LONMIN PLC

At the General Meeting held in London on Monday 19 November 2012, the Chairman made the following opening remarks:

"We began the 2012 financial year on 1 October 2011 with the expectation of investing heavily in capital expenditure in pursuit of our goal of increasing production and reducing unit costs – essentially creating economies of scale. We had agreed contractual delivery schedules with our two key customers, BASF and Mitsubishi, and therefore had buyers for the platinum group metals we intended to produce. Despite an exceptional level of section 54 stoppages imposed on us, in common with the rest of our sector, by the government's safety inspectorate, our operations performed strongly through calendar 2011 and into 2012. As recently as the end of July, we remained confident of achieving our production and sales target of 750,000 platinum ounces for the year to the end of September.

Despite having a guaranteed buyer for the PGMs we were producing, global macroeconomic conditions and in particular the seemingly endless malaise affecting the Eurozone affected the price of most platinum group metals and, therefore, the revenues we earned and the operating cash flows our business generated. This was particularly the case from late February onwards. Your board responded to this price weakness prudently, by seeking to curtail capital expenditure both in the remainder of the 2012 financial year and beyond. However, those of you who understand mining will know that this is not a lever that can be pulled with immediate effect – there is a lead time in such cuts taking effect and while we succeeded in trimming some $20m from our 2012 capex plans, investment in mining and processing infrastructure remained considerable in that year.

The tragic events which unfolded at Marikana during August saw scenes none of us ever wished to witness, and a level of violence which has shocked and deeply saddened everyone associated with Lonmin. These events also resulted in a material reduction in mine production at a time when the Company was not well positioned to absorb the financial shock. Through management's sterling efforts we maintained the production and sales of finished metal, and we managed to keep our net debt down to $421m on 30 September. Net debt has subsequently risen to $550m at the end of October as we invested working capital in rebuilding in-process inventories in the process division and will continue to rise further as the ramp-up of mining production continues. This *ramp-up is proceeding well, and is a testament to your management team's capabilities and determination.*

While I am touching on management I must acknowledge the situation in relation to the Chief Executive Officer, Ian Farmer. As you know, on 13 August Ian was admitted into hospital with a serious illness and remains on a course of treatment which prevents him from resuming his executive role. The Board extends its best wishes to Ian for a full and speedy recovery.

In the meantime, Simon Scott has performed admirably in the most challenging circumstances as Acting Chief Executive Officer. Under Simon's leadership, management has successfully organised a safe return to work for all of our employees and contractors, has already brought production to levels above our expectations, has completed the refinancing of the company's borrowings in the UK and South Africa and has planned and executed all of the workload needed to enable the rights issue to proceed. We are all greatly in debt to Simon and his team."

The resolution before the meeting, to empower the board to allot ordinary shares was duly carried, as an ordinary resolution requiring a 50% vote in favour, on a poll. Holders of 77.7% of the Company's equity voted, with 91.1% of the votes being cast in favour and 8.9% being cast against the resolution.

Rob Bellhouse
Company Secretary

20 November 2012