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## REGULATORY RELEASE

13 December 2017

### Lonmin completes acquisition of Pandora

Lonmin Plc (“Lonmin”) is pleased to announce the completion of the acquisition of Anglo American Platinum’s (“AAP”) 42.5% interest in the Pandora Joint Venture, as well as Mvelaphanda Resources Proprietary Limited’s (“Mvelaphanda”) 7.5% interest. The agreement to acquire AAP’s interest in Pandora was first announced on 11 November 2016 and the acquisition of Mvelaphanda’s interest was announced on 13 May 2017. Lonmin now owns 100% of Pandora.

The effective date for both transactions was 1 December 2017.

The completion of the Pandora transaction unlocks significant synergies for Lonmin. It allows Lonmin to extend mining at its 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. It also provides significant future opportunities to develop Pandora’s potential.

Pandora mines PGMs from the UG2 and Merensky reefs underlying the Pandora mining area. 100% of the ore produced by the Pandora JV is sold to Lonmin for processing and refining. The gross assets of the Pandora JV were R1.1 billion at 30 September 2016. Pandora made an operating loss of ZAR109 million in financial year 2016, of which 50% was reflected in Lonmin’s 2016 accounts. Lonmin received a contribution of ZAR117 million in its 2016 financial year from the ore purchase agreement, which offset the loss reported by the joint venture.

**Commenting on the Transaction,** Ben Magara, Lonmin’s Chief Executive Officer said: “Lonmin now owns 100% of Pandora. This is an excellent strategic fit for us, which equips us with a valuable contiguous asset with long-term development potential and allows us to maintain production levels at Saffy while significantly reducing our capital expenditure requirements at this operation over the short- and medium-term.”

- ENDS -

## ENQUIRIES

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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 more than 70% of known global PGM resources are located.

The Company creates value through mining, refining and marketing PGMs and has a vertically integrated operational structure - from mine to market. 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>