

REGULATORY RELEASE

14 November 2016

Fourth Quarter 2016 Production Report

Lonmin Plc (“Lonmin” or “the Company”), one of the world’s largest primary platinum producers, today announces its production results for the quarter ended 30 September 2016. Lonmin also publishes today, in a separate announcement, its final results for the year ended 30 September 2016.

Safety

- Our safety strategy is centred on the belief that Zero Harm is achievable and important contributions are required from all stakeholders to achieve it.
- The twelve month rolling LTIFR to 30 September improved by 8.1% to 4.97 per million man hours from 5.41 in the prior year.
- K3 shaft achieved 6 million fatality free shifts.
- 4B shaft achieved 10 million fatality free shifts and won the JT Ryan Safety Award for the fourth consecutive year.
- Saffy shaft achieved 3 million fatality free shifts on 13 April 2016;
- We remain focused on addressing the root causes of safety incidents, and ensuring that lessons learnt from each incident are implemented into action plans and shared across operations.
- We have been encouraged that our collaboration with key stakeholders, including the Department of Mineral Resources (DMR) and The Association of Mineworkers and Construction Union (AMCU), continues to yield results, as we have experienced decreasing Section 54 stoppages in the quarter.

Mining Operations

The Marikana mining operations (including Pandora) produced 2.7 million tonnes during the quarter as planned, a decrease of 10.1% or 298,000 tonnes on the prior year period, reflecting the planned decrease in production from the Generation 1 shafts in line with our strategy to reduce high cost production in a low price environment.

Generation 2 shafts

Production from our core Generation 2 shafts (K3, Rowland, Saffy and 4B/1B) was 2.1 million tonnes, broadly flat on the fourth quarter of 2015 production of 2.2 million tonnes and accounted for 80% of total tonnes mined, emphasizing our continued focus on these core shafts. Productivity at our Generation 2 shafts at 6.1 square metres per mining employee for the quarter improved by 1.6% on the fourth quarter of 2015. The improved productivity and reduced Section 54 stoppages were offset by the decrease in tonnes from K3 shaft.

- Saffy shaft produced 547,000 tonnes, an increase of 10.6% on the fourth quarter of 2015 as this shaft is now running at full production and continues to perform well.
- Rowland shaft produced 487,000 tonnes, an increase of 3.5% on the fourth quarter of 2015.
- 4B/1B shaft produced 397,000 tonnes, a decrease of 41,000 tonnes or 9.4% on the fourth quarter of 2015, as a result of the planned closure of 1B shaft in October 2015. Excluding the 59,000 tonnes produced by 1B in the fourth quarter of 2015, 4B production increased by 4.8%.
- K3 shaft produced 708,000 tonnes, a decrease of 8.4% on the fourth quarter of 2015. The decrease is due to the slow build-up of stoping crews due to restructuring and geological challenges in the split reef area.

Generation 1 shafts

In line with the Group’s rationalisation of high cost ounces, production from our Generation 1 shafts (Hossy, Newman, W1, E1, E2, E3 and Pandora (100%)) at 485,000 tonnes was 32.5% lower than the fourth quarter of 2015. Some of

these shafts are run by contractors, which provide better flexibility to retain or close them, depending on their profit contribution to the Company.

The Merensky opencast operations, which produced 59,000 tonnes in the fourth quarter of 2015 ceased at the end of the financial year 2015. Mining of the U12 UG2 pit commenced in July 2016 and produced 39,000 for the quarter, but this is a very small resource and it is expected that mining will stop during the course of 2017.

Production Losses

Following ongoing and pro-active interactions with the Inspectorate of the DMR, and as shaft management develop a better understanding and working relationship with the Inspectorate and with the Union, we are experiencing a reduction in the duration and frequency of Section 54 stoppages and more localised application of the stoppages. A total of some 95,000 tonnes of production was lost in the quarter due to Section 54 safety stoppages and management induced safety stoppages compared to 297,000 tonnes in the fourth quarter of 2015.

	Q4 2016 Tonnes	Q4 2015 Tonnes
Section 54 safety stoppages	82,000	281,000
Management induced safety stoppages and other	13,000	16,000
Total tonnes lost	95,000	297,000

Process Operations

Milling production in the quarter of 2.8 million tonnes was affected by lower than planned ore availability from the mining operations and was higher than tonnes mined of 2.7 million tonnes due to available above ground ore stocks, but 5.3% lower than in the fourth quarter of 2015.

