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LONRHO MINING

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 AUGUST 2010

ASX Code: LOM

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DIRECTORS' REPORT

The directors present their report together with the consolidated financial report of Lonrho Mining Limited (**Lonrho or the Company**) for the six months ended 31 August 2010 and the auditor's review report thereon.

1. Directors

The directors of the Company at any time during or since the end of the interim period are as follows.

Name	Period of directorship
David A Lenigas, Non-executive Chairman	Since 21 August 2006
Miles A Kennedy, Chief Executive Officer	since 12 September 2008
David Jones, Exploration Director	since 26 February 2010
Geoffrey White, Non-executive Director	since 1 July 2007
Oglobry K Chikane, Non-executive Director	Appointed on 26 April 2006, not re-elected 30 July 2010

2. Review of operations

Operations

Lonrho continued to focus its efforts on its core Lulo project, a highly-prospective 3,000 km² diamond concession within the Cuango River Basin in Angola's Lunda Norte province. Lonrho has a 39 per cent interest in Lulo under a joint venture with Endiama, the exclusive concessionary for Angolan diamond rights. The Lulo project is located about 700 km from the Angolan capital of Luanda via a sealed road.

Significant process was made at the Lulo project during the six months to 31 August 2010. This included the arrival on site of a 15 tonne per hour Dense Media Separation (DMS) plant to process alluvial and, later, kimberlitic samples. The DMS plant was pre-commissioned in South Africa because of the late end to the wet season in Angola. Other key items of equipment required for the Lulo exploration and trial mining program - including an excavator, front-end loader, bulldozer and 6-wheel drive dump truck also arrived on site to undertake preliminary earthmoving operations after clearing the Namibian/Angolan border.

A site near the field camp at Lulo was cleared for the DMS plant after it arrived on 3 August.

Work programs, overseen by newly-appointed exploration director David Jones, focused on defining both alluvial and kimberlitic diamond deposits within the highly-prospective Lulo concession.

Lonrho commenced a review of old alluvial operations within the Lulo concession covering an area of extensive shallow diggings by artisanal miners (*garimpeiros*) within gravels located in the valley of the Caculo River. It is reported that more than 10,000 *garimpeiros* were operating in the area before being removed in 2008. The *garimpeiro* operations were not mechanised and mainly targeted exposed and easily accessible gravels.

A mapping program was conducted by Lonrho geologists to locate and characterise the alluvial deposits within the Caculo River Valley. Importantly, preliminary work demonstrated that gravel deposits of at least three different ages were present within the mapping area. These included the Cretaceous-aged Calonda Formation gravels, which were identified as the main target for *garimpeiro* diggings. The Calonda Formation occurs beneath the overlying Kalahari sands and vastly increases the potential for the area to host alluvial diamond deposits.

A systematic exploration pitting program was commenced to define and delineate gravel distribution within the broader Caculo River Valley. Emphasis was placed on identifying areas of shallow buried Calonda Formation gravels and to locate potential bulk sample sites. Initially this program concentrated on areas north of Lonrho's camp.

The Company also began the preliminary exploration on a number of magnetic anomalies identified during a low-level MIDAS helicopter survey carried out over 1000 km² of the southern portion of the Lulo concession during 2008. The survey identified more than 220 magnetic anomalies, up to 200 of which are considered to be kimberlites.

The preliminary exploration included locating the anomalies, establishing access and collecting and field processing samples. Significantly, abundant kimberlitic minerals were recovered from all targets.

DIRECTORS' REPORT

A weathered kimberlite at the K210 anomaly, located in the floor of one of the garimpeiro pits near the Caculo River, was considered to be a high-priority target because of a coincident radiometric feature associated with the magnetic anomaly. A bulk sample of the K210 kimberlite will be collected and treated through the DMS plant when Lonrho can get earthmoving equipment to the area.

Shareholders are referred to Lonrho's AGM presentation released to the ASX on 30 July 2010.

Corporate

The Company completed the following issued capital and option transactions during the interim period.

