



Lonmin Plc

Third Quarter 2009 Production Report & Interim Management Statement

Lonmin Plc, (“Lonmin” or “the company”) today announces its production report and interim management statement for the three and nine months to 30 June 2009 (unaudited).

Introduction

This production report reflects management’s recent actions in eliminating non-contributing ounces and reducing costs. The third quarter of the 2009 financial year has borne the brunt of these actions but it is pleasing to note that, despite the restructuring measures implemented, underground production for the first nine months of the 2009 financial year exceeded that of 2008, with gross operating costs also trending in a positive direction. Challenges remain to be navigated, particularly in our smelting operations which will be a determining factor in achieving our Platinum sales guidance for the 2009 financial year.

Q3 2009 Production

Total tonnes mined for the third quarter of the 2009 financial year were 2.4 million, a decline of 0.8 million from the third quarter of 2008. Of this reduction, 0.4 million tonnes related to the planned closure of our Marikana opencast operations and 0.1 million tonnes were due to the placing of our Baobab shaft at Limpopo on to a care and maintenance basis.

Our underground Marikana mining operations produced 2.3 million tonnes during the third quarter of the 2009 financial year, a 10% decrease from the same period last year. A number of the causes of this decline were a consequence of the impact of management actions. Firstly, production was affected by the planned closure of a small uneconomic decline shaft and a further five uneconomic half levels at Marikana during the third quarter of the 2009 financial year. Secondly, production was impacted, as expected, by disruption relating to the restructuring programme which was completed at the end of March. Also, the number of shifts available to work in the quarter was down 3% on the prior year due to the timing of Easter and an additional public holiday, the impact being exacerbated by absenteeism and annual leave around these holidays.

The final major factor was a marked increase in the incidence, severity and impact of Section 54 shutdowns during the year. Lonmin’s focus on safety remains undiminished, as evidenced by a 5% improvement in our Lost Time Injury Frequency Rate during the third quarter of 2009, from the end of 2008. In the third quarter of 2009, we lost some 160,000 tonnes due to Section 54 shutdowns, compared to around 107,000 tonnes in the third quarter of 2008.

Tonnages from our mechanised and hybrid sections increased during the third quarter of 2009 by 41% from the prior year period and by 7% from the previous quarter with both Hossy and Saffy showing marked improvements.

Total tonnes milled in the quarter declined by 14% year-on-year to 2.8 million tonnes and the concentrators produced 152,878 saleable ounces of Platinum in concentrate for the quarter, a 17% decrease from the third quarter in the 2008 financial year. Total tonnes milled exceeded total tonnes mined due to the milling of the majority of our remaining opencast stockpiles in the period.

Underground and overall concentrator recoveries declined to 80.5% and 79.0% respectively from the second quarter of the 2009 financial year, when underground and overall recoveries were 81.4% and 80.6% respectively. Overall recoveries were impacted by the milling of low grade opencast stockpiles during the period, whilst underground recoveries were affected by ore mix, a greater proportion of development ore due to the continued ramp-up of Saffy and Hossy shafts, the milling of IRUP material from K3 shaft and some plant maintenance issues.

Underground milled head grade increased marginally to 4.57 grammes per tonne (5PGE+Au) from the prior year period. However overall milled head grade declined 3% year-on-year to 4.37 grammes per tonne (5PGE+Au), as a result of the milling of low grade opencast stockpiles during the quarter.

On 14 June 2009, we shut down our Number One furnace following a matte run out and started up our Pyromet furnaces to mitigate any potential disruption to production from this incident. Following the repair of the Number One furnace, we tapped matte again on 15 July 2009. However, after this, slag leaks occurred and we subsequently reduced power at the furnace to deal with the cause of these leaks. The furnace is expected to tap matte again in the coming days and, in order to preserve its integrity and maintain safe working practices, it will be operated at reduced power until a re-design of the matte tap hole area can be completed and a re-build initiated. This is currently planned for the first quarter of the 2010 financial year.

This incident did not impact refined production in the third quarter of the 2009 financial year of 172,574 ounces of Platinum and 321,050 ounces of total PGMs, a decrease of 8% and 13% respectively from the third quarter of the 2008 financial year.

Refined production was much higher than metal in concentrate production in the period due in the main to a concerted effort to drive down metal-in-process inventories. Metal sales during the third quarter of the 2009 financial year decreased marginally from the prior year period to 178,494 ounces of Platinum and 326,239 ounces of PGMs.