Underground milled head grade at 4.59 grammes per tonnes (5PGE+Au) increased by 2.6% when compared to the 4.47 grammes per tonne achieved in the fourth quarter of 2015 and the overall milled head grade was 4.59 grammes per tonne, up 3.2% on the prior year period due to improved ore mix and also improved mining head grades.

Platinum production (Metals-in-Concentrate) was 182,612 ounces, which was 1.6% lower than the fourth quarter of 2015 notwithstanding the lower milled volumes of 5.3%, due to the higher mill head grade. The Metals-in-Concentrate were only 2.6% lower than the fourth quarter of 2015 due to the higher grade and ore mix.

Concentrator recoveries in the quarter were 86.0%, marginally down from 86.4% in the fourth quarter of 2015, due to the milling of opencast UG2 ore.

Total refined Platinum production at 219,493 ounces was 14.3% lower than the fourth quarter of 2015, due to the release of built-up stock following the smelter outages but higher than the Metals-in-Concentrate of 182,612 Platinum ounces. Total PGMs produced were 424,613 ounces, a decrease of 14.2% on the fourth quarter of 2015, but higher than the Metals-in-Concentrate of 345,630 ounces. Refined production benefited from the smelter clean-up project, which released 36,881 Platinum ounces during the quarter. The smelter clean-up project is expected to continue into the first half of the 2017 financial year.

The Other Precious Metals Plant, which was commissioned in the first half of 2016, increased the production of Rhodium (released 7,021 ounces) and Iridium (released 5,318 ounces) due to a stock release arising from a reduction in the time to recover metals.

Sales & Pricing

Platinum sales for the quarter were 211,140 ounces, a decrease of 16.8% compared with the fourth quarter of 2015, when the refined production was extremely high due to the release of built-up stock following the smelter outages during 2015. PGM sales were 390,743 ounces, down 18.9% on the comparatively high the fourth quarter of 2015 sales.

The US Dollar basket price (including base metal revenue) at \$902 per ounce during the quarter was up 12.0% on the fourth quarter of 2015 while the corresponding Rand basket price (R12,663 per ounce) was 22.5% higher than the prior year period, benefiting from the Rand weakness. The average Rand to US Dollar exchange rate was 8.2% weaker at 14.06 compared to 13.00 in the fourth quarter of 2015.

Net cash at the end of the quarter increased to \$173 million and total liquidity improved to \$537 million.

- 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 around 80% 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>

				3 months to 30 Sep 2016	3 months to 30 Sep 2015	12 months to 30 Sep 2016	12 months to 30 Sep 2015
Tonnes mined¹	Marikana	K3 shaft	kt	708	773	2,687	2,713
		Rowland shaft	kt	487	470	1,731	1,872
		Saffy shaft	kt	547	495	2,055	1,758
		4B/1B shaft	kt	397	380	1,588	1,409
		Generation 2	kt	2,139	2,117	8,061	7,752
		1B shaft	Kt	-	59	6	219
		Hossy shaft	kt	191	224	712	953
		Newman shaft	kt	56	174	346	765
		W1 shaft	kt	34	45	162	180
		East 1 shaft	kt	33	37	141	148
	East 2 shaft	kt	66	98	293	390	
	East 3 shaft	kt	21	17	63	68	
	Pandora (100%) ²	kt	83	124	471	544	
	Generation 1	kt	485	777	2,196	3,267	
	K4 shaft	kt	0	8	0	49	
	Generation 3	Kt	0	8	0	49	
	Underground	kt	2,624	2,902	10,256	11,067	
Opencast	kt	39	59	49	230		
Lonmin (100%)	Total tonnes mined (100%)	kt	2,663	2,961	10,305	11,297	
	% mined from UG2 reef (100%)	%	74.2%	74.1%	75.3%	75.1%	
Lonmin (attributable)	Underground & opencast	kt	2,622	2,899	10,070	11,016	
Ounces mined³	Lonmin excl. Pandora	Platinum	oz	165,894	175,734	627,245	668,319
	Pandora (100%)	Platinum	oz	5,852	8,178	32,509	36,458
	Lonmin	Platinum	oz	171,746	183,912	659,754	704,776
	Lonmin excl. Pandora	PGMs	oz	314,538	336,257	1,200,244	1,280,964
	Pandora (100%)	PGMs	oz	11,539	16,087	63,857	71,861
	Lonmin	PGMs	oz	326,077	352,344	1,264,101	1,352,825
Tonnes milled⁴	Marikana	Underground	kt	2,699	2,803	9,806	10,930
		Opencast	kt	39	53	98	318
		Total	kt	2,738	2,855	9,904	11,248
	Pandora ⁵	Underground	kt	83	124	471	562
	Lonmin Platinum	Underground	kt	2,783	2,926	10,277	11,491
		<i>Milled head grade⁶</i>	g/t	4.59	4.47	4.60	4.51
		<i>Recovery rate⁷</i>	%	86.3%	86.4%	86.7%	86.8%
		Opencast	kt	39	53	98	318
		<i>Milled head grade⁶</i>	g/t	4.81	3.07	3.59	3.08
		<i>Recovery rate⁷</i>	%	64.3%	84.8%	73.6%	85.1%
		Total	kt	2,821	2,979	10,375	11,810
		<i>Milled head grade⁶</i>	g/t	4.59	4.45	4.59	4.47
	<i>Recovery rate⁷</i>	%	86.0%	86.4%	86.6%	86.7%	