Transaction	Number	Issue/exercise price	Funds raised	Option expiry
Issue of shares	48,500,000	\$0.014	\$679,000	
Issue of options	48,000,000	\$0.01	-	18 November 2010
	35,000,000	\$0.02	-	1 August 2013
Exercise of options	36,742,436	\$0.01	\$367,424	18 November 2010
	5,000,000	\$0.02	\$100,000	1 August 2013

On 30 July 2010 non-executive director Oglobry K Chikane retired by rotation at the Company's annual general meeting and was not re-elected.

On 25 August 2010 the Company advised of a change in its registered office, principal place of business and contact details.

3. Financial position

For the six months ended 31 August 2010 the consolidated entity recorded a loss of \$674,277 and had a working capital surplus of \$958,619. The consolidated entity had cash assets of \$929,183.

The ability of the consolidated entity to continue as a going concern is principally dependent upon:

- associated recovery of the \$4,375,514 receivable due to the Company from Endiama in Angola following the agreed Lulo exploration program;
- recovery of the \$1,562,674 (US\$1.4 million) cash bond refund due on commissioning of the 15 tonne per hour DMS Plant. The plant arrived at the Lulo project in early August 2010 to commence recommissioning. The directors expect to receive repayment of this bond during November 2010;
- loan from Lonrho Plc – the Company has a loan facility with Lonrho Plc, major shareholder, for up to A\$1.62 million. At balance date the Company has drawn A\$1,217,976 under this facility. At the date of this report the Company had drawn \$1,600,000 under the facility. The loan bears interest on the outstanding balance at 8% per annum, is repayable on written demand and is fully secured by a registered first ranking fixed and floating charge over the unencumbered assets of Lonrho Mining Limited. Lonrho Plc has the right, to elect by written notice, to require the Company to repay whole or any part of the loan amount outstanding for shares to be issued in the Company at a price of \$0.018 per share, subject to all or any shareholder or other regulatory approvals and compliance with all laws and the ASX Listing Rules. In this regard, on 26 October 2010 the Company announced that shareholder approval would be sought at a General Meeting to be held on 3 December 2010 for repayment of the entire drawn amount outstanding, including principle and interest, for 91,866,500 ordinary shares to be issued in the Company at a price of \$0.018 per share. As the conversion of this loan to issued capital in the Company is subject to approval, it is carried in the Statement of Financial Position as loans and borrowings and, following approval, would be transferred to issued capital subsequent to period end;
- in the money options - agreement was concluded with Indian Ocean Capital Pty Ltd to conditionally underwrite the exercise of 404,949,388 listed options to acquire a share in the Company at a price of \$0.01 on or before 18 November 2010, thereby ensuring the Company will receive approximately \$4 million by that time, for a fee of 5 percent. Of the amount conditionally underwritten by Indian Ocean Capital, subsequent to period end the Company announced the issue of 154,970,112 ordinary shares resulting from the exercise of 154,970,112 options over ordinary shares exercisable at \$0.01 on or before 18 November 2010, to raise \$1.55M;
- continued shareholder support and funding for the Lulo exploration program, most likely through further entitlements issues or share placements.

DIRECTORS' REPORT

The Company has focussed its efforts and resources on its core asset, the highly prospective 3,000km² Lulo Diamond Concession in Angola. This project requires ongoing exploration work and funding. The consolidated entity's cash flow projections indicate that further funding will be required within 12 months of balance date and the Company is currently discussing these funding requirements with its key shareholders.

Based on cash flow projections the Company and consolidated entity expect to be able to maintain sufficient cash reserves to meet all contractual commitments for the next 12 months. Based on these projections, the directors are satisfied that the going concern basis of preparation is appropriate. The interim financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Should the Company and consolidated entity be unable to continue as a going concern, they may be required to realise their assets and extinguish their liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the interim financial report.

4. Events subsequent to reporting date

Issue of shares

Subsequent to period end the Company announced the issue of 155,587,612 ordinary shares resulting from the exercise of 155,587,612 options over ordinary shares exercisable at \$0.01 on or before 18 November 2010, to raise \$155,587.62.

5. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 4 and forms part of the directors' report for the six months ended 31 August 2010.

