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## **Statement on Marikana and Covenants**

### **Situation Update**

The situation on the ground at Marikana remains calm. As of today around 33% of the Company's 28,000-strong workforce reported for work, including approximately one in five of the Rock Drill Operators.

The Government of South Africa, Lonmin and the unions are in agreement that the best way to start to rebuild trust is to return to something closer to normality, albeit gently and carefully and in tandem with counselling and support work, and including the financial and logistical support for those affected, that Lonmin and others are undertaking. We are working alongside the unions as they also want their members to report for work. Given the traumatic events of the last 10 days this is a delicate process and it will take time for people to come to terms with what has happened. Nothing is being done to risk the continued calm on the ground. Safety and public order are the priorities of everyone involved in this process.

There is a highly visible police and security presence at the operations, a communication programme involving leaflets, local radio, an SMS text system and word of mouth, and an emergency number for the reporting of any incidents of intimidation.

This is a week of mourning, as declared by the President of the Republic of South Africa, and there will be a memorial event on Thursday. The Company respects and supports this event as an important milestone on the road to rebuilding trust and returning to normality.

In consultations with ministers and unions, Lonmin agrees that no disciplinary action be taken against those unlawfully away from work who do not return this week. However, all parties are also agreed that the interests of employees, the wider economy and the Company are best served by a return to work and they call on those striking to do that.

### **Capital and Liquidity**

In view of the lost days of mined production and the resulting lost revenue, the Company has been closely monitoring the position in relation to the terms of its existing bank debt facilities. Whilst there is still some time before the covenant compliance is tested, the Company now considers that the balance of probabilities is that the impact on production of the current events will result in covenants being breached at the next test date on 30 September 2012. Consequently, constructive discussions are now taking place with Lonmin's banking group to address this potential situation. Alongside these discussions, the Company is reviewing all the options available to strengthen its

financial structure, including possible access to the equity capital markets. The Company will make a further announcement as and when appropriate.

- ENDS -

#### **ENQUIRIES**

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#### **Notes to editors**

##### **About Lonmin:**

1. 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 Platinum Group Metals (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 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>