

REGULATORY RELEASE

8 December 2014

Operational update

Lonmin Plc (Lonmin) announces that it has safely stopped its Number One Furnace after a leak of molten furnace matte was detected. An assessment of the furnace has shown that mechanical structure and refractories below the tap hole as well as the copper tap block need to be replaced. The life of this furnace has been extended through careful operation but during the five months strike it was impossible to operate the smelter on a consistent basis. In order to mitigate operational risk as we carry out these repairs we have decided to bring forward the planned hearth rebuild of the furnace which was originally scheduled and budgeted for October 2015. We expect the repairs to take around three months.

We do not expect our refined production for the 2015 financial year to be affected. Our back-up facilities for such events have been put into operation. The Number Two Furnace will continue to operate and we have restarted the three smaller Pyromet furnaces.

Financial impact

This has the potential to back-end load sales into the second half of the 2015 financial year and there will be a build-up of concentrate stocks which is expected to unwind by year end. We are looking at commercial ways to mitigate this. We are maintaining our overall sales and unit cost guidance for 2015 financial year. Although we expect our net borrowings to increase at the end of March 2015 as a direct result of the lower sales volume in H1, they are expected to remain well within our borrowing facilities. The capital spend for the repairs will be absorbed into the guided capital spend for the year. We continue to focus on our cash conservation measures.

- 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 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. Lonmin's mining operations extract ore from which the Process Division produces refined PGMs for delivery to customers. 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>