This report is made with a resolution of the directors:



MILES A KENNEDY
CHIEF EXECUTIVE OFFICER

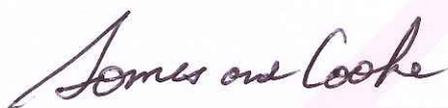
Dated at Subiaco this 10th day of November 2010.

Lonrho Mining Limited ABN 44 111 501 663

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Lonrho Mining Limited and its jointly controlled entity.

As lead audit partner, for the review of the financial statements, of Lonrho Mining Limited for the period ended 31 August 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



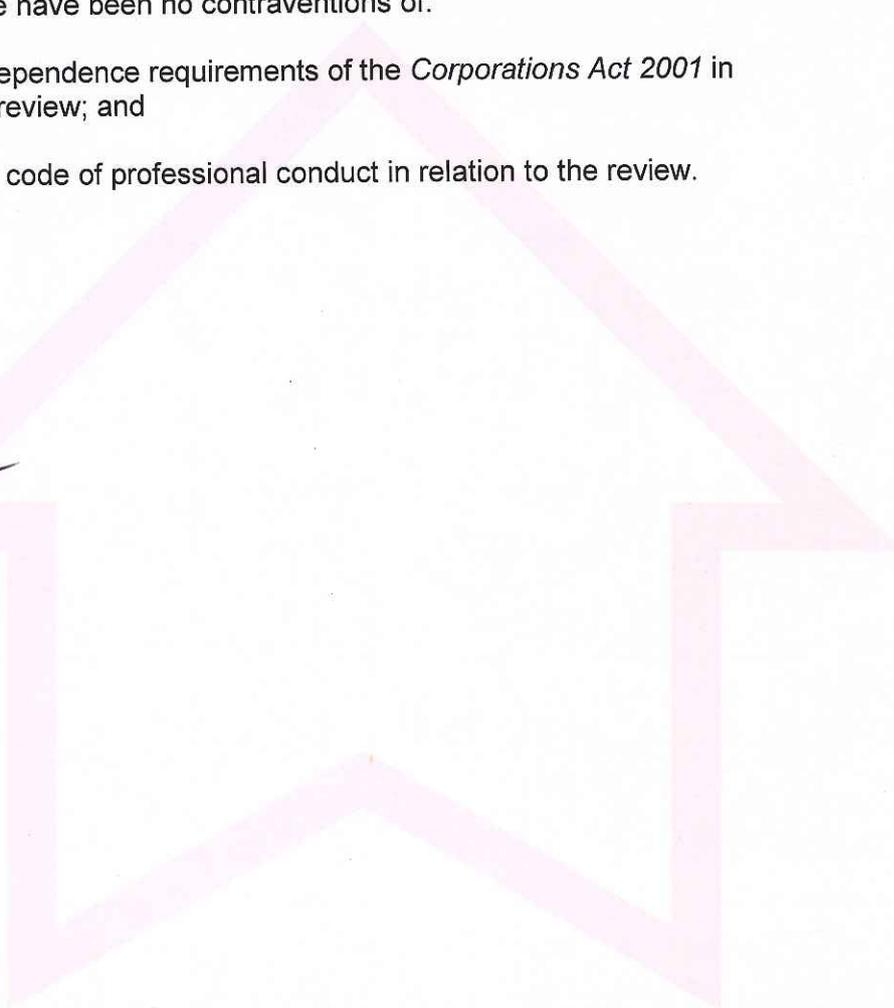
Somes and Cooke



K. C. Somes

1304 Hay Street
West Perth WA 6005

10 November 2010



CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 AUGUST 2010

	Note	31 Aug 2010 \$	31 Aug 2009 \$
Other income		-	-
Settlement of historical claim		-	(70,323)
Settlement of leases		-	(237,643)
Foreign exchange gain (loss)		(3,172)	(1,386,290)
Depreciation		(945)	(162)
Share based payments	9	(259,713)	(20,000)
Administrative expenses		(398,591)	(578,703)
Results from operating activities		(662,421)	(2,293,121)
Finance income		7,083	1,780
Finance expenses		(18,939)	-
Net finance income		(11,856)	1,780
Profit (loss) before income tax		(674,277)	(2,291,341)
Income tax benefit (expense)		-	-
Profit (loss) for the period		(674,277)	(2,291,341)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period attributable to members of the Company		(674,277)	(2,291,341)
Earnings (loss) per share			
Basic earnings (loss) per share (cents)		(0.097)	(0.93)
Diluted earnings (loss) per share (cents)		(0.097)	(0.93)

