

14 November 2011



## Lonmin Plc

### Fourth Quarter 2011 Production Report

Lonmin Plc (Lonmin or the Company), the world's third largest Platinum producer, today publishes its production report for the three months to 30 September 2011. Lonmin has also published today, in a separate announcement, its final results for the year ended 30 September 2011.

#### Overview

During the fourth quarter, production was restored back to the normal operating levels as anticipated and the momentum established earlier in the year was regained, following the illegal industrial stoppage in May at the Karee operations. We continue to make progress with our safety initiatives and we are pleased with our achievement of 2.8 million Fatality Free Shifts (FFS) in the quarter which has contributed to the 4 million FFS in the last five months of the financial year. As a result of this recovery, our underground and total tonnage mined and milled as well as our metals in concentrate for the full year have increased when compared to the prior year.

#### Mining

Our underground operations at Marikana produced 3.1 million tonnes during the fourth quarter of the 2011 financial year, an increase of 0.6% from the fourth quarter of the 2010 financial year. The increase was mainly as a result of Karee producing 9.5% more than the prior year period as the operational momentum was re-established in the last six weeks of the quarter. Production at Westerns decreased by 83,000 tonnes as the planned production decline at Newman continued. Production at Middelkraal decreased by 1.3% against the prior period year as challenging ground conditions and mechanical breakdowns continued to persist whilst at Easterns, sporadic community unrest resulted in a 2.2% decrease in production when compared against the prior year period. The impact of Section 54 shut downs was 83,000 tonnes in lost production during the quarter mainly at K3, 4B, Newman and Saffy. This compares to a loss in production during the same period last year of 37,000 tonnes.

Production at our Merensky opencast operations decreased by 101,000 tonnes, equivalent to 42.7% when compared to the prior year period as we slowed down production in this quarter to enable us to optimise the grade. The temporary community unrest referred to above also impacted on production.

Overall, tonnes mined of around 3.3 million for the quarter, reflected a decrease of 83,000 tonnes, equivalent to a 2.5% reduction against the prior year period.

#### Concentrators, Smelting and Refining

Total tonnes milled in the quarter were flat year on year at 3.3 million with the 80,000 tonnes contribution from opencast offsetting a reduction in underground tonnes milled.

Underground milled head grade was 4.55 grammes per tonne (5PGE+Au), down 0.08 grammes per tonne, or 1.7% compared to the prior year period. This reflects the continued lower grade ore at our UG2 operations and the increase in the proportion of Merensky ore in the underground ore mix. The overall milled head grade was 4.51 grammes per tonne, a decline of 2.7% when compared to the prior year period due to the contribution from the lower grade opencast ore in contrast to no contribution in the prior year period.

Underground and overall concentrator recoveries were both 85.4%, an improvement of 0.5% and 0.4% respectively when compared with the prior year period. This improvement demonstrates the stable environment at our concentrators and partially offsets the impact of the lower grades on our throughput.

Platinum in concentrate from the Marikana operations was 191,870 saleable ounces, a quarter on quarter increase of 21.1% and 1.5% lower than the prior year period. Including Pandora, concentrators in total produced 200,315 saleable Platinum ounces for the quarter, being a 1.3% decrease from the prior year period.

Total refined production for the quarter was 247,609 ounces of saleable Platinum and 464,275 ounces of Platinum Group Metals (PGMs) ounces, a significant quarter on quarter increase of 48.4% and 53.9% respectively as momentum built up in the fourth quarter. The Platinum and PGM refined production however decreased by 17.9% and 13.0% respectively when compared to the prior year period. This is due to the inclusion of toll refined material in the prior year period of 77,368 Platinum ounces and 106,112 PGM ounces as a result of the extended down time of the Number One Furnace in 2010. In comparison, only 7,731 Platinum ounces and 8,218 PGM ounces were toll refined in the current quarter.

### **Sales and Pricing**

Platinum sales for the fourth quarter were 241,979 Platinum ounces, and the Company achieved the revised Platinum sales guidance for the year of [720,000] ounces. Platinum sales for the fourth quarter were 24.9% lower than the prior year period partly due to lower production in the current quarter and the inclusion of sales of around 25,000 Platinum ounces in concentrate in the prior year period which was a consequence of the Number One furnace outages.

Chrome sales have increased by 76.5% when compared to the prior year period with the commissioning of the chrome plants at Rowland. K4 and Karee B. Operating revenue for the quarter was \$7 million.

The US Dollar price basket, at US\$1,311, was 8.7% higher than the prior year quarter and 0.6 % higher than the third quarter. The corresponding Rand basket price was 9.4% higher than the prior year and 6.3% higher when compared to the third quarter.

