

Lonmin Plc

Second Quarter 2011 Production Report

Lonmin Plc, (Lonmin or the Company), the world's third largest Platinum producer, today announces its production results for the three months to 31 March 2011 (unaudited)

We continued to make solid progress in our operational performance. Both tonnes mined and milled in the second quarter of the 2011 financial year increased over the prior year period.

We have experienced an uncharacteristically high level of fatalities since the beginning of the quarter. Three of these fatalities occurred within the quarter and two fatalities occurred in April 2011. Management is working, in consultation with organised labour and the Department of Minerals and Resources to address the situation.

Mining

Overall total tonnes mined at 2.9 million reflected an increase of 272,000, equivalent to 10.4% against the prior year period.

Total tonnes mined in the second quarter of 2011 from our Marikana underground operations were 2.7 million, an increase of 131,000 tonnes or 5.1% from the prior year period. This increase was mainly as a result of increased production at the Karee and Easterns mining operations, which increased production by 83,000 and 60,000 tonnes respectively. Production at Middelkraal and Westerns was broadly flat impacted by the planned decline at Newman shaft and mechanical breakdowns and worse than expected ground conditions at Hossy and Saffy respectively. The overall tonnes lost from Section 54 stoppages was 48,000 tonnes compared to 65,000 in the prior year period.

Production at our opencast operations in the quarter was impacted by comparatively higher rainfall and we produced 143,000 tonnes in the quarter, compared to 193,000 tonnes in the first quarter. There was no significant opencast mining in the prior year period as a result of the planned closures of opencast operations in 2009.

Concentrators

Total tonnes milled in the quarter increased over the prior year period by 16.6% or 421,000 tonnes to 2.95 million tonnes with opencast contributing 316,000 tonnes from current production and stockpiles. The underground tonnes increased by 105,000 tonnes, to 2.6 million tonnes, equating to a 4.1% increase against the prior year period.

Underground milled head grade was down 0.17 grammes per tonne or 3.5% to 4.57 grammes per tonne (5PGE+Au) when compared to 4.74 grammes per tonne in the prior year period but showed an improvement from the quarter one grade of 4.55 grammes per tonne. The decline in the underground grade was partly due to the increased proportion of Merensky ore in the underground ore mix which increased from 19.5% of ore milled to 23.1% as well as challenging ground conditions at K3 shaft. The overall milled head grade is 4.31 grammes per tonne, a decline of 8.9% when compared to the prior year period primarily as a result of the lower open cast grade compared to a prior year period when no open cast tonnes were milled.

The benefits from our concentrator optimisation programme and good management discipline continued as underground concentrator recoveries for the quarter improved by 1.6% to 86.0% against the prior year period whilst opencast recoveries were a notable 82.7%.

Total Platinum in concentrate was 174,430 saleable ounces, an increase of 14,411 ounces or 9% when compared against the prior year period, with open cast operations contributing 9,218 ounces.

Total refined production for the second quarter of 2011 was up by 24.3% to 225,152 Platinum ounces. This was due to the increase in metals in concentrate and release of metals in process following the smelter re-build disruption from quarter one.

Sales and Pricing

Metal sales during the quarter increased by 37.7% to 251,880 Platinum ounces and 40% to 495,240 PGM ounces. The significant increase was due to the increased production and release of the stock built up in the first quarter when deliveries were impacted by adverse weather conditions in the northern hemisphere.

The US Dollar basket price was, at US\$1,332, 20.8% higher than the prior year period and 13.3% higher than quarter one. The increase in our South African Rand basket was less marked at 10.8% due to the continued strengthening of the South African Rand against the US Dollar during the quarter when compared to the prior year period.

Lonmin also publishes today, in a separate announcement, its Interim Results for the half year ending 31 March 2011.

ENQUIRIES:

Investors / Analysts:

Tanya Chikanza +44 (0) 207 201 6000
Head of Investor Relations

Media:

Cardew Group +44 (0) 207 930 0777
Rupert Pittman / James Milton

Financial Dynamics +27 (0) 21 487 9000
Dani Cohen / Ravin Maharaj

				3 months to 31 Mar 2011 - Act	3 months to 31 Mar 2010 - Act
Tonnes mined	Marikana	Karee ¹	kt	1,107	1,025
		Westerns ¹	kt	853	859
		Middelkraal ¹	kt	437	444
		Easterns ¹	kt	305	245
		Underground	kt	2,703	2,572
		Opencast	kt	143	7
		Total	kt	2,846	2,579
	Pandora attributable ²	Underground	kt	44	39
	Lonmin Platinum	Underground	kt	2,746	2,611
		Opencast	kt	143	7
Total		kt	2,890	2,618	
% tonnes mined from the UG2 reef			72.5%	76.6%	

Tonnes milled³	Marikana	Underground	kt	2,536	2,453
		Opencast	kt	316	-
		Total	kt	2,852	2,453
	Pandora ⁴	Underground	kt	101	78
	Lonmin Platinum	Underground	kt	2,636	2,531
		<i>Head grade⁵</i>	<i>g/t</i>	<i>4.57</i>	<i>4.74</i>
		<i>Recovery rate⁶</i>	<i>%</i>	<i>86.0%</i>	<i>84.7%</i>
		Opencast	kt	316	0
		<i>Head grade⁵</i>	<i>g/t</i>	<i>2.16</i>	<i>0.00</i>
		<i>Recovery rate⁶</i>	<i>%</i>	<i>82.7%</i>	<i>0.0%</i>
		Total	kt	2,952	2,531
		<i>Head grade⁵</i>	<i>g/t</i>	<i>4.31</i>	<i>4.74</i>
	<i>Recovery rate⁶</i>	<i>%</i>	<i>85.9%</i>	<i>84.7%</i>	

