,141)
Attributable to:				
- Equity shareholders of Lonmin Plc		**(39)**	(181)	(985)
- Non-controlling interests		**2**	(32)	(156)
		(37)	(213)	(1,141)

Consolidated statement of financial position
as at 31 March 2018

	Notes	**As at 31 March 2018 $m**	As at 31 March 2017 $m	As at 30 September 2017 $m
Non-current assets				
Intangible assets		**18**	63	11
Property, plant and equipment		**265**	1,033	194
Equity accounted investment	11	**-**	21	24
Royalty prepayment		**36**	37	36
Other financial assets	7	**43**	30	34
Deferred tax assets		**-**	-	1
		362	1,184	300
Current assets				
Inventories		**332**	276	245
Trade and other receivables		**44**	59	73
Other financial assets	7	**-**	61	-
Cash and cash equivalents	9	**167**	229	253
		543	625	571
Current liabilities				
Trade and other payables		**(186)**	(153)	(178)
Interest bearing loans and borrowings	9	**(150)**	-	(150)
Deferred revenue	8	**(13)**	-	(13)
Tax payable		**(15)**	-	(7)
		(364)	(153)	(348)
Net current assets		**179**	472	223
Non-current liabilities				
Interest bearing loans and borrowings	9	**-**	(154)	-
Deferred tax liabilities		**(1)**	(45)	-
Deferred royalty payment		**-**	(1)	-
Deferred revenue	8	**(34)**	(33)	(27)
Contingent consideration	11	**(21)**	-	-
Provisions		**(159)**	(134)	(134)
		(215)	(367)	(161)
Net assets		**326**	1,289	362
Capital and reserves				
Share capital		**586**	586	586
Share premium		**1,816**	1,816	1,816
Other reserves		**88**	88	88
Accumulated loss		**(1,843)**	(1,002)	(1,805)
Attributable to equity shareholders of Lonmin Plc		**647**	1,488	685
Attributable to non-controlling interests		**(321)**	(199)	(323)
Total equity		**326**	1,289	362

Consolidated statement of changes in equity

for the 6 months to 31 March 2018

	Equity interest						
	Called up share capital $m	Share premium account $m	Other reserves [i] $m	Accumulated loss [ii] $m	Total $m	Non-controlling interests [iii] $m	Total equity $m
At 1 October 2017	**586**	**1,816**	**88**	**(1,805)**	**685**	**(323)**	**362**
Loss for the period	**-**	**-**	**-**	**(66)**	**(66)**	**(1)**	**(67)**
Total other comprehensive income:	**-**	**-**	**-**	**27**	**27**	**3**	**30**
- Change in fair value of available for sale financial assets	**-**	**-**	**-**	**6**	**6**	**-**	**6**
- Foreign exchange loss on retranslation of equity accounted investments transferred to the income statement	**-**	**-**	**-**	**21**	**21**	**3**	**24**
Transactions with owners, recognised directly in equity:	**-**	**-**	**-**	**1**	**1**	**-**	**1**
- Share-based payments	**-**	**-**	**-**	**1**	**1**	**-**	**1**
At 31 March 2018	**586**	**1,816**	**88**	**(1,843)**	**647**	**(321)**	**326**
At 1 October 2016	586	1,816	88	(821)	1,669	(167)	1,502
Loss for the period	-	-	-	(182)	(182)	(32)	(214)
Total other comprehensive income:	-	-	-	1	1	-	1
- Change in fair value of available for sale financial assets	-	-	-	1	1	-	1
At 31 March 2017	586	1,816	88	(1,002)	1,488	(199)	1,289
At 1 April 2017	586	1,816	88	(1,002)	1,488	(199)	1,289
Loss for the period	-	-	-	(814)	(814)	(124)	(938)
Total other comprehensive income:	-	-	-	10	10	-	10
- Change in fair value of available for sale financial assets	-	-	-	7	7	-	7
- Foreign exchange loss on retranslation of equity accounted investment	-	-	-	1	1	-	1
- Deferred tax on items taken directly to the statement of comprehensive income	-	-	-	2	2	-	2
Transactions with owners, recognised directly in equity:	-	-	-	1	1	-	1
- Share-based payments	-	-	-	1	1	-	1
At 30 September 2017	586	1,816	88	(1,805)	685	(323)	362

Footnotes:

i Other reserves at 31 March 2018 represent the capital redemption reserve of $88 million (31 March 2017 and 30 September 2017 - $88 million).

ii Accumulated loss includes $14 million of accumulated credits in respect of fair value movements on available for sale financial assets (31 March 2017 - $1 million credit and 30 September 2017 - $8 million credit) and a $nil debit of accumulated exchange on retranslation of equity accounted investments (31 March 2017- $17 million and 30 September 2017 - $16 million).

iii Non-controlling interests represent a 13.76% effective shareholding in each of Eastern Platinum Limited, Western Platinum Limited (WPL) and Messina Limited and a 19.87% effective shareholding in Akanani Mining Proprietary Limited.