Nine Month Production

Total tonnes mined during the first nine months of the 2009 financial year were 8.2 million tonnes, a 1.0 million decline from 2008. Of this reduction, 0.8 million tonnes related to the planned closure of our Marikana opencast operations and 0.3 million tonnes were due to the placing of our Baobab shaft at Limpopo on care and maintenance during the first half of the 2009 financial year.

In the first nine months of the 2009 financial year we mined a total of 7.6 million tonnes of ore from our underground Marikana operations, an increase of 1% on the same period last year. This was due to production from our mechanised and hybrid shafts increasing by 40% year-on-year during the first nine months of the 2009 financial year.

The concentrators produced a total of 491,019 saleable ounces of Platinum in concentrate in the nine months, an 8% year-on-year decline, mainly as a result of the planned production stoppages at our Marikana opencast and Limpopo operations, as mentioned above. Overall concentrator recoveries improved during the first nine months of the 2009 financial year to 79.7%, from 79.2% in the same period in 2008, due to the milling of less oxidised opencast ore from deeper pits during the first nine months of the 2009 financial year compared to the prior year period. However, during the first nine months of the 2009 financial year, underground recoveries fell to 80.7%, from 81.8% in the same period of the 2008 financial year, mainly as a result of undertaking extensive maintenance on some of our Marikana concentrators in the first quarter of the 2009 financial year and due to the issues noted above. Despite this we are making good progress on improving our technical expertise in this area and we continue to target improvements in recoveries.

Underground milled head grade was 2% lower year-on-year at 4.57 grammes per tonne (5PGE+Au) as a result of an increased proportion of development ore coming from Hossy and Saffy and unplanned dilution on the UG2 reef horizon, as well as a lack of flexibility in face availability on the Merensky reef horizon, where some localised lower grade areas were encountered, particularly during the first quarter of the year. Overall milled head grade increased marginally year-on-year to 4.51 grammes per tonne (5PGE+Au).

Total refined production for the first nine months of the 2009 financial year was 490,794 ounces of Platinum and 927,194 of total PGMs, up 4% and 2% respectively from the same period in 2008. Final metal sales for the nine months were 490,347 ounces of Platinum and 910,112 ounces of total PGMs, up 4% and 1% respectively on the same period in 2008.

2009 Sales Guidance

On 24 June 2009 we announced the Number One furnace shutdown was expected to impact our ability to fully refine a portion of the concentrate inventory built up during the period of this shutdown by the end of the 2009 financial year. Consequently, as disclosed at that time, we estimate that there could be an increase in metal in process of up to 20,000 ounces of Platinum at 30 September 2009.

As a result of actions taken during the year, progress was made at our Mining business, however it continues to face a number of challenges. In particular the frequency of industry-wide safety-related Section 54 mine closures remains a significant risk factor in the production of Platinum Group Metals.

Despite these factors, we still expect to achieve sales for the 2009 financial year of between 680,000 and 700,000 ounces of Platinum. This result is dependent on the selling of metal-in-process inventory and on how the Number One furnace performs during the fourth quarter of the year.

Whilst the US dollar PGM pricing environment during the third quarter of the 2009 financial year improved somewhat the short term outlook for PGM pricing continues to be difficult to predict. The South African Rand strengthened significantly against the US dollar during the third quarter, negatively impacting on our dollar costs. The financial position of the company has however benefited in the period from the extensive restructuring exercise completed in March and we remain on track to meet our gross cost guidance. Also the successful rights issue which resulted in an inflow in June of \$458 million net of expenses has significantly reduced our net debt and the gearing of the business.