The consolidated interim statement of comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2010

	Note	31 Aug 2010 \$	28 Feb 2010 \$
Assets			
Cash and cash equivalents		929,183	1,171,666
Trade and other receivables	6	1,577,920	1,583,347
Total current assets		2,507,103	2,755,013
Other receivables	6	4,375,514	3,087,796
Mining and deferred exploration assets		2,596,752	1,736,470
Property, plant and equipment		60,518	56,216
Total non-current assets		7,032,784	4,880,482
Total assets		9,539,887	7,635,495
Liabilities			
Trade and other payables		330,508	322,107
Loans and borrowings	7	1,217,976	-
Total current liabilities		1,548,484	322,107
Total liabilities		1,548,484	322,107
Net assets		7,991,403	7,313,388
Equity			
Share capital	9	39,591,230	38,498,650
Preference shares		3,927,294	3,927,294
Reserves	9	5,991,241	6,285,224
Accumulated losses		(41,518,362)	(41,397,780)
Total Equity		7,991,403	7,313,388

The consolidated interim statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 AUGUST 2010

In AUD

Note	Attributable to Equity holders of the parent						Total
	Issued capital	Preference shares	Foreign currency translation reserve	Share-based Payments Reserve	Option Premium Reserve	Accumulated losses	
For the six months ended 31 August 2010							
Opening balance at 1 March 2010	38,498,650	3,927,294	-	6,099,262	185,962	(41,397,780)	7,313,388
Total comprehensive income of the period							
Loss for the period	-	-	-	-	-	(674,277)	(674,277)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(674,277)	(674,277)
Transactions with owners in their capacity as owners							
Issue of share capital	9 679,000	-	-	-	-	-	679,000
Share issue expenses	(53,844)	-	-	-	-	-	(53,844)
Exercise of options	467,424	-	-	-	-	-	467,424
Expiry of options	-	-	-	(553,696)	-	553,696	-
Share based payments – issue of options	9 -	-	-	259,713	-	-	259,713
Balance as at 31 August 2010	39,591,230	3,927,294	-	5,805,279	185,962	(41,518,362)	7,991,403
For the six months ended 31 August 2009							
Opening balance at 1 March 2009	32,982,034	3,927,294	-	3,314,510	185,962	(39,368,668)	1,041,132
Total comprehensive income of the period							
Loss for the period	-	-	-	-	-	(2,291,341)	(2,291,341)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(2,291,341)	(2,291,341)
Transactions with owners in their capacity as owners							
Issue of share capital	9 1,835,966	-	-	-	-	-	1,835,966
Share issue expenses	9 (163,100)	-	-	-	-	-	(163,100)
Share based payments – settlement of historical claim	9 -	-	-	1,752	-	-	1,752
Share based payments – issue of Director options	9 -	-	-	20,000	-	-	20,000
Balance as at 31 August 2009	34,654,900	3,927,294	-	3,336,262	185,962	(41,660,009)	444,409

The consolidated interim statement of changes in equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
 FOR THE SIX MONTHS ENDED 31 AUGUST 2010

	31 Aug 2010 \$	31 Aug 2009 \$
Cash flows from operating activities		
Cash paid to suppliers and employees	(414,357)	(953,943)
Interest received	7,083	1,780
Net cash inflow (outflow) from operating activities	(407,274)	(952,163)
Cash flows from investing activities		
Payments for exploration and evaluation assets	(860,282)	(285,428)
Payments for property, plant and equipment	(5,247)	(4,379)
Contribution to joint venture operation	(1,280,235)	(276,849)
Net cash inflow (outflow) from investing activities	(2,145,764)	(566,656)
Cash flows from financing activities		
Proceeds from issue of share capital	1,146,424	1,217,922
Share issue costs	(53,845)	(65,875)
Proceeds from related party loan	1,217,976	140,979
Net cash inflow (outflow) from financing activities	2,310,555	1,293,026
Net increase (decrease) in cash and cash equivalents	(242,483)	(225,793)
Net foreign exchange differences	-	17,964
Cash and cash equivalents at the beginning of the period	1,171,666	231,242
Cash and cash equivalents at the end of the period	929,183	23,413

The consolidated interim statement of cash flows is to be read in conjunction with the accompanying notes.