No advance dividends were made by WPL, a subsidiary of Lonmin Plc, to Incwala Platinum Proprietary Limited (IP) during the period under review (6 months to 31 March 2017 and for the year ended 30 September 2017 - $nil). IP is a substantial shareholder in the Company's principal operating subsidiaries. Total advance dividends made between 2009 and 2016 amounted to $135 million (R1,309 million). IP has authorised WPL to recover these amounts by reducing future dividends that would otherwise be payable to all shareholders. These advance dividends are adjusted for in the non-controlling interest of the Group

Consolidated statement of cash flows

for the 6 months to 31 March 2018

	Notes	**6 months to 31 March 2018 $m**	6 months to 31 March 2017 $m	Year ended 30 September 2017 $m
Loss for the period		**(67)**	(214)	(1,152)
Taxation		**16**	15	(18)
Share of loss of equity accounted investment		**-**	3	3
Finance income	3	**(52)**	(19)	(49)
Finance expenses	3	**47**	34	137
Foreign exchange arising on stepped acquisition of Pandora	11	**24**	-	-
Non-cash movement on deferred revenue	8	**-**	(2)	(3)
Depreciation and amortisation		**6**	35	66
Impairment		**-**	146	1,053
Change in inventories		**(87)**	(31)	-
Change in trade and other receivables		**29**	8	(6)
Change in trade and other payables		**8**	(40)	(15)
Change in provisions		**19**	2	5
Deferred revenue received	8	**7**	26	34
Share-based payments		**1**	-	1
(Profit) / loss on disposal of property, plant and equipment		**-**	-	(1)
Prepaid royalties		**-**	-	(2)
Other movements		**1**	(1)	-
Cash (outflow) / inflow from operations		**(48)**	(38)	53
Interest received		**2**	3	6
Interest and bank fees paid		**(8)**	(9)	(18)
Tax paid		**(8)**	(4)	(8)
Cash (outflow) / inflow from operating activities		**(62)**	(48)	33
Cash flow from investing activities				
Acquisition and contribution to joint venture		**(4)**	(1)	(2)
Additions to other financial assets		**(3)**	(8)	(4)
Purchase of property, plant and equipment		**(32)**	(44)	(99)
Purchase of intangible assets		**(1)**	(1)	(1)
Cash used in investing activities		**(40)**	(54)	(106)
Cash flow from financing activities				
Proceeds from non-current borrowings	9	**-**	4	-
Cash inflow from financing activities		**-**	4	-
Decrease in cash and cash equivalents	9	**(102)**	(98)	(73)
Opening cash and cash equivalents	9	**253**	323	323
Effect of foreign exchange rate changes	9	**16**	4	3
Closing cash and cash equivalents	9	**167**	229	253

Notes to the accounts

1 Statement on accounting policies

Basis of preparation

Lonmin Plc (the Company) is a Company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company as at and for the six months to 31 March 2018 comprise the Company and its subsidiaries (together referred to as the Group).

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting*, as adopted by the EU. The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU. As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 30 September 2017, except as noted below. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 September 2017.

The comparative figures for the financial year ended 30 September 2017 are not the Group's full statutory accounts for that financial year. Those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) included a reference to a matter to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements of the Group as at and for the year ended 30 September 2017 are available upon request from the Company's registered office at Connaught House, 5th Floor, 1-3 Mount Street, London, W1K 3NB.

These condensed consolidated interim financial statements were approved by the Board of Directors on 12 May 2018.

These condensed consolidated interim financial statements apply the accounting policies and presentation that will be applied in the preparation of the Group's published consolidated financial statements for the year ending 30 September 2018.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

Lonmin's business has experienced ongoing financial constraints for a number of years caused by a range of external factors such as a persistently low PGM pricing environment and the inflationary cost pressures of operating in the South African PGM industry. These have been further exacerbated by internal factors including operational, social and labour issues.

In assessing the Group's ability to continue as a going concern, the Directors have prepared cash flow forecasts for a period in excess of 12 months. The assumptions used in the model are disclosed in note 10. The Directors have also considered the debt facilities available to the Group which are disclosed in note 9 to the financial statements.

Notes to the accounts (continued)

1 Statement on accounting policies (continued)

Basis of preparation (continued)

Going concern (continued)

At 31 March 2018 the term loan of $150 million was fully drawn and the Group had gross cash of $167 million.

The Group's loan facility agreements require it to test two covenants related to its tangible net worth (TNW) every six months. At 31 March 2018 the TNW of the Group was $631 million some $469 million below the TNW covenant threshold of $1,100 million.

During the 6 months to 31 March 2018 Sibanye Gold Limited trading as Sibanye-Stillwater made an offer to buy the Group which was unanimously recommended by the Board of Lonmin Plc. The Board of Lonmin believes that the offer is in the best interest of Lonmin shareholders and all other stakeholders of Lonmin and provides Lonmin with a comprehensive and sustainable solution to the adverse challenges it faces. The combination of Sibanye-Stillwater and Lonmin creates a larger and more resilient company, with greater geographical and commodity diversification, that is better able to withstand short-term commodity price and foreign exchange volatility. The long stop date of this acquisition is 28 February 2019.

As a result of the Sibanye-Stillwater offer, the Company's lenders have agreed to a waiver of the TNW covenants for the period from 30 September 2017 to 28 February 2019. The waiver is conditional on the completion of the acquisition and will lapse if the acquisition does not complete, lapses or is withdrawn, subject to a 20 business day grace period which will apply if the Company is engaging with the lenders.

The key conditions precedent to the acquisition are receipt of relevant clearances from the competition authorities in South Africa and the UK and approval from Lonmin Plc and Sibanye-Stillwater shareholders. Key filings have been made with the Competition Commission of South Africa and the Competition and Markets Authority in the UK. As previously reported in note 1 to the 2017 Financial Statements published on 22 January 2018, whilst it is not a condition of the Transaction the Directors anticipate that Sibanye-Stillwater shareholders would have a strong preference for Lonmin to be in a net cash position after repaying the $150 million term loan. We are not in full control of the approvals and their receipt is uncertain. Furthermore there is a risk that the Group net cash position could be materially impacted by a substantial economic downturn or operational factors.

