21 August 2011

Lonmin Plc
Bapo Ba Mogale

Lonmin Plc ("Lonmin") has recently held a number of meetings with the Bapo Ba Mogale Unemployment Forum (also known as the Bapo Task Team) to address the perceived lack of recruitment from the Bapo Community. At the last meeting held on Friday, 19 August 2011, the Unemployment Forum alleged that Lonmin had informed them that an amount of R500 million had recently been given to some community members.

Lonmin places on record that the sum of money mentioned at one of the meetings with the Forum refers to the approximate value of royalties paid by Lonmin in terms of a Notarial Mineral Lease entered into by the parties over 30 years ago. These royalties are paid by Lonmin to the North West Provincial Government which holds the money in trust on behalf of the Bapo Ba-Mogale Community due to lack of governance structures in the Bapo Ba-Mogale Community. This money continues to be held by the North West Government on behalf of the Bapo Ba-Mogale Community and this situation will continue until such time as appropriate governance structures are put in place by the Bapo Ba-Mogale Community.

Apart from the royalty payment, Lonmin continues to make contribution of some R40 million a year towards community development and this is managed through a different fund and not the royalty payments.

The Forum has misinterpreted Lonmin's statement regarding the royalty payments to achieve its stated intent of disrupting Lonmin's operations in Marikana. The planned disruptions done under the guise of unemployment are nothing but an attempt to pursue goals of individuals instigating unlawful acts by the community. Lonmin has extended an invitation to the Bapo Ba-Mogale leadership to engage in a constructive process of identifying opportunities to increase investment in community development initiatives and increase current levels of recruitment from Bapo Ba-Mogale.

ENQUIRIES:
Barnard Mokwena   +27 (0) 14 571 2338, +2782 652 6239
Executive Vice President: Human Capital and External Affairs