				3 months to 30 Sep 2016	3 months to 30 Sep 2015	12 months to 30 Sep 2016	12 months to 30 Sep 2015
Metals-in-concentrate¹⁰	Marikana	Platinum	oz	174,936	176,123	631,066	696,489
		Palladium	oz	79,673	82,035	292,315	323,177
		Gold	oz	4,253	4,271	15,206	16,503
		Rhodium	oz	24,199	24,840	90,151	101,435
		Ruthenium	oz	39,908	41,033	147,740	165,689
		Iridium	oz	8,289	8,089	29,845	32,416
		Total PGMs	oz	331,259	336,391	1,206,322	1,335,710
		Nickel ⁹	MT	889	961	3,169	3,579
		Copper ⁹	MT	547	591	1,949	2,211
	Pandora	Platinum	oz	5,852	8,178	32,509	37,553
		Palladium	oz	2,752	3,825	15,231	17,496
		Gold	oz	16	30	95	131
		Rhodium	oz	953	1,373	5,360	6,383
		Ruthenium	oz	1,616	2,255	8,852	10,466
		Iridium	oz	349	425	1,811	1,988
		Total PGMs	oz	11,539	16,087	63,857	74,019
		Nickel ⁹	MT	15	24	93	87
		Copper ⁹	MT	6	9	32	37
	Concentrate purchases	Platinum	oz	1,824	1,357	5,129	6,273
		Palladium	oz	472	376	1,555	1,869
		Gold	oz	7	4	18	18
		Rhodium	oz	158	174	565	816
		Ruthenium	oz	299	240	919	1,079
		Iridium	oz	73	77	242	338
		Total PGMs	oz	2,833	2,228	8,429	10,394
		Nickel ⁹	MT	1	1	2	3
		Copper ⁹	MT	0	1	2	2
	Lonmin Platinum	Platinum	oz	182,612	185,659	668,704	740,315
		Palladium	oz	82,897	86,236	309,101	342,542
		Gold	oz	4,275	4,305	15,319	16,653
		Rhodium	oz	25,310	26,386	96,076	108,634
		Ruthenium	oz	41,824	43,527	157,510	177,235
		Iridium	oz	8,712	8,592	31,898	34,743
Total PGMs		oz	345,630	354,705	1,278,607	1,420,122	
Nickel ⁹		MT	905	985	3,265	3,669	
Copper ⁹		MT	552	600	1,983	2,250	

