

15 November 2010

Lonmin Plc

Fourth Quarter 2010 Production Report

Introduction

Lonmin Plc, (“Lonmin” or “the company”) today publishes its production report for the three months to 30 September 2010. Lonmin has also published today, in a separate announcement, its final results for the year ending 30 September 2010.

During the year, we reviewed and revised the management structure for Marikana mining into four business units comprising Karee, Westerns, Middelkraal and Easterns and we are reporting under this format for the first time.

Q4 2010 Production

Total tonnes mined for the fourth quarter of the 2010 financial year from our Marikana underground operations, were 3.1 million, up 0.5 million, a 19.5% increase from the prior year period and quarter on quarter increase of 19.3%. All the mining business units increased their production quarter on quarter. The 0.5 million tonnes year on year increase reflects a notable 0.3 million tonnes contribution from Karee which includes K3. In addition Middelkraal's Saffy and Hossy operations increased production by some 0.1 million tonnes or 29.8%, whilst Easterns increased production by 33.7% or some 0.1 million tonnes. Production at Westerns was more muted as the increase at Rowland was largely offset by a decline at Newman, where the shaft is starting to come to the end of its life. The reduction in the frequency and impact of Section 54 safety shutdowns was a contributing factor with only around 37,000 tonnes of production lost in the quarter due to Section 54 shutdowns, compared to around 196,000 tonnes in the prior period.

The quarter on quarter trend demonstrates an improving underground performance as the year has progressed. In Quarter One the 2.6 million tonnes mined was almost 4% lower than the prior year period. Quarter Two performance was effectively flat whilst Quarter Three production increased by just over 10%. The Quarter Four increase of almost 20% completes the trend and finishes the year with an excellent underground mining performance.

Production at the Merensky open pit started at the end of the second quarter and has continued to ramp up, achieving 0.2 million tonnes in the quarter. We expect production to be maintained at this level during 2011.

Pandora underground production continued to improve and achieved a quarter on quarter increase of 9.3% and a 21.2% increase over the prior year period.

Overall, tonnes mined in the quarter increased by 28.2% to 3.4 million tonnes from prior period.

Total tonnes milled in the quarter increased over the prior year period by 8.6% year on year to 3.3 million tonnes. This is lower than the increase in tonnes mined as some 243,000 tonnes of opencast was milled in the last quarter of 2009 whilst in 2010 no opencast was milled, as 237,000 tonnes of opencast ore has been stockpiled for milling during the Christmas break. Compared to the third quarter of 2010 there was an increase of 17.6% in tonnes milled.

Underground concentrator recoveries increased significantly to 85.0% from 81.9% from the prior year period, reflecting the continued success of the concentrator optimisation programme.

Underground milled head grade was 4.63 grammes per tonne (5PGE+Au) for the quarter, up from 4.59 grammes per tonne in the prior year period. This has continued the trend of small grade improvements each quarter compared to the prior year period. Sequentially, the underground head grade also showed an improvement quarter on quarter from 4.60 grammes per tonne to 4.63 grammes per tonne.

Platinum in concentrate from the Marikana operations was 194,705 saleable ounces, a quarter on quarter increase of 19.2% and 18.8% increase from the prior year period. In total, the concentrators produced 202,898 saleable ounces of Platinum in concentrate for the quarter, a 17.9% increase from prior year period. These marked improvements can be attributed to the increase in tonnes milled and the continued excellent concentrator recoveries.

Total refined production in the fourth quarter of the 2010 financial year was 301,492 ounces of Platinum and 533,387 ounces of PGMs, a significant quarter on quarter increase from 91,952 ounces of Platinum and 194,234 ounces of PGMs respectively mainly due to the delays in production following the Number One furnace incident in May. During the quarter, 77,368 ounces of Platinum were toll refined in order to reduce the processing back log which arose from the extended down time of the Number One smelter. Total refined Platinum and PGM production in the quarter increased by 80.7% and 67.8% respectively year on year.

Metal sales during the fourth quarter of the 2010 financial year also increased significantly by 67.4% and 50.3% to 322,401 and 539,354 Platinum and PGM ounces respectively from the prior year. This included the sale of around 25,000 platinum ounces of concentrate.

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				3 months to 30 Sep 2010	3 months to 30 Sep 2009
Tonnes mined	Marikana	Karee	kt	1,209	941
		Westerns	kt	998	970
		Middelkraal	kt	556	428
		Easterns	kt	320	239
		Underground	kt	3,083	2,579
		Opencast	kt	237	-
		Total	kt	3,320	2,579
	Pandora attributable ²	Underground	kt	47	38
		Opencast	kt	-	8
		Total	kt	47	47
	Lonmin Platinum	Underground	kt	3,129	2,618
		Opencast	kt	237	8
		Total	kt	3,367	2,626

Tonnes milled³	Marikana	Underground	kt	3,142	2,676	
		Opencast	kt	-	185	
		Total	kt	3,142	2,861	
	Pandora ⁴	Underground	kt	126	90	
		Opencast	kt	-	59	
		Total	kt	126	149	
	Lonmin Platinum	Underground		kt	3,268	2,767
			<i>Head grade⁵</i>	<i>g/t</i>	<i>4.63</i>	<i>4.59</i>
			<i>Recovery rate⁶</i>	<i>%</i>	<i>85.0%</i>	<i>81.9%</i>
		Opencast		kt	-	243
			<i>Head grade⁵</i>	<i>g/t</i>	<i>0.00</i>	<i>2.88</i>
			<i>Recovery rate⁶</i>	<i>%</i>	<i>0.0%</i>	<i>51.0%</i>
		Total		kt	3,268	3,010
	<i>Head grade⁵</i>	<i>g/t</i>	<i>4.63</i>	<i>4.45</i>		
	<i>Recovery rate⁶</i>	<i>%</i>	<i>85.0%</i>	<i>80.3%</i>		