On, or immediately prior to completion of the acquisition the term loan of $150 million is required to be repaid and debt facilities cancelled. Based on cash flow projections using assumptions that were duly considered by the Board, the repayment of the facilities at the closing of the deal is considered a reasonable expectation. In addition, based on discussions with Sibanye-Stillwater to date the Directors consider that there is no indication that Lonmin Plc and its significant subsidiaries will not continue to operate after the acquisition for a period of at least 12 months.

In the event that the deal does not complete, the waiver will cease to apply and the TNW covenants will be reinstated. If the TNW covenants are breached, the $150 million may be required to be repaid. The covenant waiver allows for a 20 business day grace period whilst other options are pursued provided that the Company is engaging with the lenders. During the 20 day grace period the Group will not be required to repay the loan. During this period, the feasibility of an asset sale to Sibanye-Stillwater, as contemplated in the Rule 2.7 announcement as well as any other alternative transactions will be assessed by the Board.

Notes to the accounts (continued)

1 Statement on accounting policies (continued)

Basis of preparation (continued)

Going concern (continued)

If alternative transactions turn out not to provide a feasible alternative, sufficient to repay the Group's borrowings, or the Group does not have sufficient cash to repay the borrowings itself, then the lenders are likely to withdraw their facilities and the Group is likely to be unable to meet its liabilities. To mitigate this risk, discussions are ongoing with a number of alternative providers of finance.

In assessing whether the Group is likely to have cash to repay the term loan of $150 million either on completion of the acquisition or in the event the acquisition fails and no feasible alternatives are found, the Directors have considered various scenarios to test the Group's resilience against operational risks including:

- Adverse movements in PGM commodity prices and ZAR / USD exchange rate or a combination thereof;
- Failure to meet forecast production targets.

Under reasonably possible downside scenarios this results in gross cash for the Group falling below $150 million meaning the Group would be unable to repay the loan.

The substantial achievement of forecasts, the successful completion of the Sibanye-Stillwater Transaction (including the completion of key conditions precedent) or the successful sale of assets to enable the Group to repay the $150 million loan represents a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern such that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, based on the Group's expectation of the acquisition completing by the long stop date of 28 February 2019, the Directors believe that the Group will continue to have adequate financial resources to meet obligations as they fall due. Accordingly, the Directors have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis. Therefore, these financial statements do not include any adjustments that would result if the going concern basis of preparation is inappropriate.

New standards and amendments in the period

In the current period, Lonmin has applied revised IFRS standards which were adopted as of 1 October 2017:

Amendments to IAS 12 – *Recognition of deferred tax assets for unrealised losses.*
The amendments to IAS 12 clarify the accounting treatment for deferred tax assets related to debt instruments measured at fair value. The adoption of the amendment has had no material impact on the Group.

Amendments to IAS 7 - *Statement of cash flows*: Disclosure initiative.
The amendments to IAS 7 requires entities to provide disclosures about changes in their liabilities arising from financing activities, including changes arising from financing cash flows and non-cash changes (such as foreign exchange movements).

There were no other new standards, interpretations or amendments to standards issued and effective for the period which materially impacted the Group.

Notes to the accounts (continued)

1 Statement on accounting policies (continued)

Basis of preparation (continued)

New standards that are relevant to the Group but not yet effective

Title of standard	Summary of impact on the Financial Statements	Application date of standard	Application date for the financial year commencing
IFRS 9 Financial Instruments	The Group will adopt IFRS 9 from 1 October 2018. The Group has minimal financial assets (other than trade debtors and certain equity investments) and the new standard does not have a material impact on the recognition and measurement of the Group's financial assets. The standard will result in changes in presentation in some disclosures of the Group's financial assets. The Company does not intend to adopt IFRS 9 before the effective date.	1 January 2018	1 October 2018
IFRS 15 Revenue from Contracts with Customers	The Groups's revenue is derived from commodity sales, for which the point of recognition is dependent on the contract sales terms. The transfer of risks and rewards generally coincides with the transfer of control at a point in time under the contract sales term. The impact of IFRS 15, which is not expected to have a material effect on the Group's reported revenues when compared to the current policy, is being assessed in respect of sales arrangements entered into for 2019. Revenues from the sale of significant by-products, such as Nickel, Copper and Chrome are within the scope of IFRS 15 and will continue to be included in Consolidated sales revenue. The Company does not intend to adopt IFRS 15 before the effective date.	1 January 2018	1 October 2018
IFRS 16 Leases	Lonmin has no material lease agreements so this standard is not expected to have a significant impact on its statement of financial position. The Company does not intend to adopt IFRS 16 before the effective date.	1 January 2019	1 October 2019

2 Segmental analysis

The PGM Operations segment comprises the activities involved in the mining and processing of PGMs, together with associated base metals, which are carried out entirely in South Africa. These operations are integrated and designed to support the process for extracting and refining PGMs from underground. PGMs move through each stage of the process and undergo successive levels of refinement which result in fully refined metals. This segment also includes exploration and evaluation activities involved in the discovery or identification of new PGM deposits and the evaluation through pre-feasibility of the economic viability of newly discovered PGM deposits. Currently exploration activities occur on a worldwide basis and evaluation projects are based in South Africa. The Chief Executive Officer, who performs the role of Chief Operating Decision Maker (CODM), views the PGM Operations segment as a single whole for the purposes of financial performance monitoring and assessment and does not make resource allocations based on margin, costs or cash flows incurred at each separate stage of the process. In addition, the CODM makes his decisions for running the business on a day to day basis using the physical operating statistics generated by the business as these summarise the operating performance of the entire segment.