				3 months to 30 Sep 2016	3 months to 30 Sep 2015	12 months to 30 Sep 2016	12 months to 30 Sep 2015
Refined production	Lonmin refined metal production	Platinum	oz	21,9250	256,029	739,315	759,005
		Palladium	oz	96,783	118,022	334,470	350,040
		Gold	oz	5,483	5,934	19,596	18,232
		Rhodium	oz	32,294	40,156	121,149	102,372
		Ruthenium	oz	56,315	59,494	177,006	181,803
		Iridium	oz	14,011	14,977	44,855	32,180
		Total PGMs	oz	424,136	494,611	1,436,390	1,443,633
	Toll refined metal production	Platinum	oz	243	193	2,575	689
		Palladium	oz	114	94	713	280
		Gold	oz	6	5	30	14
		Rhodium	oz	37	33	207	95
		Ruthenium	oz	58	68	698	2,093
		Iridium	oz	19	17	110	560
Total PGMs	oz	477	411	4,333	3,731		
Total refined PGMs	Platinum	oz	219,493	256,222	741,890	759,695	
	Palladium	oz	96,897	118,116	335,183	350,320	
	Gold	oz	5,489	5,939	19,626	18,246	
	Rhodium	oz	32,331	40,190	121,356	102,467	
	Ruthenium	oz	56,373	59,562	177,704	183,896	
	Iridium	oz	14,030	14,994	44,965	32,740	
	Total PGMs	oz	424,613	495,022	1,440,724	1,447,364	
Base metals	Nickel ¹⁰	MT	1,096	1,163	3,769	3,720	
	Copper ¹⁰	MT	696	780	2,227	2,276	
Sales	Refined metal sales	Platinum	oz	211,140	253,841	735,747	751,560
		Palladium	oz	94,440	114,949	334,319	347,942
		Gold	oz	5,890	7,589	20,735	19,199
		Rhodium	oz	32,322	34,962	121,604	92,520
		Ruthenium	oz	31,701	57,742	145,306	192,549
		Iridium	oz	15,250	12,894	47,392	30,114
		Total PGMs	oz	390,743	481,976	1,405,103	1,433,883
		Nickel ¹⁰	MT	1,249	1,380	3,773	3,656
		Copper ¹⁰	MT	624	945	2,265	2,131
		Chrome ¹⁰	MT	532,768	322,649	1,563,236	1,440,901
Average prices	Platinum	\$/oz	1,084	979	978	1,095	
	Palladium	\$/oz	674	612	589	718	
	Gold	\$/oz	1,478	1,478	1,425	1,487	
	Rhodium	\$/oz	636	805	671	998	
	\$ basket excl. by-product revenue ¹¹	\$/oz	850	761	753	849	
	\$ basket incl. by-product revenue ¹²	\$/oz	902	805	796	902	
	R basket excl. by-product revenue ¹¹	R/oz	11,933	9,765	11,030	10,207	
	R basket incl. by-product revenue ¹²	R/oz	12,663	10,336	11,637	10,829	
	Nickel ¹⁰	\$/MT	8,027	8,292	7,357	10,512	
	Copper ¹⁰	\$/MT	4,468	4,971	4,508	5,584	
Exchange rates	Average rate for period ¹³	R/\$	14.06	13.00	14.77	12.01	
	Closing rate	R/\$	13.71	13.83	13.71	13.83	

Notes:

- 1 Reporting of shafts are in line with our operating strategy for Generation 1 and Generation 2 shafts.
- 2 Pandora underground tonnes mined represents 100% of the total tonnes mined on the Pandora joint venture of which 42.5% for October and November 2014 and 50% thereafter is attributable to Lonmin.
- 3 Limpopo underground tonnes mined represents low grade development tonnes mined whilst on care and maintenance.
- 4 Ounces mined have been calculated at achieved concentrator recoveries and with Lonmin standard downstream processing recoveries to present produced saleable ounces.
- 5 Tonnes milled excludes slag milling.
- 6 Lonmin purchases 100% of the ore produced by the Pandora joint venture for onward processing which is included in downstream operating statistics.
- 7 Limpopo tonnes milled represents low grade development tonnes milled.
- 8 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).
- 9 Recovery rate in the concentrators is the total content produced divided by the total content milled (excluding slag).
- 10 Metals-in-concentrate have been calculated at Lonmin standard downstream processing recoveries to present produced saleable ounces.
- 11 Corresponds to contained base metals-in-concentrate.
- 12 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.
- 13 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.
- 14 As per note 13 but including revenue from base metals.
- 15 Exchange rates are calculated using the market average daily closing rate over the course of the period.