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|                                      |                                   |                                  |              | 3 months<br>to 30 Sep<br>2011 | 3 months<br>to 30 Sep<br>2010 |
|--------------------------------------|-----------------------------------|----------------------------------|--------------|-------------------------------|-------------------------------|
| <b>Tonnes<br/>mined</b>              | Marikana                          | Karee <sup>1</sup>               | kt           | 1,323                         | 1,209                         |
|                                      |                                   | Westerns <sup>1</sup>            | kt           | 915                           | 998                           |
|                                      |                                   | Middelkraal <sup>1</sup>         | kt           | 549                           | 556                           |
|                                      |                                   | Easterns <sup>1</sup>            | kt           | 313                           | 320                           |
|                                      |                                   | <b>Total</b>                     | <b>kt</b>    | <b>3,236</b>                  | <b>3,320</b>                  |
|                                      | Pandora attributable <sup>2</sup> | Underground                      | kt           | 47                            | 47                            |
|                                      | <b>Lonmin Platinum</b>            | <b>Underground</b>               | <b>kt</b>    | <b>3,147</b>                  | <b>3,129</b>                  |
|                                      |                                   | <b>Opencast</b>                  | <b>kt</b>    | <b>136</b>                    | <b>237</b>                    |
|                                      |                                   | <b>Total</b>                     | <b>kt</b>    | <b>3,283</b>                  | <b>3,367</b>                  |
|                                      |                                   | <b>% UG2</b>                     | <b>%</b>     | <b>72.3%</b>                  | <b>72.4%</b>                  |
| <b>Tonnes<br/>milled<sup>3</sup></b> | Marikana                          | Underground                      | kt           | 3,060                         | 3,142                         |
|                                      |                                   | Opencast                         | kt           | 80                            | -                             |
|                                      |                                   | <b>Total</b>                     | <b>kt</b>    | <b>3,140</b>                  | <b>3,142</b>                  |
|                                      | Pandora <sup>4</sup>              | Underground                      | kt           | 126                           | 126                           |
|                                      | <b>Lonmin Platinum</b>            | <b>Underground</b>               | <b>kt</b>    | <b>3,187</b>                  | <b>3,268</b>                  |
|                                      |                                   | <i>Head grade<sup>5</sup></i>    | <i>g/t</i>   | <i>4.55</i>                   | <i>4.63</i>                   |
|                                      |                                   | <i>Recovery rate<sup>6</sup></i> | <i>%</i>     | <i>85.4%</i>                  | <i>85.0%</i>                  |
|                                      |                                   | <b>Opencast</b>                  | <b>kt</b>    | <b>80</b>                     | <b>0</b>                      |
|                                      |                                   | <i>Head grade<sup>5</sup></i>    | <i>g/t</i>   | <i>2.73</i>                   | <i>0.00</i>                   |
|                                      |                                   | <i>Recovery rate<sup>6</sup></i> | <i>%</i>     | <i>81.0%</i>                  | <i>0.0%</i>                   |
|                                      |                                   | <b>Total</b>                     | <b>kt</b>    | <b>3,267</b>                  | <b>3,268</b>                  |
|                                      | <i>Head grade<sup>5</sup></i>     | <i>g/t</i>                       | <i>4.51</i>  | <i>4.63</i>                   |                               |
|                                      | <i>Recovery rate<sup>6</sup></i>  | <i>%</i>                         | <i>85.4%</i> | <i>85.0%</i>                  |                               |

