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REGULATORY RELEASE

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First Quarter 2015 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 December 2014 (unaudited) and an update for the period from 1 October 2014 to today’s date.

Overview

We are pleased to report that the Company has been fatality free for the fourth quarter in succession following the one fatality which occurred on 26 October 2013. The rolling 12 month average Lost Time Injury Frequency Rate (LTIFR) for the 12 months to 31 December 2014 improved by 2.7% to 3.58 incidents per million man hours compared to 3.69 at 31 December 2013.

Lonmin maintained the strong operational momentum that was built up in Q4 2014 by achieving the highest Q1 production from underground (including Pandora) since 2011. Total attributable tonnes mined in the quarter were 2.8 million tonnes, 7.2%, or 0.2 million tonnes higher than the prior year period. Employee attendance levels have returned quickly to normal levels following the December 2014 holiday period.

Saleable metal-in-concentrate was the highest Q1 production since 2007 with output of 200,170 Platinum ounces. This was 11.4%, or 20,479 ounces higher than the prior year period.

Refined Platinum production of 139,823 ounces was unfortunately impacted by the repairs to the Number One furnace and decreased by 28.8%, or 56,426 ounces compared to the prior year period. We expect to process the build-up in concentrate stock by the end of the financial year.

Sales of 146,890 Platinum ounces increased by 9.0%, or 12,086 ounces on the prior year period.

Mining Operations

The Marikana underground mining operations produced 2.7 million tonnes during the first quarter, an increase of 7.9%, or 0.2 million tonnes on the prior year period.

Production at Karee was 1,124,000 tonnes, an increase of 6.9%, or 72,000 tonnes on the prior year period. K3, our biggest shaft, increased production by 8.2%, or 53,000 tonnes. We saw limited activity at K4 with 8,000 tonnes produced.

Production at Westerns was 1,045,000 tonnes, an increase of 3.0%, or 30,000 tonnes on the prior year period. Rowland, our second largest shaft, increased production by 1.4%. Newman shaft delivered a 9.0% increase from the prior year period and Hossy shaft, which remains under review, pleasingly increased production by 4.9%.

East 1 shaft, which is reaching its end of life saw a decrease in production of 13,000 tonnes. (East 1 has been reported under Westerns since Q4 2014 in-line with changes in management structure).

Production at Easterns was 523,000 tonnes which was 22.3%, or 95,000 tonnes higher than the prior year period. Saffy shaft recorded an increase of 30.1%, or 95,000 tonnes over the prior year period demonstrating the progress that we have made with our planned ramp up.

Production at Pandora (100%) increased by 30.5% over the prior year period. Production from our Merensky opencast operations of 56,000 tonnes was 28.2% lower than the prior year period as this operation is reaching the end of its life.

These results have been achieved with significantly reduced safety and industrial relations stoppages. Tonnes of production lost due to safety and labour stoppages in the quarter totalled only 22,000 tonnes. This was 249,000 tonnes lower than the prior year period which was impacted by a fatality and tensions around the wage negotiations.

	Q1 2015 tonnes	Q1 2014 tonnes
Section 54 safety stoppages	7,000	175,000
Management induced safety stoppages	13,000	19,000
Labour stoppages	2,000	77,000
Total tonnes lost	22,000	271,000

Process Operations

Total tonnes milled in the quarter increased by 9.5%, or 0.3 million tonnes to 3.1 million tonnes when compared to the prior year. This was the highest Q1 volume milled in seven years and was achieved using six out of our seven Marikana concentrators as part of our measures to reduce costs. Underground tonnes milled were 11.7% or 318,000 tonnes higher than the prior year period and opencast tonnes milled decreased by 33.3%, or 46,000 tonnes.

Underground milled head grade increased slightly by 0.8% to 4.55 grammes per tonne (5PGE+Au) when compared to the 4.51 grammes per tonne in the prior year period. The overall milled head grade was 4.50 grammes per tonne, up 1.3% on the prior year period due to the aforementioned increase in the grade of underground ore and the increase of underground ore in the mix.