Other covers mainly the results and investment activities of the corporate Head Office. The only intersegment transactions involve the provision of funding between segments and any associated interest.

No operating segments have been aggregated. Operating segments have consistently adopted the consolidated basis of accounting and there are no differences in measurement applied.

Notes to the accounts (continued)

2 Segmental analysis (continued)

	6 months to 31 March 2018			
	PGM Operations Segment $m	Other $m	Intersegment Adjustments $m	Total $m
Revenue (external sales by product):				
Platinum	**273**	**-**	**-**	**273**
Palladium	**136**	**-**	**-**	**136**
Gold	**11**	**-**	**-**	**11**
Rhodium	**72**	**-**	**-**	**72**
Ruthenium	**10**	**-**	**-**	**10**
Iridium	**14**	**-**	**-**	**14**
PGMs	**516**	**-**	**-**	**516**
Nickel	**15**	**-**	**-**	**15**
Copper	**7**	**-**	**-**	**7**
Chrome	**23**	**-**	**-**	**23**
	561	**-**	**-**	**561**
(LBITDA) / EBITDA [i]	**(33)**	**7**	**-**	**(26)**
Depreciation and amortisation	**(6)**	**-**	**-**	**(6)**
Operating (loss) / profit [i]	**(39)**	**7**	**-**	**(32)**
Foreign exchange arising on stepped acquisition of Pandora	**(24)**	**-**	**-**	**(24)**
Finance income	**21**	**59**	**(28)**	**52**
Finance expenses [ii]	**(26)**	**(49)**	**28**	**(47)**
(Loss) / profit before taxation	**(68)**	**17**	**-**	**(51)**
Income tax charge	**(3)**	**(13)**	**-**	**(16)**
(Loss) / profit after taxation	**(71)**	**4**	**-**	**(67)**
Total assets [iii]	**949**	**1,788**	**(1,832)**	**905**
Total liabilities	**(2,217)**	**(194)**	**1,832**	**(579)**
Net assets / (liabilities)	**(1,268)**	**1,594**	**-**	**326**
Additions to property, plant, equipment and intangibles	**33**	**-**	**-**	**33**

Notes to the accounts (continued)

2 Segmental analysis (continued)

	6 months to 31 March 2017			
	PGM Operations Segment $m	Other $m	Intersegment Adjustments $m	Total $m
Revenue (external sales by product):				
Platinum	295	-	-	295
Palladium	96	-	-	96
Gold	9	-	-	9
Rhodium	41	-	-	41
Ruthenium	3	-	-	3
Iridium	10	-	-	10
PGMs	454	-	-	454
Nickel	15	-	-	15
Copper	1	-	-	1
Chrome	16	-	-	16
	486	-	-	486
EBITDA [i]	-	-	-	-
Depreciation and amortisation	(35)	-	-	(35)
Impairment	(146)	-	-	(146)
Operating loss [i]	(181)	-	-	(181)
Finance income	9	37	(27)	19
Finance expenses [ii]	(34)	(27)	27	(34)
Share of loss of equity accounted investment	(3)	-	-	(3)
(Loss) / profit before taxation	(209)	10	-	(199)
Income tax charge	(15)	-	-	(15)
(Loss) / profit after taxation	(224)	10	-	(214)
Total assets [iii]	1,765	1,809	(1,765)	1,809
Total liabilities	(2,099)	(186)	1,765	(520)
Net assets / (liabilities)	(334)	1,623	-	1,289
Share of net assets of equity accounted investment	21	-	-	21
Additions to property, plant, equipment and intangibles	45	-	-	45

Notes to the accounts (continued)

2 Segmental analysis (continued)

	Year ended 30 September 2017			
	PGM Operations Segment $m	Other $m	Intersegment Adjustments $m	Total $m
Revenue (external sales by product):				
Platinum	673	-	-	673
Palladium	262	-	-	262
Gold	21	-	-	21
Rhodium	99	-	-	99
Ruthenium	9	-	-	9
Iridium	28	-	-	28
PGMs	1,092	-	-	1,092
Nickel	31	-	-	31
Copper	11	-	-	11
Chrome	32	-	-	32
	1,166	-	-	1,166
EBITDA / (LBITDA) [i]	42	(2)	-	40
Depreciation and amortisation	(66)	-	-	(66)
Impairment	(1,053)	-	-	(1,053)
Operating loss [i]	(1,077)	(2)	-	(1,079)
Finance income	14	94	(59)	49
Finance expenses [ii]	(74)	(122)	59	(137)
Share of loss of equity accounted investment	(3)	-	-	(3)
Loss before taxation	(1,140)	(30)	-	(1,170)
Income tax credit / (charge)	26	(8)	-	18
Loss after taxation	(1,114)	(38)	-	(1,152)
Total assets [iii]	912	1,773	(1,814)	871
Total liabilities	(2,134)	(189)	1,814	(509)
Net assets / (liabilities)	(1,222)	1,584	-	362
Share of net assets of equity accounted investment	24	-	-	24
Additions to property, plant, equipment and intangibles	93	-	-	93

Notes to the accounts (continued)

2 Segmental analysis (continued)

Revenue by destination is analysed by geographical area below:

	6 months to 31 March 2018 $m	6 months to 31 March 2017 $m	Year ended 30 September 2017 $m
The Americas	**80**	221	245
Asia	**106**	111	295
Europe	**176**	113	355
South Africa	**199**	41	271
	561	486	1,166

The Group's revenues are all derived from the PGM Operations segment. This segment has three major customers who respectively contributed 40% ($222 million), 19% ($105 million) and 18% ($103 million) of revenue in the six months to 31 March 2018 (42% ($203 million), 22% ($109 million) and 18% ($87 million) in the six months to 31 March 2017 and 38% ($443 million), 21% ($239 million) and 20% ($234 million) in the year ended 30 September 2017).