|   |                      |                           |           | 3 months<br>to 30 Sep<br>2011 | 3 months<br>to 30 Sep<br>2010 |
|---|----------------------|---------------------------|-----------|-------------------------------|-------------------------------|
| <b>Metals in concentrate</b> <sup>7</sup> | Marikana             | Platinum                  | oz        | 191,870                       | 194,705                       |
|   |                      | Palladium                 | oz        | 89,684                        | 91,493                        |
|   |                      | Gold                      | oz        | 4,463                         | 4,412                         |
|   |                      | Rhodium                   | oz        | 25,736                        | 26,891                        |
|   |                      | Ruthenium                 | oz        | 40,114                        | 42,761                        |
|   |                      | Iridium                   | oz        | 8,642                         | 9,114                         |
|   |                      | <b>Total PGMs</b>         | <b>oz</b> | <b>360,509</b>                | <b>369,376</b>                |
|   |                      | Nickel <sup>8</sup>       | MT        | 929                           | 848                           |
|   |                      | Copper <sup>8</sup>       | MT        | 574                           | 514                           |
|   | Pandora <sup>4</sup> | Platinum                  | oz        | 8,445                         | 8,192                         |
|   |                      | Palladium                 | oz        | 3,985                         | 3,841                         |
|   |                      | Gold                      | oz        | 64                            | 55                            |
|   |                      | Rhodium                   | oz        | 1,308                         | 1,268                         |
|   |                      | Ruthenium                 | oz        | 2,030                         | 2,003                         |
|   |                      | Iridium                   | oz        | 332                           | 329                           |
|   |                      | <b>Total PGMs</b>         | <b>oz</b> | <b>16,164</b>                 | <b>15,687</b>                 |
|   |                      | Nickel <sup>8</sup>       | MT        | 14                            | 12                            |
|   |                      | Copper <sup>8</sup>       | MT        | 7                             | 7                             |
|   | Lonmin Platinum      | <b>Platinum</b>           | <b>oz</b> | <b>200,315</b>                | <b>202,898</b>                |
|   |                      | <b>Palladium</b>          | <b>oz</b> | <b>93,669</b>                 | <b>95,333</b>                 |
|   |                      | <b>Gold</b>               | <b>oz</b> | <b>4,526</b>                  | <b>4,467</b>                  |
|   |                      | <b>Rhodium</b>            | <b>oz</b> | <b>27,044</b>                 | <b>28,159</b>                 |
|   |                      | <b>Ruthenium</b>          | <b>oz</b> | <b>42,144</b>                 | <b>44,764</b>                 |
|   |                      | <b>Iridium</b>            | <b>oz</b> | <b>8,974</b>                  | <b>9,443</b>                  |
|   |                      | <b>Total PGMs</b>         | <b>oz</b> | <b>376,673</b>                | <b>385,063</b>                |
|   |                      | <b>Nickel<sup>8</sup></b> | <b>MT</b> | <b>943</b>                    | <b>861</b>                    |
|   |                      | <b>Copper<sup>8</sup></b> | <b>MT</b> | <b>581</b>                    | <b>521</b>                    |

|                           |                                 |                   |                | 3 months<br>to 30 Sep<br>2011 | 3 months<br>to 30 Sep<br>2010 |
|---------------------------|---------------------------------|-------------------|----------------|-------------------------------|-------------------------------|
| <b>Refined production</b> | Lonmin refined metal production | Platinum          | oz             | 239,878                       | 224,124                       |
|                           |                                 | Palladium         | oz             | 109,435                       | 96,226                        |
|                           |                                 | Gold              | oz             | 7,058                         | 4,767                         |
|                           |                                 | Rhodium           | oz             | 33,617                        | 34,921                        |
|                           |                                 | Ruthenium         | oz             | 54,785                        | 55,484                        |
|                           |                                 | Iridium           | oz             | 11,285                        | 11,752                        |
|                           |                                 | <b>Total PGMs</b> | <b>oz</b>      | <b>456,057</b>                | <b>427,275</b>                |
|                           | Toll refined metal production   | Platinum          | oz             | 7,731                         | 77,368                        |
|                           |                                 | Palladium         | oz             | 35                            | 15,185                        |
|                           |                                 | Gold              | oz             | -                             | 1,100                         |
|                           |                                 | Rhodium           | oz             | 380                           | 4,601                         |
|                           |                                 | Ruthenium         | oz             | -                             | 6,524                         |
|                           |                                 | Iridium           | oz             | 72                            | 1,335                         |
|                           |                                 | <b>Total PGMs</b> | <b>oz</b>      | <b>8,218</b>                  | <b>106,112</b>                |
|                           | <b>Total refined PGMs</b>       | <b>Platinum</b>   | <b>oz</b>      | <b>247,609</b>                | <b>301,492</b>                |
|                           |                                 | <b>Palladium</b>  | <b>oz</b>      | <b>109,470</b>                | <b>111,411</b>                |
|                           |                                 | <b>Gold</b>       | <b>oz</b>      | <b>7,058</b>                  | <b>5,867</b>                  |
|                           |                                 | <b>Rhodium</b>    | <b>oz</b>      | <b>33,997</b>                 | <b>39,522</b>                 |
|                           |                                 | <b>Ruthenium</b>  | <b>oz</b>      | <b>54,785</b>                 | <b>62,008</b>                 |
|                           |                                 | <b>Iridium</b>    | <b>oz</b>      | <b>11,357</b>                 | <b>13,087</b>                 |
| <b>Total PGMs</b>         |                                 | <b>oz</b>         | <b>464,275</b> | <b>533,387</b>                |                               |
| <b>Base metals</b>        | <b>Nickel<sup>9</sup></b>       | <b>MT</b>         | <b>1,162</b>   | <b>1,365</b>                  |                               |
|                           | <b>Copper<sup>9</sup></b>       | <b>MT</b>         | <b>679</b>     | <b>913</b>                    |                               |