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				3 months	3 months	9 months	9 months
				to 30 June	to 30 June	to 30 June	to 30 June
				2009	2008	2009	2008
Tonnes mined	Marikana	Underground - conventional	000	1,915	2,291	6,403	6,640
		Underground - M&A ¹	000	429	305	1,200	857
		Underground - total	000	2,344	2,596	7,602	7,497
		Opencast	000	4	370	234	994
		Total	000	2,348	2,966	7,836	8,491
	Limpopo	Underground	000	0	138	87	402
		Opencast	000	0	0	0	0
		Total	000	0	138	87	402
	Pandora attributable ²	Underground	000	33	28	104	96
		Opencast	000	38	77	148	178
		Total	000	70	105	252	273
	Lonmin Platinum	Underground	000	2,377	2,762	7,794	7,995
		Opencast	000	42	447	381	1,172
Total		000	2,419	3,208	8,175	9,166	
Tonnes milled³	Marikana	Underground	000	2,348	2,622	7,472	7,466
		Opencast	000	243	198	438	917
		Total	000	2,591	2,820	7,910	8,383
	Limpopo	Underground	000	0	199	92	405
		Opencast	000	0	0	0	0
		Total	000	0	199	92	405
	Pandora ⁴	Underground	000	77	66	245	225
		Opencast	000	121	147	372	338
		Total	000	198	212	617	563
	Ore purchases ⁵	Underground	000	0	0	0	0
		Opencast	000	0	0	0	30
		Total	000	0	0	0	30
	Lonmin Platinum	Underground	000	2,425	2,887	7,809	8,097
		<i>Head grade⁶</i>	<i>g/t</i>	<i>4.57</i>	<i>4.54</i>	<i>4.57</i>	<i>4.65</i>
		<i>Recovery rate⁷</i>	<i>%</i>	<i>80.5%</i>	<i>82.4%</i>	<i>80.7%</i>	<i>81.8%</i>
		Opencast	000	365	344	810	1,286
		<i>Head grade⁶</i>	<i>g/t</i>	<i>3.03</i>	<i>4.41</i>	<i>3.94</i>	<i>3.51</i>
<i>Recovery rate⁷</i>		<i>%</i>	<i>63.8%</i>	<i>58.5%</i>	<i>68.2%</i>	<i>57.4%</i>	
Total		000	2,789	3,231	8,618	9,382	
<i>Head grade⁶</i>	<i>g/t</i>	<i>4.37</i>	<i>4.52</i>	<i>4.51</i>	<i>4.50</i>		
<i>Recovery rate⁷</i>	<i>%</i>	<i>79.0%</i>	<i>79.9%</i>	<i>79.7%</i>	<i>79.2%</i>		

				3 months to 30 June 2009	3 months to 30 June 2008	9 months to 30 June 2009	9 months to 30 June 2008
Metals in concentrate⁸	Marikana	Platinum	oz	140,422	165,757	449,040	485,300
		Palladium	oz	65,050	76,299	208,160	222,773
		Gold	oz	3,557	4,231	10,615	12,753
		Rhodium	oz	19,473	22,686	62,473	66,014
		Ruthenium	oz	29,993	35,236	96,447	101,915
		Iridium	oz	6,526	7,704	21,046	21,649
		Total PGMs	oz	265,021	311,913	847,780	910,404
		Nickel ⁹	MT	626	772	1,946	2,265
		Copper ⁹	MT	402	474	1,227	1,381
	Limpopo	Platinum	oz	0	7,594	3,770	16,183
		Palladium	oz	0	6,357	3,331	12,850
		Gold	oz	0	460	243	1,080
		Rhodium	oz	0	990	487	1,884
		Ruthenium	oz	0	1,426	688	2,728
		Iridium	oz	0	315	159	589
		Total PGMs	oz	0	17,141	8,679	35,314
		Nickel ⁹	MT	0	146	76	321
		Copper ⁹	MT	0	109	54	228
	Pandora ⁴	Platinum	oz	12,455	11,569	38,209	29,392
		Palladium	oz	5,548	5,236	17,149	13,384
		Gold	oz	91	96	294	229
		Rhodium	oz	1,755	1,583	5,320	4,061
		Ruthenium	oz	2,585	2,315	7,802	5,991
		Iridium	oz	499	421	1,470	1,036
		Total PGMs	oz	22,934	21,220	70,244	54,095
		Nickel ⁹	MT	12	13	37	38
		Copper ⁹	MT	8	7	22	18
	Ore purchases ⁵	Platinum	oz	0	0	0	937
		Palladium	oz	0	0	0	793
		Gold	oz	0	0	0	74
		Rhodium	oz	0	0	0	83
		Ruthenium	oz	0	0	0	107
		Iridium	oz	0	0	0	25
		Total PGMs	oz	0	0	0	2,019
		Nickel ⁹	MT	0	0	0	16
		Copper ⁹	MT	0	0	0	11
Lonmin Platinum	Platinum	oz	152,878	184,919	491,019	531,812	
	Palladium	oz	70,598	87,893	228,640	249,800	
	Gold	oz	3,649	4,787	11,152	14,136	
	Rhodium	oz	21,228	25,259	68,281	72,042	
	Ruthenium	oz	32,578	38,977	104,936	110,742	
	Iridium	oz	7,025	8,440	22,675	23,299	
	Total PGMs	oz	287,956	350,274	926,703	1,001,830	
	Nickel⁹	MT	638	931	2,059	2,641	
	Copper⁹	MT	410	590	1,303	1,637	