				3 months to 31 Mar 2011 - Act	3 months to 31 Mar 2010 - Act
Metals in concentrate⁷	Marikana	Platinum	OZ	168,020	154,578
		Palladium	OZ	78,660	72,579
		Gold	OZ	4,674	3,129
		Rhodium	OZ	21,630	22,124
		Ruthenium	OZ	34,734	33,543
		Iridium	OZ	7,566	7,353
		Total PGMs	OZ	315,284	293,306
		Nickel ⁸	MT	921	615
		Copper ⁸	MT	576	377
	Pandora ⁴	Platinum	OZ	6,410	5,441
		Palladium	OZ	3,001	2,531
		Gold	OZ	45	37
		Rhodium	OZ	975	871
		Ruthenium	OZ	1,539	1,289
		Iridium	OZ	255	224
		Total PGMs	OZ	12,225	10,394
		Nickel ⁸	MT	10	8
		Copper ⁸	MT	6	5
	Lonmin Platinum	Platinum	OZ	174,430	160,019
		Palladium	OZ	81,661	75,110
		Gold	OZ	4,719	3,166
		Rhodium	OZ	22,605	22,995
		Ruthenium	OZ	36,273	34,832
		Iridium	OZ	7,822	7,577
		Total PGMs	OZ	327,509	303,700
		Nickel ⁸	MT	931	623
		Copper ⁸	MT	582	381

				3 months to 31 Mar 2011 - Act	3 months to 31 Mar 2010 - Act
Refined production	Lonmin refined metal production	Platinum	OZ	198,998	180,956
		Palladium	OZ	95,643	79,325
		Gold	OZ	4,119	4,028
		Rhodium	OZ	24,245	21,381
		Ruthenium	OZ	51,530	47,117
		Iridium	OZ	8,768	10,502
		Total PGMs	OZ	383,302	343,310
	Toll refined metal production	Platinum	OZ	26,154	179
		Palladium	OZ	13,090	63
		Gold	OZ	839	-
		Rhodium	OZ	3,713	485
		Ruthenium	OZ	10,935	-
		Iridium	OZ	2,311	-
		Total PGMs	OZ	57,042	727
	Total refined PGMs	Platinum	OZ	225,152	181,135
		Palladium	OZ	108,733	79,388
		Gold	OZ	4,958	4,028
		Rhodium	OZ	27,958	21,866
		Ruthenium	OZ	62,465	47,117
Iridium		OZ	11,078	10,502	
Total PGMs		OZ	440,344	344,036	
Base metals	Nickel⁹	MT	1,190	883	
	Copper⁹	MT	726	526	
Sales	Lonmin Platinum	Platinum	OZ	251,880	182,878
		Palladium	OZ	131,326	81,783
		Gold	OZ	5,362	5,393
		Rhodium	OZ	33,412	22,039
		Ruthenium	OZ	61,610	50,360
		Iridium	OZ	11,650	11,390
		Total PGMs	OZ	495,240	353,844
	Nickel⁹	MT	1,217	814	
	Copper⁹	MT	688	523	
	Chrome⁹	MT	128,638	155,492	

			3 months to 31 Mar 2011 - Act	3 months to 31 Mar 2010 - Act
Average prices	Platinum	\$/oz	1,784	1,535
	Palladium	\$/oz	788	432
	Gold	\$/oz	1,153	1,110
	Rhodium	\$/oz	2,390	2,467
	Ruthenium	\$/oz	173	173
	Iridium	\$/oz	885	447
	\$ basket price excl. by-product revenue ¹¹	\$/oz	1,332	1,103
	R basket price excl. by-product revenue ¹¹	R/oz	9,341	8,432
	R basket price incl. by-product revenue ¹²	R/oz	9,852	8,614
	Nickel ⁹	\$/MT	23,336	15,309
	Copper ⁹	\$/MT	9,137	6,404
	Chrome ⁹	\$/MT	26	2
Exchange Rates	Average rate for period ¹³	R/\$	6.98	7.49
	Closing rate	R/\$	6.77	7.28

Notes:

- 1 During 2010 the management structure in mining was revised into four business units. Karee includes the shafts K3, 1B and 4B and will also include K4 once production commences. Westerns comprises Rowland, Newman and ore purchases from W1. Middelkraal represents Hossy and Saffy. Easterns includes E1, E2 and E3.
- 2 Pandora attributable tonnes mined includes Lonmin's share (42.5%) of the total tonnes mined on the Pandora joint venture.
- 3 Tonnes milled exclude slag milling.
- 4 Lonmin purchases 100% of the ore produced by the Pandora joint venture for onward processing which is included in downstream operating statistics.
- 5 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).
- 6 Recovery rate in the concentrators is the total content produced divided by the total content milled (excluding slag).
- 7 Metals in concentrate include metal derived from slag processing and have been calculated at industry standard downstream processing losses to present produced saleable ounces.
- 8 Corresponds to contained base metals in concentrate.
- 9 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.
- 10 Concentrate and other sales have been adjusted to a saleable ounce basis using industry standard recovery rates.
- 11 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.
- 12 As per note 11 but including revenue from base metals.
- 13 Exchange rates are calculated using the market average daily closing rate over the course of the period.