Concentrator recoveries for the quarter were slightly lower than the prior year period at 87.1% largely due to ore mix.

Total Platinum in concentrate for the quarter at 200,170 saleable ounces was 11.4% higher than the prior year period. Total PGMs in concentrate were 381,804 saleable ounces which was 10.6% higher than the prior year period.

As announced on 8 December 2014, the Number One furnace was safely stopped in early December following the detection of a leak. We are making good progress with repairs to this furnace and the additional maintenance work that was brought forward and we are on track to complete these within the scheduled three months. As announced on 31 December 2014, the Number Two furnace was also safely stopped at the end of December following the detection of electrode breaks. The repairs have been successfully made to the Number Two furnace and the first matte tap was successfully made last week. The three smaller Pyromet furnaces were restarted in early December to increase smelting capacity during this time. We expect to process the build-up of concentrate by the end of Q4 2015.

Total refined Platinum production for the first quarter was impacted by the smelter shutdowns and was down 28.8% to 139,823 ounces when compared against the prior year period. Total PGMs produced in the first quarter were 265,128 ounces, a decrease of 31.1% on the prior year period.

Sales & Pricing

Platinum sales for the quarter at 146,890 ounces were up 9.0%, or 12,086 ounces on the prior year period and PGM sales were up 11.7% to 274,425 ounces. The US dollar basket price (including base metal revenue) at \$1,033 per ounce during the quarter was down 7.1% on the prior year period while the corresponding Rand basket price (R11,488 per ounce) was 1.7% higher than the prior year period impacted by the Rand weakness.

Completion of Black Economic Empowerment transaction

As announced on 26 November 2014, we successfully completed the three BEE transactions in the quarter thus achieving the target of 26% BEE ownership. At the end of the quarter the Bapo ba Mogale Traditional Community were shareholders in the Company and held 3.3%. Through an Employee Share Ownership Plan our employees held 3.8% and through a Community Share Ownership Trust the local communities on the western portion of our Marikana operations held 0.9%. All three transactions collectively provided the additional 8% equity empowerment which Lonmin required to achieve the 26% effective BEE equity.

Outlook and Guidance

Because of low dollar metal prices and short to medium term uncertainty around platinum prices we will reduce our expected capital expenditure for 2015 from \$250 million to \$185 million and will keep this under review. Despite the revised capital expenditure for 2015 we reiterate our production guidance for the year.

As previously anticipated we expect our net borrowings to be higher at the end of March as a direct result of the lower sales volume in H1 which will unwind in H2. We are confident of managing our working capital requirements through cost conservation measures and capital discipline to keep borrowings and debt covenants well within our committed debt facilities.

We are disappointed that the repairs and maintenance to both our main furnaces necessitated by the shutdowns have overlapped and caused a temporary bottleneck in our processing operations. Following the repairs to the Number Two furnace that we built in 2012, we have sufficient smelting capacity during 2015 to overcome this obstacle and we anticipate processing the current build-up in concentrate stock during the financial year. We are making good progress towards achieving the target of more than R2 billion value benefits over three years through the freezing of general recruitment, natural attrition and reduction of contractors as we redeploy some employees to areas previously worked on by contractors. This, combined with our focus on efficiencies has resulted in a quarter on quarter mining productivity improvement of 8%. Our mining operations continue to perform well and consequently we are maintaining our guidance for the full year of sales of around 730,000 Platinum ounces. Additionally we are managing our costs so as to maintain our guidance for the unit cost of production of around R10,800 per PGM ounce.

- 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 nearly 80% of known global PGM resources are found.

