

14 November 2011



Lonmin Plc

Fourth Quarter 2011 Production Report

Lonmin Plc (Lonmin or the Company), the world's third largest Platinum producer, today publishes its production report for the three months to 30 September 2011. Lonmin has also published today, in a separate announcement, its final results for the year ended 30 September 2011.

Overview

During the fourth quarter, production was restored back to the normal operating levels as anticipated and the momentum established earlier in the year was regained, following the illegal industrial stoppage in May at the Karee operations. We continue to make progress with our safety initiatives and we are pleased with our achievement of 2.8 million Fatality Free Shifts (FFS) in the quarter which has contributed to the 4 million FFS in the last five months of the financial year. As a result of this recovery, our underground and total tonnage mined and milled as well as our metals in concentrate for the full year have increased when compared to the prior year.

Mining

Our underground operations at Marikana produced 3.1 million tonnes during the fourth quarter of the 2011 financial year, an increase of 0.6% from the fourth quarter of the 2010 financial year. The increase was mainly as a result of Karee producing 9.5% more than the prior year period as the operational momentum was re-established in the last six weeks of the quarter. Production at Westerns decreased by 83,000 tonnes as the planned production decline at Newman continued. Production at Middelkraal decreased by 1.3% against the prior period year as challenging ground conditions and mechanical breakdowns continued to persist whilst at Easterns, sporadic community unrest resulted in a 2.2% decrease in production when compared against the prior year period. The impact of Section 54 shut downs was 83,000 tonnes in lost production during the quarter mainly at K3, 4B, Newman and Saffy. This compares to a loss in production during the same period last year of 37,000 tonnes.

Production at our Merensky opencast operations decreased by 101,000 tonnes, equivalent to 42.7% when compared to the prior year period as we slowed down production in this quarter to enable us to optimise the grade. The temporary community unrest referred to above also impacted on production.

Overall, tonnes mined of around 3.3 million for the quarter, reflected a decrease of 83,000 tonnes, equivalent to a 2.5% reduction against the prior year period.

Concentrators, Smelting and Refining

Total tonnes milled in the quarter were flat year on year at 3.3 million with the 80,000 tonnes contribution from opencast offsetting a reduction in underground tonnes milled.

Underground milled head grade was 4.55 grammes per tonne (5PGE+Au), down 0.08 grammes per tonne, or 1.7% compared to the prior year period. This reflects the continued lower grade ore at our UG2 operations and the increase in the proportion of Merensky ore in the underground ore mix. The overall milled head grade was 4.51 grammes per tonne, a decline of 2.7% when compared to the prior year period due to the contribution from the lower grade opencast ore in contrast to no contribution in the prior year period.

Underground and overall concentrator recoveries were both 85.4%, an improvement of 0.5% and 0.4% respectively when compared with the prior year period. This improvement demonstrates the stable environment at our concentrators and partially offsets the impact of the lower grades on our throughput.

Platinum in concentrate from the Marikana operations was 191,870 saleable ounces, a quarter on quarter increase of 21.1% and 1.5% lower than the prior year period. Including Pandora, concentrators in total produced 200,315 saleable Platinum ounces for the quarter, being a 1.3% decrease from the prior year period.

Total refined production for the quarter was 247,609 ounces of saleable Platinum and 464,275 ounces of Platinum Group Metals (PGMs) ounces, a significant quarter on quarter increase of 48.4% and 53.9% respectively as momentum built up in the fourth quarter. The Platinum and PGM refined production however decreased by 17.9% and 13.0% respectively when compared to the prior year period. This is due to the inclusion of toll refined material in the prior year period of 77,368 Platinum ounces and 106,112 PGM ounces as a result of the extended down time of the Number One Furnace in 2010. In comparison, only 7,731 Platinum ounces and 8,218 PGM ounces were toll refined in the current quarter.

Sales and Pricing

Platinum sales for the fourth quarter were 241,979 Platinum ounces, and the Company achieved the revised Platinum sales guidance for the year of [720,000] ounces. Platinum sales for the fourth quarter were 24.9% lower than the prior year period partly due to lower production in the current quarter and the inclusion of sales of around 25,000 Platinum ounces in concentrate in the prior year period which was a consequence of the Number One furnace outages.