1. Reporting entity

Lonrho Mining Limited (the Company) is a company domiciled and incorporated in Australia. The address of the Company's registered office is 34 Bagot Road, Subiaco WA 6008. The consolidated interim financial report of the Company as at and for the six months ended 31 August 2010 comprise the Company and its interests in a jointly controlled entity (together referred to as the Group). The Group is primarily involved in the exploration, development and commercialisation of diamond projects in Africa, specifically Angola.

2. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 28 February 2010.

This consolidated interim financial report was approved by the Board of Directors on __ November 2010.

3. Significant accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 28 February 2010.

Certain comparative amounts have been reclassified to conform with the current period's presentation.

4. Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial report as at and for the year ended 28 February 2010.

5. Going concern

Based on cash flow projections the Company and consolidated entity expect to be able to maintain sufficient cash reserves to meet all contractual commitments for the next 12 months. Based on these projections, the directors are satisfied that the going concern basis of preparation is appropriate. The interim financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

6. Trade and other receivables

Current trade and other receivables include an amount of \$1,562,674 (US\$1.4 million) due under the terms of the joint venture agreement with Empresa Nacional De Damantes De Angola (Endiama). The Company has paid a cash deposit of US\$1.4 million to Endiama in relation to the Lulo Diamond Concession project based in Angola. The deposit is refundable to the Company within 30 days following commissioning of the DMS Plant, expected during November 2010.

Non-current receivables include \$4,375,514 receivable due to the Company from Endiama in Angola following the agreed Lulo exploration program. These amounts are carried as non-current receivables as they have no set payment date.

7 Loans and borrowings

The Company has a loan facility with Lonrho Plc, major shareholder, for up to A\$1.62 million, to be advanced in equal monthly instalments. At balance date the Company has drawn A\$1,217,976 under this facility. The loan bears interest on the outstanding balance at 8% per annum, is repayable on written demand and is fully secured by a registered first ranking fixed and floating charge over the unencumbered assets of Lonrho Mining Limited. Lonrho Plc has the right to elect by written notice, to require the Company to repay the whole or any part of the loan amount outstanding for shares to be issued in the Company at a price of \$0.018 per share, subject to all or any shareholder or other regulatory approvals and compliance with all laws and the ASX Listing Rules. In this regard, on 26 October 2010 the Company announced that shareholder approval would be sought at a General Meeting to be held on 25 November 2010 for repayment of the entire drawn amount outstanding, including principle and interest, for 91,866,500 ordinary shares to be issued in the Company at a price of \$0.018 per share. As the conversion of this loan to issued capital in the Company is subject to approval, it is carried in the Statement of Financial Position as loans and borrowings and, following approval, would be transferred to issued capital subsequent to period end.

8 Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group engages in business activities within one segment, being the exploration, development and commercialisation of diamond projects in Africa. The Group maintains an administrative office in Western Australia to support and promote the exploration activities in Africa, which is presented by the position and results of the Company within the financial statements.

9 Issued capital and reserves

Movement in ordinary shares

	Note	2010 Number	2009 Number
On issue at 1 March		673,915,647	176,739,411
Issue of shares for cash - placement	(i)	48,500,000	-
Exercise of options	(ii)	41,742,436	-
Issue of shares for cash - 1 for 2 entitlements offer		-	88,369,705
Issue of shares on settlement of historical claim		-	2,857,143
On issue at 31 August		764,158,083	267,966,259

The Company completed the following issued capital and option transactions during the interim period:

Transaction	Number	Issue/exercise price	Funds raised	Option expiry
Issue of shares (i)	48,500,000	\$0.014	\$679,000	
Issue of options	48,000,000	\$0.01	-	18 November 2010
	35,000,000	\$0.02	-	1 August 2013
Exercise of options (ii)	36,742,436	\$0.01	\$367,424	18 November 2010
	5,000,000	\$0.02	\$100,000	1 August 2013

Terms and conditions

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. Ordinary shares have no par value.