Metal sales prices are based on market prices which are denominated in US Dollars. The majority of sales are also invoiced in US Dollars with the exception of certain sales in South Africa which are invoiced in South African Rand based on exchange rates determined in accordance with the contractual arrangements.

Non-current assets (excluding financial instruments and deferred tax assets) of $319 million (31 March 2017 - $1,154 million and 30 September 2017 - $265 million) are all situated in South Africa.

Footnotes:

i EBITDA / (LBITDA) and operating (loss) / profit are the key profit measures used by management.

ii The impairment of the HDSA receivable of $34 million (31 March 2017 - $8 million and 30 September 2017 - $109 million) and of non-financial assets of $nil (31 March 2017 - $146 million and 30 September 2017 - $1,053 million) are included under finance expenses and impairment respectively. The HDSA receivable forms part of the "Other" segment. The impairment of non-financial assets is all allocated to the PGM Operations segment.

iii The assets under "Other" include the HDSA receivable of $nil (31 March 2017 - $61 million and 30 September 2017 - $nil) and intercompany receivables of $1,754 million (31 March 2017 - $1,684 million and 30 September 2017 - $1,739 million). Available for sale financial assets of $21 million (31 March 2017 - $8 million and 30 September 2017 - $16 million) form part of the "Other" segment and the balance of $4 million (31 March 2017 - $4 million and 30 September 2017 - $3 million) forms part of the PGM Operations segment.

Notes to the accounts (continued)

3 Net finance income / (expenses)

	6 months to 31 March 2018 $m	6 months to 31 March 2017 $m	Year ended 30 September 2017 $m
Finance income:	**52**	19	49
- Interest receivable on cash and cash equivalents	**2**	3	6
- Foreign exchange gains on net cash / (debt) [i]	**16**	4	3
- Interest accrued from HDSA receivable (note 7)	**15**	12	26
- Foreign exchange gain on HDSA receivable (note 7)	**19**	-	14
Finance expenses:	**(47)**	(34)	(137)
- Interest payable on bank loans and overdrafts	**(5)**	(5)	(11)
- Bank fees	**(3)**	(4)	(7)
- Unwinding of discount on environmental provisions	**(5)**	(5)	(10)
- Foreign exchange loss on HDSA receivable	**-**	(12)	-
- Impairment of HDSA receivable (note 7)	**(34)**	(8)	(109)
Net finance income / (expenses)	**5**	(15)	(88)

Footnote:

i Net cash as defined by the Group comprises cash and cash equivalents, bank overdrafts repayable on demand and interest bearing loans and borrowings less unamortised bank fees, unless the unamortised bank fees relate to undrawn facilities in which case they are treated as other receivables.

Notes to the accounts (continued)

4 Taxation

	6 months to 31 March 2018 $m	6 months to 31 March 2017 $m	Year ended 30 September 2017 $m
Current tax charge:			
United Kingdom tax expense			
- Current tax expense at 21% (March 2017 and September 2017 – 21%) [i]	**9**	-	6
Overseas current tax expense at 28% (2017 – 28%)	**7**	4	9
- Corporate tax expense – current year	**6**	4	9
- Adjusted in respect of prior years	**1**	-	-
Total current tax charge	**16**	4	15
Deferred tax charge / (credit):			
Deferred tax charge / (credit) – UK and overseas	**-**	11	(33)
- Origination and reversal of temporary differences	**-**	8	(44)
- Adjustment in respect of prior years	**-**	1	8
- Reversal of utilisation of losses from prior years to offset deferred tax liability	**-**	-	2
- Foreign exchange revaluation on deferred taxation [ii]	**-**	2	1
Total deferred tax charge / (credit)	**-**	11	(33)
Total tax charge / (credit)	**16**	15	(18)
Effective tax rate	**(31%)**	(8%)	2%

4 Taxation (continued)

A reconciliation of the standard tax charge / (credit) to the actual tax charge / (credit) was as follows:

	6 months to 31 March 2018 %	**6 months to 31 March 2018 $m**	6 months to 31 March 2017 %	6 months to 31 March 2017 $m	Year ended 30 September 2017 %	Year ended 30 September 2017 $m
Tax credit on loss at standard tax rate	**28**	**(14)**	28	(56)	28	(327)
Tax effect of:						
- Rate change	**8**	**(4)**	-	-	-	-
- Transfer of losses	**-**	**-**	-	-	-	(1)
- Unutilised losses [iii]	**98**	**(50)**	1	(2)	2	(9)
- Foreign exchange impacts on taxable profits	**(138)**	**70**	(5)	9	(2)	24
- Adjustment in respect of prior years	**(2)**	**1**	(18)	35	(1)	8
- Disallowed expenditure	**(37)**	**19**	(12)	26	(25)	287
- Expenses not subject to tax	**12**	**(6)**	(1)	1	-	(1)
- Foreign exchange revaluation on deferred tax	**-**	**-**	(1)	2	-	1
Actual tax charge / (credit)	**(31)**	**16**	(8)	15	2	(18)

The Group's primary operations are based in South Africa. The South African statutory tax rate is 28% (2017 - 28%). Lonmin Plc operates a branch in South Africa which is subject to a tax rate of 28% on branch profits (2017 – 28%). The aggregated standard tax rate for the Group is 28% (2017– 28%). The dividend withholding tax rate is 15% (2017 – 15%). Dividends payable by the South African companies to Lonmin Plc are subject to a 5% withholding tax benefitting from double taxation agreements.

