

REGULATORY RELEASE

5 March 2014

Update on Protected Strike Action

Further to Lonmin Plc's (Lonmin or the Company) update on wages announced on 30 January 2014, the Company further announces that the Commission for Conciliation, Mediation and Arbitration (CCMA) has suspended the facilitated negotiations between Lonmin, Anglo American Platinum (Amplats), Impala Platinum Holdings Limited (Implats) and the Association of Mineworkers and Construction Union (AMCU) as the CCMA has deemed the respective parties' current position to be too far apart to warrant further mediation at this stage.

Lonmin, Amplats and Implats have proposed a three year wage agreement on a guaranteed package with increases ranging from 7.5% to 9%, with the lowest paid employees receiving a 9% increase in year one. The overall offer is well above the current South African inflation rate of 5.4% and is more favourable in comparison to increases in other industries. The companies acknowledge that AMCU has moved from its opening demand of R12,500 basic wage, however, AMCU's revised demand yesterday evening (Tuesday 4 March, 2014), of a basic wage of R12,500 over four years still represents an increase of 30% in year one. This is unaffordable.

Strike action has caused activity at Lonmin's mining and processing divisions to be minimal. As of today Lonmin has lost around 90,000 saleable Platinum ounces. Consequently, Lonmin announces that it will not achieve its sales guidance of in excess of 750,000 Platinum ounces and now expects sales for the full year ending 30 September 2014 to fall further the longer the protected strike continues. The unit cost guidance will as a result also be negatively impacted. Until the strike has ended, Lonmin is unable to provide specific detail on these changes.

Lonmin wishes to thank the government of the Republic of South Africa, the CCMA, as well as our fellow producers and other stakeholders for their continuing commitment to finding a sustainable resolution.

Ben Magara, CEO, said "We and Amplats and Implats remain, as we have been throughout this process, committed to finding a positive and sustainable resolution to the dispute in the interest of all our stakeholders and importantly for the sustainability of our business. We are particularly concerned about the plight of our employees who have lost six weeks of wages to date. The longer the strike continues, the greater the impact on our higher cost shafts, our ability to return to a normal operating environment and obviously on jobs. We hope that AMCU will consult its membership on these latest developments and come to appreciate the importance of resolving the wage dispute without undermining the sustainability and employment prospects of this Company and indeed the industry. We continue to review our options to safeguard the business."

Lonmin remains open to resolution of the impasse with AMCU.

A further announcement on the development of the strike, and the consequential impact on production, capital expenditure and operations, will be made as and when appropriate.

Announcements relating to the situation can be found on Lonmin's website at <http://www.lonmin.com>

- ENDS -

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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>