Share option expiry

The following options over ordinary shares in the Company expired during the interim period:

Transaction	Number	Exercise price	Option expiry
Expiry of options	40,010,000	\$0.50	30 June 2010
	8,000,000	\$0.35	30 June 2010

Share based payments

The following share based payments were made by the Company during the financial year.

Transaction	Issue date	Number	Exercise price	Expiry date
Options issued to directors (i)	30 July 2010	25,000,000	\$0.02	1 August 2013
Options issued to employees and consultants (ii)	30 July 2010	10,000,000	\$0.02	1 August 2013

(i) Options were issued to the following directors or their nominees as approved by shareholders in general meeting on 30 July 2010:

David Jones	10,000,000
Miles Kennedy	5,000,000
David Lenigas	5,000,000
Geoffrey White	5,000,000

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 AUGUST 2010

(ii) Options were issued to the following employees and consultants or their nominees as approved by shareholders in general meeting on 30 July 2010:

John Firth	5,000,000
Jean Mathie	5,000,000

Terms and conditions

All options issued during the financial year entitle the holder to take up ordinary shares at their respective exercise price. The options do not have attaching vesting conditions and each option is convertible to one fully paid ordinary share. There are no voting or dividend rights attached to the options. Voting rights will be attached to the ordinary issued shares when the options have been exercised.

Terms and conditions

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Fair value basis

The fair value of shares issued during the financial year was determined by the market price of the shares issued on the date of grant.

The fair value of options issued to the following parties during the financial year, are estimated at the date of grant using the Black-Scholes model. The following table sets out the assumptions made in determining the fair value of the options granted.

	Director, employee and consultant options
Grant date	30 July 2010
Expiry date	1 August 2013
Dividend yield	0.00%
Expected volatility	50%
Risk-free interest rate	4.50%
Option exercise price	\$0.02
Expected life (years)	2
Share price on date of grant	\$0.024
Fair value per option	\$0.007

10 Events subsequent to reporting date

Issue of shares

Subsequent to period end the Company announced the issue of 155,587,612 ordinary shares resulting from the exercise of 155,587,612 options over ordinary shares exercisable at \$0.01 on or before 18 November 2010, to raise \$155,587.62.

DIRECTORS' DECLARATION

FOR THE SIX MONTHS ENDED 31 AUGUST 2010

In the opinion of the directors of Lonrho Mining Limited ("the Company"):

1. the financial statements and notes as set out on pages 5 to 11 , are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the Group's financial position as at 31 August 2010 and of its performance, for the interim period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



MILES A KENNEDY
CHIEF EXECUTIVE OFFICER

Dated at Subiaco this 10th day of November 2010.

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Lonrho Mining Limited

Report on the Half-Year Consolidated Financial Report

We have reviewed the accompanying half-year financial report of Lonrho Mining Ltd (the company) and its interest in a jointly controlled entity (the consolidated entity) which comprises the consolidated interim statement of financial position as at 31 August 2010, and the consolidated interim comprehensive income statement, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (Including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the company and consolidated entities' financial position as at 31 August 2010 and its performance for the half-year ended on that date and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Lonrho Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the interim financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards 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.

Independence

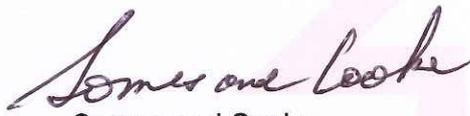
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Lonrho Mining Limited on 10 November 2010, would be the same terms if provided to the directors as at the date of the auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lonrho Mining Limited and its controlled entities are not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 August 2010 and of its performance for the half-year then ended on that date and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


Kevin Somes


Somes and Cooke
1304 Hay Street
West Perth WA 6005

Date: 10 November 2010