Footnotes:

i Effective from 1 April 2018 the United Kingdom tax rate changed from 20% to 19% and will change from 19% to 18% from 1 April 2020. This does not materially impact the Group's recognised deferred tax liabilities.

ii Overseas tax charges are predominantly calculated in Rand as required by the local authorities. As these subsidiaries' functional currency is US Dollar this leads to a variety of foreign exchange impacts being the retranslation of current and deferred tax balances and monetary assets, as well as other translation differences. The Rand denominated deferred tax balance in US Dollars at 31 March 2018 is $1 million (31 March 2017 - $69 million and 30 September 2017 - $1 million).

iii Unutilised losses reflect losses generated in entities for which no deferred tax asset is provided as it is not thought probable that future profits can be generated against which a deferred tax asset could be offset or previously unrecognised losses utilised.

5 Loss per share

Loss per share (LPS) has been calculated on the loss for the period attributable to equity shareholders amounting to $66 million (6 months to 31 March 2017 loss of $182 million and the year ended 30 September 2017 - loss of $996 million) using a weighted average number of 282.8 million ordinary shares in issue for the 6 months to 31 March 2018 (6 months to 31 March 2017 and the year ended 30 September 2017 – 282.4 million ordinary shares).

Diluted loss per share is based on the weighted average number of ordinary shares in issue adjusted by dilutive outstanding share options in accordance with IAS 33 - *Earnings Per Share*. In the 6 months to 31 March 2018 outstanding share options were anti-dilutive and so were excluded from diluted loss per share in accordance with IAS 33 (31 March 2017 and 30 September 2017 – anti-dilutive).

	6 months to 31 March 2018			6 months to 31 March 2017			Year ended 30 September 2017		
	Loss for the period $m	**Number of shares millions**	**Per share amount cents**	Loss for the period $m	Number of shares millions	Per share amount cents	Loss for the year $m	Number of shares millions	Per share amount cents
Basic and diluted LPS	**(66)**	**282.8**	**(23.3)**	(182)	282.4	(64.4)	(996)	282.4	(352.7)

Headline loss and the resultant headline loss per share are specific disclosures defined and required by the Johannesburg Stock Exchange. These are calculated as follows:

	6 months to 31 March 2018 $m	6 months to 31 March 2017 $m	Year ended 30 September 2017 $m
Loss attributable to ordinary shareholders (IAS 33 earnings)	**(66)**	(182)	(996)
Add foreign exchange arising on stepped acquisition of Pandora	**24**	-	-
Add back loss on disposal of property, plant and equipment	**-**	-	(1)
Add back impairment of non–financial assets	**-**	146	1,053
Tax related to the above items	**-**	20	(16)
Non-controlling interests	**(3)**	(23)	(143)
Headline loss	**(45)**	(39)	(103)

	6 months to 31 March 2018			6 months to 31 March 2017			Year ended 30 September 2017		
	Loss for the period $m	**Number of shares millions**	**Per share amount cents**	Loss for the period $m	Number of shares millions	Per share amount cents	Loss for the year $m	Number of shares millions	Per share amount cents
Headline and diluted LPS	**(45)**	**282.8**	**(15.9)**	(39)	282.4	(13.8)	(103)	282.4	(36.5)

6 Dividends

No dividends were declared during the 6 months to 31 March 2018 (6 months to 31 March 2017 and year ended 30 September 2017 - $nil).

Notes to the Accounts (continued)

7 Other financial assets

	Restricted cash [i]	**Available for sale**	**HDSA receivable**	**Total**
	$m	**$m**	**$m**	**$m**
At 1 October 2017	**15**	**19**	**-**	**34**
Disposal of investment	**(1)**	**-**	**-**	**(1)**
Interest accrued	**1**	**-**	**15**	**16**
Movement in fair value	**-**	**6**	**-**	**6**
Foreign exchange gains	**3**	**-**	**19**	**22**
Impairment loss	**-**	**-**	**(34)**	**(34)**
At 31 March 2018	**18**	**25**	**-**	**43**

	Restricted cash	Available for sale	HDSA receivable	Total
	$m	$m	$m	$m
At 1 April 2017	18	12	61	91
Disposal of investment	(2)	-	-	(2)
Interest accrued	-	-	14	14
Movement in fair value	-	7	-	7
Foreign exchange (losses) / gains	(1)	-	26	25
Impairment loss	-	-	(101)	(101)
At 30 September 2017	15	19	-	34

	Restricted cash	Available for sale	HDSA receivable	Total
	$m	$m	$m	$m
At 1 October 2016	10	11	69	90
Additions	6	-	-	6
Interest accrued	1	-	12	13
Movement in fair value	-	1	-	1
Foreign exchange gains / (losses)	1	-	(12)	(11)
Impairment loss	-	-	(8)	(8)
At 31 March 2017	18	12	61	91

	6 months to 31 March 2018	6 months to 31 March 2017	Year ended 30 September 2017
	$m	$m	$m
Current assets			
Other financial assets	**-**	61	-
Non-current assets			
Other financial assets	**43**	30	34

7 Other financial assets (continued)

Restricted cash deposits are in respect of mine rehabilitation obligations.

Available for sale financial assets include listed investments of $21 million (31 March 2017 - $8 million and 30 September 2017 - $16 million) held at fair value using the market price on 31 March 2018.