|              |                                     |                           |           | 3 months<br>to 30 Sep<br>2011 | 3 months<br>to 30 Sep<br>2010 |
|--------------|-------------------------------------|---------------------------|-----------|-------------------------------|-------------------------------|
| <b>Sales</b> | Refined metal sales                 | Platinum                  | oz        | 241,979                       | 297,551                       |
|              |                                     | Palladium                 | oz        | 118,181                       | 111,047                       |
|              |                                     | Gold                      | oz        | 6,968                         | 6,158                         |
|              |                                     | Rhodium                   | oz        | 33,300                        | 35,210                        |
|              |                                     | Ruthenium                 | oz        | 52,408                        | 55,646                        |
|              |                                     | Iridium                   | oz        | 9,400                         | 8,892                         |
|              |                                     | <b>Total PGMs</b>         | <b>oz</b> | <b>462,235</b>                | <b>514,504</b>                |
|              | Concentrate and other <sup>10</sup> | Platinum                  | oz        | -                             | 24,850                        |
|              |                                     | <b>Total PGMs</b>         | <b>oz</b> | <b>-</b>                      | <b>24,850</b>                 |
|              | <b>Lonmin Platinum</b>              | <b>Platinum</b>           | <b>oz</b> | <b>241,979</b>                | <b>322,401</b>                |
|              |                                     | <b>Palladium</b>          | <b>oz</b> | <b>118,181</b>                | <b>111,047</b>                |
|              |                                     | <b>Gold</b>               | <b>oz</b> | <b>6,968</b>                  | <b>6,158</b>                  |
|              |                                     | <b>Rhodium</b>            | <b>oz</b> | <b>33,300</b>                 | <b>35,210</b>                 |
|              |                                     | <b>Ruthenium</b>          | <b>oz</b> | <b>52,408</b>                 | <b>55,646</b>                 |
|              |                                     | <b>Iridium</b>            | <b>oz</b> | <b>9,400</b>                  | <b>8,892</b>                  |
|              |                                     | <b>Total PGMs</b>         | <b>oz</b> | <b>462,235</b>                | <b>539,354</b>                |
|              |                                     | <b>Nickel<sup>9</sup></b> | <b>MT</b> | <b>1,179</b>                  | <b>1,237</b>                  |
|              |                                     | <b>Copper<sup>9</sup></b> | <b>MT</b> | <b>885</b>                    | <b>880</b>                    |
|              |                                     | <b>Chrome<sup>9</sup></b> | <b>MT</b> | <b>314,924</b>                | <b>178,429</b>                |

|                           |  |       | 3 months<br>to 30 Sep<br>2011 | 3 months<br>to 30 Sep<br>2010 |
|---------------------------|--|-------|-------------------------------|-------------------------------|
| <b>Average<br/>prices</b> | Platinum   | \$/oz | 1,762                         | 1,539                         |
|                           | Palladium  | \$/oz | 747                           | 496                           |
|                           | Gold   | \$/oz | 1,688                         | 1,196                         |
|                           | Rhodium  | \$/oz | 1,842                         | 2,144                         |
|                           | Ruthenium  | \$/oz | 162                           | 183                           |
|                           | Iridium  | \$/oz | 1,041                         | 693                           |
|                           | \$ basket price excl. by-product revenue <sup>11</sup> | \$/oz | 1,311                         | 1,206                         |
|                           | R basket price excl. by-product revenue <sup>11</sup>  | R/oz  | 9,434                         | 8,627                         |
|                           | R basket price incl. by-product revenue <sup>12</sup>  | R/oz  | 9,945                         | 9,077                         |
|                           | Nickel <sup>9</sup>                                    | \$/MT | 18,299                        | 20,485                        |
|                           | Copper <sup>9</sup>                                    | \$/MT | 8,308                         | 6,661                         |
| Chrome <sup>9</sup>       | \$/MT  | 23    | 14                            |                               |
| <b>Exchange<br/>Rates</b> | Average rate for period <sup>13</sup>                  | R/\$  | 7.16                          | 7.30                          |
|                           | Closing rate   | R/\$  | 8.05                          | 6.92                          |

Notes:

- 1 The management structure in mining is comprised of 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.