				3 months to 30 Sep 2010	3 months to 30 Sep 2009
Metals in concentrate⁷	Marikana	Platinum	OZ	194,705	163,870
		Palladium	OZ	91,493	76,401
		Gold	OZ	4,412	3,804
		Rhodium	OZ	26,891	22,535
		Ruthenium	OZ	42,761	33,634
		Iridium	OZ	9,114	7,344
		Total PGMs	OZ	369,376	307,588
		Nickel ⁸	MT	848	723
		Copper ⁸	MT	514	453
	Pandora ³	Platinum	OZ	8,192	8,212
		Palladium	OZ	3,841	3,717
		Gold	OZ	55	56
		Rhodium	OZ	1,268	1,105
		Ruthenium	OZ	2,003	1,537
		Iridium	OZ	329	298
		Total PGMs	OZ	15,687	14,924
		Nickel ⁸	MT	12	12
		Copper ⁸	MT	7	7
	Lonmin Platinum	Platinum	OZ	202,898	172,082
		Palladium	OZ	95,333	80,117
		Gold	OZ	4,467	3,860
		Rhodium	OZ	28,159	23,640
		Ruthenium	OZ	44,764	35,170
		Iridium	OZ	9,443	7,642
		Total PGMs	OZ	385,063	322,512
		Nickel ⁸	MT	861	735
		Copper ⁸	MT	521	460

				3 months to 30 Sep 2010	3 months to 30 Sep 2009
Refined production	Lonmin refined metal Production ¹²	Platinum	OZ	224,124	165,251
		Palladium	OZ	96,226	70,858
		Gold	OZ	4,767	4,428
		Rhodium	OZ	34,921	30,846
		Ruthenium	OZ	55,484	35,733
		Iridium	OZ	11,752	5,840
		Total PGMs	OZ	427,275	312,955
	Toll refined metal production	Platinum	OZ	77,368	1,600
		Palladium	OZ	15,185	736
		Gold	OZ	1,100	48
		Rhodium	OZ	4,601	538
		Ruthenium	OZ	6,524	1,639
		Iridium	OZ	1,335	328
		Total PGMs	OZ	106,112	4,888
	Total refined PGMs	Platinum	OZ	301,492	166,851
		Palladium	OZ	111,411	71,594
		Gold	OZ	5,867	4,475
		Rhodium	OZ	39,522	31,383
		Ruthenium	OZ	62,008	37,372
		Iridium	OZ	13,087	6,168
		Total PGMs	OZ	533,387	317,843
	Base metals	Nickel⁹	MT	1,365	849
Copper⁹		MT	913	471	

				3 months to 30 Sep 2010 - Act	3 months to 30 Sep 2009 - Act
Sales	Refined Metal Sales	Platinum	oz	297,551	167,546
		Palladium	oz	111,047	78,998
		Gold	oz	6,158	5,542
		Rhodium	oz	35,210	34,612
		Ruthenium	oz	55,646	40,538
		Iridium	oz	8,892	5,262
		Total PGMs	oz	514,504	332,498
		Concentrate and other ¹⁰	Platinum	oz	24,850
	Palladium		oz	-	370
	Gold		oz	-	13
	Rhodium		oz	-	174
	Ruthenium		oz	-	301
	Iridium		oz	-	387
	Total PGMs		oz	24,850	26,307
	Lonmin Platinum		Platinum	oz	322,401
		Palladium	oz	111,047	79,369
		Gold	oz	6,158	5,555
		Rhodium	oz	35,210	34,786
		Ruthenium	oz	55,646	40,839
		Iridium	oz	8,892	5,649
		Total PGMs	oz	539,354	358,806
		Nickel ⁹	MT	1,237	964
	Copper ⁹	MT	880	777	

				3 months to 30 Sep 2010 - Act	3 months to 30 Sep 2009 - Act
Average Prices		Platinum	\$/oz	1,539	1,252
		Palladium	\$/oz	496	270
		Gold	\$/oz	1,196	971
		Rhodium	\$/oz	2,144	1,612
		Ruthenium	\$/oz	183	79
		Iridium	\$/oz	693	378
		Basket price of PGMs ¹¹	\$/oz	1,206	918
		Basket price of PGMs ¹¹	R/oz	8,627	6,949
		Nickel ⁹	\$/MT	20,485	16,208
		Copper ⁹	\$/MT	6,661	6,193

Exchange Rates	Average rate for period ¹³	R/\$	7.30	7.77
	Closing rate	R/\$	6.92	7.47

Notes:

1. During the year we revised the management structure into four business units and we will report against these units from now onwards. Karee includes the shafts K3, 1B and 4B and will also include K4 once production commences. Westerns comprises Rowland, Newman and the now closed W1 and B3. Middelkraal represents Hossy and Saffy. Easterns include E1, E2 and E3.
2. Pandora's attributable tonnes mined represents 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.
10. Concentrate and others 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. Lonmin refined metal production and sales include saleable ounces of Platinum produced from toll refining third party concentrate estimated at 3koz Q1, 3koz in Q2 and 2koz in Q3 (2009 - 4koz in Q4).
13. Exchange rates are calculated using the market average daily closing rate over the course of the period.