On 8 July 2010, Lonmin entered into an agreement to provide financing of £200 million to Lexshell 806 Investments Proprietary Limited, a subsidiary of Phembani Group Proprietary Limited (Phembani), to facilitate the acquisition, at fair value, of 50.03% of shares in Incwala Resources Proprietary from the original HDSA shareholders. The terms of the financing provided by Lonmin Plc to the Phembani subsidiary include the accrual of interest on the HDSA receivable at a fixed rate based on a principal value of £200 million which is repayable on demand, including accrued interest.

The Company holds the HDSA receivable at amortised cost. The receivable is secured on shares in the HDSA borrower, Lexshell 806 Investments Proprietary Limited, whose only asset of value is its holding in Incwala Resources Proprietary Limited (Incwala). Incwala's principal assets are investments in Western Platinum Limited (WPL), Eastern Platinum Limited (EPL) and Akanani Mining Proprietary Limited (Akanani), all subsidiaries of Lonmin Plc. One of the sources of income to fund the settlement of the receivable is the dividend flow from these underlying investments. Given the continued subdued PGM pricing environment, there have not been any substantial dividends declared by these Lonmin subsidiaries in recent years.

The HDSA receivable is disclosed as a current asset as it was redeemable at any time on or after 8 July 2015 at Lonmin's request. It is not our current intention to request redemption as Phembani could forfeit the loan and the 50.03% that Phembani hold in Incwala would revert to Lonmin. There is ongoing engagement with Phembani around this.

The valuation of the HDSA receivable is based on the valuation of Incwala's underlying investments in WPL, EPL and Akanani. This asset was fully impaired at 30 September 2017 due to the decline in the valuation of the Marikana operations (WPL and EPL). The loan was impaired by $34 million in the six months to 31 March 2018 to offset interest accrued and exchange gains and bring the carrying value back to nil.

8 Deferred revenue

In 2016 Lonmin secured competitive funding of $50 million for the Bulk Tailings Treatment project ("the BTT project") through a specific project finance metal streaming arrangement. The $50 million has been treated as deferred revenue. Contractual deliveries will be at a discounted price which will be treated as normal sales. The deferred revenue of $50 million will be amortised by the discount value of the deliveries. Project funding of $7 million was received for the six months to 31 March 2018 (31 March 2017 - $26 million and 30 September 2017 - $34 million). The plant was commissioned in February 2018 and is expected to ramp up to full production during the second half of 2018.

	6 months to 31 March 2018 $m	6 months to 31 March 2017 $m	Year ended 30 September 2017 $m
Opening balance	**40**	9	9
Deferred revenue received	**7**	26	34
Less: Contractual deliveries	**-**	(2)	(3)
Closing balance	**47**	33	40
Current liabilities			
Deferred revenue	**13**	-	13
Non-current liabilities			
Deferred revenue	**34**	33	27

9 Analysis of net cash [i]

	As at 1 October 2017 $m	**Cash flow $m**	**Foreign exchange and non-cash movements $m**	**As at 31 March 2018 $m**
Cash and cash equivalents [ii]	**253**	**(102)**	**16**	**167**
Current borrowings	**(150)**	**-**	**-**	**(150)**
Net cash as defined by the Group	**103**	**(102)**	**16**	**17**

Notes to the Accounts (continued)

9 Analysis of net cash [i] (continued)

	As at 1 April 2017 $m	Cash flow $m	Foreign exchange and non-cash movements $m	As at 30 September 2017 $m
Cash and cash equivalents [ii]	229	25	(1)	253
Current borrowings	-	-	(150)	(150)
Non-current borrowings	(154)	4	150	-
Net cash as defined by the Group	75	29	(1)	103

	As at 1 October 2016 $m	Cash flow $m	Foreign exchange and non-cash movements $m	As at 31 March 2017 $m
Cash and cash equivalents [ii]	323	(98)	4	229
Non-current borrowings	(150)	(4)	-	(154)
Net cash as defined by the Group	173	(102)	4	75

Footnotes:

i Net cash as defined by the Group comprises cash and cash equivalents, bank overdrafts repayable on demand and interest bearing loans and borrowings less unamortised bank fees, unless the unamortised bank fees relate to undrawn facilities in which case they are treated as other receivables.

ii Current cash and cash equivalents to the value of $nil was treated as restricted cash to be utilised for rehabilitation obligations (31 March 2017 - $6 million and 30 September 2017 - $nil).

iii As at 31 March 2018 unamortised bank fees of $2 million relating to undrawn facilities were included in other receivables (31 March 2017 and 30 September 2017 - $3 million).

The Group's debt facilities are summarised as follows:

The debt facilities available to the Group are subject to financial covenants as detailed below. During the period covenant waivers were agreed with the lenders. The waiver period runs from 30 September 2017 to 28 February 2019 which is the long-stop date for the acquisition of the Group by Sibanye-Stillwater. A condition of the waivers was that $66 million of the revolving credit facilities were cancelled and that the Group leaves undrawn the remaining revolving credit facilities during the waiver period. The waivers are conditional on the completion of the acquisition of the Group by Sibanye-Stillwater. In the event that the deal does not complete the covenant waivers allow for a 20 business day grace period whilst other options are pursued. During the 20 day grace period the Group will not be required to repay the loan. On completion of the acquisition the term loan of $150 million would be repaid and debt facilities cancelled.

The tangible net worth (TNW) as defined by the debt facilities is net assets less intangible assets, deferred tax assets and non-controlling interests.