Chrome sales have increased by 76.5% when compared to the prior year period with the commissioning of the chrome plants at Rowland. K4 and Karee B. Operating revenue for the quarter was \$7 million.

The US Dollar price basket, at US\$1,311, was 8.7% higher than the prior year quarter and 0.6 % higher than the third quarter. The corresponding Rand basket price was 9.4% higher than the prior year and 6.3% higher when compared to the third quarter.

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				3 months to 30 Sep 2011	3 months to 30 Sep 2010
Tonnes mined	Marikana	Karee ¹	kt	1,323	1,209
		Westerns ¹	kt	915	998
		Middelkraal ¹	kt	549	556
		Easterns ¹	kt	313	320
		Total	kt	3,236	3,320
	Pandora attributable ²	Underground	kt	47	47
	Lonmin Platinum	Underground	kt	3,147	3,129
		Opencast	kt	136	237
		Total	kt	3,283	3,367
		% UG2	%	72.3%	72.4%
Tonnes milled³	Marikana	Underground	kt	3,060	3,142
		Opencast	kt	80	-
		Total	kt	3,140	3,142
	Pandora ⁴	Underground	kt	126	126
	Lonmin Platinum	Underground	kt	3,187	3,268
		<i>Head grade⁵</i>	<i>g/t</i>	<i>4.55</i>	<i>4.63</i>
		<i>Recovery rate⁶</i>	<i>%</i>	<i>85.4%</i>	<i>85.0%</i>
		Opencast	kt	80	0
		<i>Head grade⁵</i>	<i>g/t</i>	<i>2.73</i>	<i>0.00</i>
		<i>Recovery rate⁶</i>	<i>%</i>	<i>81.0%</i>	<i>0.0%</i>
		Total	kt	3,267	3,268
	<i>Head grade⁵</i>	<i>g/t</i>	<i>4.51</i>	<i>4.63</i>	
	<i>Recovery rate⁶</i>	<i>%</i>	<i>85.4%</i>	<i>85.0%</i>	

				3 months to 30 Sep 2011	3 months to 30 Sep 2010
Metals in concentrate ⁷	Marikana	Platinum	oz	191,870	194,705
		Palladium	oz	89,684	91,493
		Gold	oz	4,463	4,412
		Rhodium	oz	25,736	26,891
		Ruthenium	oz	40,114	42,761
		Iridium	oz	8,642	9,114
		Total PGMs	oz	360,509	369,376
		Nickel ⁸	MT	929	848
		Copper ⁸	MT	574	514
	Pandora ⁴	Platinum	oz	8,445	8,192
		Palladium	oz	3,985	3,841
		Gold	oz	64	55
		Rhodium	oz	1,308	1,268
		Ruthenium	oz	2,030	2,003
		Iridium	oz	332	329
		Total PGMs	oz	16,164	15,687
		Nickel ⁸	MT	14	12
		Copper ⁸	MT	7	7
	Lonmin Platinum	Platinum	oz	200,315	202,898
		Palladium	oz	93,669	95,333
		Gold	oz	4,526	4,467
		Rhodium	oz	27,044	28,159
		Ruthenium	oz	42,144	44,764
		Iridium	oz	8,974	9,443
		Total PGMs	oz	376,673	385,063
		Nickel⁸	MT	943	861
		Copper⁸	MT	581	521

				3 months to 30 Sep 2011	3 months to 30 Sep 2010
Refined production	Lonmin refined metal production	Platinum	oz	239,878	224,124
		Palladium	oz	109,435	96,226
		Gold	oz	7,058	4,767
		Rhodium	oz	33,617	34,921
		Ruthenium	oz	54,785	55,484
		Iridium	oz	11,285	11,752
		Total PGMs	oz	456,057	427,275
	Toll refined metal production	Platinum	oz	7,731	77,368
		Palladium	oz	35	15,185
		Gold	oz	-	1,100
		Rhodium	oz	380	4,601
		Ruthenium	oz	-	6,524
		Iridium	oz	72	1,335
		Total PGMs	oz	8,218	106,112
	Total refined PGMs	Platinum	oz	247,609	301,492
		Palladium	oz	109,470	111,411
		Gold	oz	7,058	5,867
		Rhodium	oz	33,997	39,522
		Ruthenium	oz	54,785	62,008
		Iridium	oz	11,357	13,087
Total PGMs		oz	464,275	533,387	
Base metals	Nickel⁹	MT	1,162	1,365	
	Copper⁹	MT	679	913	