The Company creates value for shareholders 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 31 Dec 2014	3 months to 31 Dec 2013	
Tonnes mined	Marikana	K3 shaft	kt	699	646	
		K4 shaft	kt	8	-	
		4B/1B shaft	kt	418	406	
		Karee	kt	1,124	1,052	
		Rowland shaft	kt	474	468	
		Newman shaft	kt	220	202	
		Hossy	kt	267	255	
		W1 shaft	kt	47	41	
		East 1 shaft ¹	kt	35	49	
		Westerns	kt	1,045	1,015	
		Saffy shaft	kt	410	315	
		East 2 shaft	kt	95	103	
		East 3 shaft	Kt	18	10	
		Easterns	kt	523	428	
		Underground	kt	2,692	2,494	
		Opencast	kt	56	78	
		Total	kt	2,748	2,572	
Pandora (100%) ²	Underground	kt	165	126		
Limpopo ³	Underground	kt	-	4		
Lonmin (100%)	Total tonnes mined (100%)	kt	2,913	2,703		
	% tonnes mined from UG2 reef (100%)	%	76.5	75.7		
Lonmin (attributable)	Underground & Opencast	kt	2,821	2,630		
Ounces mined ⁴	Lonmin excluding Pandora	Pt ounces	oz	175,357	160,723	
	Pandora (100%)	Pt ounces	oz	11,329	9,017	
	Limpopo	Pt ounces	oz	-	167	
	Lonmin	Pt ounces	oz	186,686	169,907	
	Lonmin excluding Pandora	PGM ounces	oz	334,417	308,221	
	Pandora (100%)	PGM ounces	oz	22,172	17,748	
	Limpopo	PGM ounces	oz	-	239	
	Lonmin	PGM ounces	oz	356,589	326,209	
	Tonnes milled ⁵	Marikana	Underground	kt	2,864	2,575
			Opencast	kt	93	139
Total			kt	2,957	2,715	
Pandora ⁶		Underground	kt	183	126	
Limpopo ⁷		Underground	kt	-	27	
Lonmin Platinum		Underground	kt	3,047	2,729	
		Head grade ⁸	g/t	4.55	4.51	
		Recovery rate ⁹	%	87.2%	87.9%	
		Opencast	kt	93	139	
		Head grade ⁸	g/t	3.01	3.09	
		Recovery rate ⁹	%	85.0%	84.2%	
		Total	kt	3,140	2,868	
		Head grade ⁸	g/t	4.50	4.44	
	Recovery rate ⁹	%	87.1%	87.8%		

				3 months to 31 Dec 2014	3 months to 31 Dec 2013
Metals-in-concentrate¹⁰	Marikana	Platinum	oz	186,092	168,820
		Palladium	oz	84,817	78,277
		Gold	oz	4,406	3,902
		Rhodium	oz	27,348	24,680
		Ruthenium	oz	43,655	39,907
		Iridium	oz	8,448	8,268
		Total PGMs	oz	354,765	323,855
		Nickel ¹¹	MT	960	837
		Copper ¹¹	MT	592	528
	Pandora	Platinum	oz	12,425	8,966
		Palladium	oz	5,700	4,242
		Gold	oz	43	56
		Rhodium	oz	2,116	1,528
		Ruthenium	oz	3,404	2,441
		Iridium	oz	644	404
		Total PGMs	oz	24,332	17,638
		Nickel ¹¹	MT	28	16
		Copper ¹¹	MT	12	9
	Limpopo	Platinum	oz	-	1,121
		Palladium	oz	-	974
		Gold	oz	-	93
		Rhodium	oz	-	114
		Ruthenium	oz	-	161
		Iridium	oz	-	44
		Total PGMs	oz	-	2,508
		Nickel ¹¹	MT	-	27
		Copper ¹¹	MT	-	19
	Concentrate purchases	Platinum	oz	1,653	783
		Palladium	oz	490	241
		Gold	oz	7	4
		Rhodium	oz	210	92
		Ruthenium	oz	262	96
		Iridium	oz	84	42
		Total PGMs	oz	2,707	1,259
		Nickel ¹¹	MT	1	0
		Copper ¹¹	MT	1	0
	Lonmin Platinum	Platinum	oz	200,170	179,691
		Palladium	oz	91,007	83,735
		Gold	oz	4,456	4,055
		Rhodium	oz	29,674	26,415
		Ruthenium	oz	47,320	42,605
		Iridium	oz	9,177	8,759
		Total PGMs	oz	381,804	345,259
Nickel¹¹		MT	989	880	
Copper¹¹		MT	605	557	