The Group's debt facilities are summarised as follows:

- Revolving credit facilities (RCF) totalling $25 million and a $150 million term loan, at a Lonmin Plc level, which are committed until May 2019 (Lonmin can exercise its option to extend the term up until May 2020). The Company has agreed to leave the RCF undrawn until 28 February 2019 subject to the terms noted above.
- Revolving credit facility totalling R1,743 million, at a Western Platinum Limited level, which is committed until May 2019 (and likewise Lonmin can extend the term until May 2020). The Company has agreed to leave the RCF undrawn until 28 February 2019 subject to the terms noted above.

Notes to the Accounts (continued)

9 Analysis of net cash [i] (continued)

The following financial covenants will apply to these facilities except for during the waiver period of 30 September 2017 to 28 February 2019:

- The consolidated tangible net worth of the Group will not be at any time less than $1,100 million. At 31 March 2018 consolidated tangible net worth was $631 million (31 March 2017 - $1,434 million and 30 September 2017 - $674 million);
- The consolidated debt of the Group will not at any time exceed an amount equal to 35% of consolidated tangible net worth of the Group. At 31 March 2018 consolidated debt: consolidated tangible net worth was 24% (31 March 2017 – 11% and 30 September 2017 – 22%);
- The liquidity of the Group will not, for any week from 1 January 2016, be less than $20 million. Cash and cash equivalents as at 31 March 2018 was $167 million (31 March 2017 - $229 million and 30 September 2017 - $253 million);
- The capital expenditure of the Group (excluding the Bulk Tailings Agreement) shall not exceed the limits set out in the table below:

Financial Year	Capex Limit
1 October 2015 – 30 September 2016 (inclusive)	ZAR 1,338 million
1 October 2016 – 30 September 2017 (inclusive)	ZAR 1,242 million
1 October 2017 – 30 September 2018 (inclusive)	ZAR 2,511 million
1 October 2018 – 30 September 2019 (inclusive)	ZAR 3,194 million
1 October 2019 – 31 May 2020 (inclusive)	ZAR 4,049 million

There is also additional limit on capital expenditure in relation to the Bulk Tailings Agreement as set out below:

Financial Year	Bulk Tailings Capex Limit
1 October 2015 – 30 September 2016 (inclusive)	ZAR 103 million
1 October 2016 – 30 September 2017 (inclusive)	ZAR 414 million
1 October 2017 – 30 September 2018 (inclusive)	ZAR 75 million

The limit on capital expenditure in relation to the Bulk Tailings Agreement after 30 September 2018 will be zero.

As at 31 March 2018, Lonmin had net cash of $17 million, comprising cash and cash equivalents of $167 million less borrowings of $150 million (31 March 2017 - $75 million and 30 September 2017 - $103 million). Undrawn facilities of $172 million were suspended from 30 September 2017 until 28 February 2019 subject to the terms noted above (31 March 2017 - $218 million and 30 September 2017 - $151 million undrawn facilities).

10 Impairment of non-financial assets

An assessment at 31 March 2018 of the key external and internal factors did not identify any indicators of impairment. Factors considered included, short to long-term commodity prices; Rand:Dollar exchange rates; performance in the period and future performance production expectations; market capital; and the continuing plan to sell the Group to Sibanye-Stillwater.

Impairments in 2017 of $146 million at 31 March 2017 and $1,053 million at 30 September 2017 related to a reduction in the recoverable value of the Marikana CGU (31 March 2017 - $134 million and 30 September 2017 - $1,050 million) and Akanani CGU ($3m for both 31 March 2017 and 30 September 2017) driven by changes in the Business Plan and revision to underlying assumptions.

11 Business combinations

Pandora acquisition

On 6 December 2017 the Group acquired 50% of the Pandora Joint Venture (Pandora JV), bringing the Group's interest in Pandora to 100%.

Previously the 50% interest held as a joint venture had been an equity accounted investment. The carrying value of the 50% equity investment in the joint venture was $24 million on acquisition. The determination of the fair value of the net assets acquired has not yet been completed, and the provisional disclosure of the acquisition below will be subject to further review later in the year. It has been provisionally assumed that the fair values of the assets acquired are equal to the purchase consideration. The evaluation of the fair values of tangible and intangible assets will be determined during the adjustment period.

The provisional fair values of the net assets acquired and the fair value of the consideration paid were as follows:

	$m
Purchase consideration	
Cash	4
Contingent consideration	19
Total for 50%	**23**
Total for 100%	**47**
Fair value of net assets acquired	
Non-current assets	50
Current assets	1
Net payable deemed settled on consolidation	(1)
Non-current liabilities	(3)
Net assets acquired	**47**
Consideration	47
Goodwill	-

The purchase price for the 50% of Pandora acquired amounted to $23 million comprising cash consideration of $4 million and contingent consideration with a present value of $19 million. The contingent consideration represents the present value of deferred cash payments of 20% of the distributable free cash flows generated by the Pandora E3 operations on an annual basis for a period of six years, subject to a minimum of R400 million (in nominal terms). Present values of future cash flows have been determined using an estimated post-tax cost of debt of 8.2%. Pandora held both accounts payable and accounts receivable balances with Lonmin at the acquisition date. A net $1 million payable balance was deemed settled on consolidation.

In the income statement there is a $24 million cumulative FX loss on the translation of the Pandora JV balance sheet from Rand to Dollar. In prior periods the Rand strengthened significantly and this loss was previously recognised in the consolidated statement of comprehensive income. On acquiring control of this asset the original 50% held was deemed as sold, prior to the acquisition of 100%, and the $24 million loss was recognised in the income statement in accordance with IFRS.