				3 months to 30 Sep 2011	3 months to 30 Sep 2010
Sales	Refined metal sales	Platinum	oz	241,979	297,551
		Palladium	oz	118,181	111,047
		Gold	oz	6,968	6,158
		Rhodium	oz	33,300	35,210
		Ruthenium	oz	52,408	55,646
		Iridium	oz	9,400	8,892
		Total PGMs	oz	462,235	514,504
	Concentrate and other ¹⁰	Platinum	oz	-	24,850
		Total PGMs	oz	-	24,850
	Lonmin Platinum	Platinum	oz	241,979	322,401
		Palladium	oz	118,181	111,047
		Gold	oz	6,968	6,158
		Rhodium	oz	33,300	35,210
		Ruthenium	oz	52,408	55,646
		Iridium	oz	9,400	8,892
		Total PGMs	oz	462,235	539,354
		Nickel⁹	MT	1,179	1,237
		Copper⁹	MT	885	880
		Chrome⁹	MT	314,924	178,429

			3 months to 30 Sep 2011	3 months to 30 Sep 2010
Average prices	Platinum	\$/oz	1,762	1,539
	Palladium	\$/oz	747	496
	Gold	\$/oz	1,688	1,196
	Rhodium	\$/oz	1,842	2,144
	Ruthenium	\$/oz	162	183
	Iridium	\$/oz	1,041	693
	\$ basket price excl. by-product revenue ¹¹	\$/oz	1,311	1,206
	R basket price excl. by-product revenue ¹¹	R/oz	9,434	8,627
	R basket price incl. by-product revenue ¹²	R/oz	9,945	9,077
	Nickel ⁹	\$/MT	18,299	20,485
	Copper ⁹	\$/MT	8,308	6,661
Chrome ⁹	\$/MT	23	14	
Exchange Rates	Average rate for period ¹³	R/\$	7.16	7.30
	Closing rate	R/\$	8.05	6.92

Notes:

- 1 The management structure in mining is comprised of four business units. Karee includes the shafts K3, 1B and 4B and will also include K4 once production commences. Westerns comprises Rowland, Newman and ore purchases from W1. Middelkraal represents Hossy and Saffy. Easterns includes E1, E2 and E3.
- 2 Pandora attributable tonnes mined includes Lonmin's share (42.5%) of the total tonnes mined on the Pandora joint venture.
- 3 Tonnes milled exclude slag milling.
- 4 Lonmin purchases 100% of the ore produced by the Pandora joint venture for onward processing which is included in downstream operating statistics.
- 5 Head grade is the grammes per tonne (5PGE + Au) value contained in the tonnes milled and fed into the concentrator from the mines (excludes slag milled).
- 6 Recovery rate in the concentrators is the total content produced divided by the total content milled (excluding slag).
- 7 Metals in concentrate include metal derived from slag processing and have been calculated at industry standard downstream processing losses to present produced saleable ounces.
- 8 Corresponds to contained base metals in concentrate.
- 9 Nickel is produced and sold as nickel sulphate crystals or solution and the volumes shown correspond to contained metal. Copper is produced as refined product but typically at LME grade C. Chrome is produced in the form of chromite concentrate and volumes shown are in the form of chromite.
- 10 Concentrate and other sales have been adjusted to a saleable ounce basis using industry standard recovery rates.
- 11 Basket price of PGMs is based on the revenue generated in Rand and Dollar from the actual PGMs (5PGE + Au) sold in the period based on the appropriate Rand / Dollar exchange rate applicable for each sales transaction.
- 12 As per note 11 but including revenue from base metals.
- 13 Exchange rates are calculated using the market average daily closing rate over the course of the period.