				3 months to 30 June 2009	3 months to 30 June 2008	9 months to 30 June 2009	9 months to 30 June 2008
Metallurgy	Lonmin refined Metal Production	Platinum	oz	172,136	188,350	490,040	470,999
		Palladium	oz	79,164	91,871	226,557	220,011
		Gold	oz	5,202	5,213	13,849	14,775
		Rhodium	oz	20,062	25,932	64,750	68,369
		Ruthenium	oz	37,821	46,539	110,773	109,302
		Iridium	oz	5,589	11,669	18,068	22,246
		Total PGMs	oz	319,974	369,574	924,037	905,702
	Toll refined metal production	Platinum	oz	438	0	754	0
		Palladium	oz	206	0	206	0
		Gold	oz	10	0	10	0
		Rhodium	oz	422	0	994	0
		Ruthenium	oz	0	0	1,009	0
		Iridium	oz	0	0	184	0
		Total PGMs	oz	1,076	0	3,157	0
	Total refined PGMs	Platinum	oz	172,574	188,350	490,794	470,999
		Palladium	oz	79,370	91,871	226,763	220,011
		Gold	oz	5,212	5,213	13,859	14,775
		Rhodium	oz	20,484	25,932	65,745	68,369
		Ruthenium	oz	37,821	46,539	111,782	109,302
		Iridium	oz	5,589	11,669	18,252	22,246
Total PGMs		oz	321,050	369,574	927,194	905,702	
Base metals	Nickel¹⁰	MT	764	960	2,395	2,282	
	Copper¹⁰	MT	438	567	1,517	1,361	

Sales	Refined Metal Sales	Platinum	oz	178,486	179,803	492,157	464,533
		Palladium	oz	79,150	82,775	226,334	216,765
		Gold	oz	4,049	5,228	13,368	14,436
		Rhodium	oz	20,809	22,545	59,548	66,082
		Ruthenium	oz	37,970	44,704	105,471	110,644
		Iridium	oz	5,760	9,945	18,260	21,665
		Total PGMs	oz	326,225	345,000	915,137	894,127
	Concentrate and other ¹¹	Platinum	oz	8	467	(1,810)	4,700
		Palladium	oz	4	189	(3,218)	2,022
		Gold	oz	0	10	0	107
		Rhodium	oz	1	71	1	829
		Ruthenium	oz	2	120	2	1,110
		Iridium	oz	0	30	0	270
		Total PGMs	oz	14	887	(5,025)	9,037
	Lonmin Platinum	Platinum	oz	178,494	180,270	490,347	469,233
		Palladium	oz	79,154	82,964	223,117	218,787
		Gold	oz	4,049	5,238	13,368	14,543
		Rhodium	oz	20,810	22,616	59,549	66,911
		Ruthenium	oz	37,972	44,824	105,473	111,754
		Iridium	oz	5,760	9,975	18,260	21,935
Total PGMs		oz	326,239	345,887	910,112	903,163	
	Nickel¹⁰	MT	986	966	2,354	2,182	
	Copper¹⁰	MT	362	546	1,268	1,351	

				3 months to 30 June 2009	3 months to 30 June 2008	9 months to 30 June 2009	9 months to 30 June 2008
Prices	Average	Platinum	\$/oz	1,148	1,994	1,020	1,738
		Palladium	\$/oz	234	437	207	412
		Gold	\$/oz	927	883	888	864
		Rhodium	\$/oz	1,354	9,350	1,546	7,874
		Ruthenium	\$/oz	70	308	104	391
		Iridium	\$/oz	388	405	391	416
		Basket price of PGMs ¹²	\$/oz	798	1,820	735	1,658
		Nickel ¹⁰	\$/MT	12,839	22,940	14,514	25,333
		Copper ¹⁰	\$/MT	7,075	7,909	6,351	7,330
Exchange Rates	Average rate for period		R/\$	8.43	7.76	9.41	7.34
	Closing rate		R/\$	7.72	7.85	7.72	7.85

Notes:

- 1 M&A comprises ore produced by our fully mechanised shafts and from Saffy shaft, which is being transitioned to hybrid mining.
- 2 Pandora attributable tonnes mined includes Lonmin's share (42.5%) of the total tonnes mined on the Pandora joint venture.
- 3 Tonnes milled excludes 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 Relates to the tonnes milled and derived metal in concentrate from third-party ore purchases.
- 6 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).
- 7 Recovery rate in the concentrators is the total content produced divided by the total content milled (excluding slag)
- 8 Metals in concentrate include slag and have been calculated at industry standard downstream processing losses.
- 9 Corresponds to contained base metals in concentrate.
- 10 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.
- 11 Concentrate and others sales essentially relates to BMR concentrate and BMR/PMR residues.
- 12 Basket price of PGMs is based on the revenue generated from the actual PGMs (5PGE + Au) sold in the period.