				3 months to 31 Dec 2014	3 months to 31 Dec 2013
Refined production	Lonmin refined metal production	Platinum	oz	139,712	196,249
		Palladium	oz	63,443	92,985
		Gold	oz	3,654	4,124
		Rhodium	oz	18,944	27,293
		Ruthenium	oz	32,522	46,505
		Iridium	oz	4,349	11,407
		Total PGMs	oz	262,625	378,562
	Toll refined metal production	Platinum	oz	111	-
		Palladium	oz	1	770
		Gold	oz	-	61
		Rhodium	oz	-	822
		Ruthenium	oz	1,889	4,312
		Iridium	oz	502	190
		Total PGMs	oz	2,503	6,155
	Total refined PGMs	Platinum	oz	139,823	196,249
		Palladium	oz	63,444	93,755
		Gold	oz	3,655	4,185
		Rhodium	oz	18,944	28,115
		Ruthenium	oz	34,411	50,817
Iridium		oz	4,851	11,597	
Total PGMs		oz	265,128	384,717	
Base metals	Nickel ¹²	MT	660	1,053	
	Copper ¹²	MT	392	595	
Sales	Refined metal sales	Platinum	oz	146,890	134,804
		Palladium	oz	67,836	47,921
		Gold	oz	5,200	2,800
		Rhodium	oz	17,114	23,927
		Ruthenium	oz	33,335	27,042
		Iridium	oz	4,050	9,262
		Total PGMs	oz	274,425	245,755
		Nickel ¹²	MT	832	673
		Copper ¹²	MT	402	503
		Chrome ¹²	MT	367,507	388,822

			3 months to 31 Dec 2014	3 months to 31 Dec 2013
Average prices	Platinum	\$/oz	1,213	1,393
	Palladium	\$/oz	787	724
	Gold	\$/oz	1,512	1,510
	Rhodium	\$/oz	1,199	937
	Ruthenium	\$/oz	52	53
	Iridium	\$/oz	509	489
	\$ basket excl. by-product revenue ¹³	\$/oz	961	1,038
	\$ basket incl. by-product revenue ¹⁴	\$/oz	1,033	1,112
	R basket excl. by-product revenue ¹³	R/oz	10,689	10,538
	R basket incl. by-product revenue ¹⁴	R/oz	11,488	11,299
	Nickel ¹²	\$/MT	12,683	11,464
Copper ¹²	\$/MT	6,517	6,771	
Chrome ¹²	\$/MT	18	18	
Exchange rates	Average rate for period ¹⁵	R/\$	11.22	10.12
	Closing rate	R/\$	11.56	10.44

Notes:

- East 1 shaft is now reported under Westerns in-line with changes in management structure. Prior periods have been adjusted accordingly.
- 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.
- Limpopo underground tonnes mined represents low grade development tonnes mined whilst on care and maintenance.
- Ounces mined have been calculated at achieved concentrator recoveries and with Lonmin standard downstream processing recoveries to present produced saleable ounces.
- Tonnes milled excludes slag milling.
- Lonmin purchases 100% of the ore produced by the Pandora joint venture for onward processing which is included in downstream operating statistics.
- Limpopo tonnes milled represents low grade development tonnes milled.
- 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).
- Recovery rate in the concentrators is the total content produced divided by the total content milled (excluding slag).
- Metals-in-concentrate have been calculated at Lonmin standard downstream processing recoveries to present produced saleable ounces.
- Corresponds to contained base metals-in-concentrate.
- 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.
- 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.
- As per note 13 but including revenue from base metals.
- Exchange rates are calculated using the market average daily closing rate over the course of the period.