

## News Release

### Third Quarter Production Report 2 August 2005

LONMIN

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Lonmin today announces its production report for the third quarter to 30 June 2005.

Brad Mills, Chief Executive Officer said:

“Refined production has accelerated during the third quarter and the smelter has continued to perform strongly achieving record levels of throughput. This improvement in production has been achieved at the same time as controlling our costs and we have today lowered our full year cost guidance to around R2,450 per PGM ounce sold for our Marikana operations. The smelter’s strong performance during the period has helped to substantially reduce concentrate inventories built up after the November incident. This smelter performance has created higher material flows than normal in our Base Metals and Precious Metals refineries. We are now forecasting that we will not be able to fully process all of this extra material before year end resulting in somewhat higher than normal year end stock positions. We expect this situation to be fully reversed in the first quarter of next year. We now expect Platinum production for the fiscal year to be around 910,000 ounces (including around 10,000 ounces from our new Limpopo Division)”.

#### Mining

				Quarter to 30 June 05	Quarter to 30 June 04	Nine months to 30 June 05	Nine months to 30 June 04
Tonnes milled*	Marikana	Underground (000)		2,640	2,702	8,067	8,348
		Opencast (000)		452	883	1,932	2,465
		Total (000)		3,092	3,585	9,999	10,813
Limpopo	Underground (000)		16	-	16	-	
	Opencast (000)		-	-	-	-	
	Total (000)		16	-	16	-	
Lonmin Platinum	Underground (000)		2,656	2,702	8,083	8,348	
	Opencast (000)		452	883	1,932	2,465	
	Total (000)		3,108	3,585	10,015	10,813	
Tonnes mined	Marikana	Underground (000)		2,636	2,684	8,041	8,301
		Opencast (000)		634	835	1,878	1,993
		Total (000)		3,270	3,519	9,919	10,294
Limpopo	Underground (000)		17	-	17	-	
	Opencast (000)		-	-	-	-	
	Total (000)		17	-	17	-	
Lonmin Platinum	Underground (000)		2,653	2,684	8,058	8,301	
	Opencast (000)		634	835	1,878	1,993	
	Total (000)		3,287	3,519	9,936	10,294	

\*excluding slag

Note: Limpopo figures relate to production from Lonmin Platinum Limpopo from 15 June 2005 when Lonmin completed its acquisition of the mine.

## Metallurgy

				Quarter to 30 June 05	Quarter to 30 June 04	Nine months to 30 June 05	Nine months to 30 June 04
Refined production of:	Marikana	Platinum	oz	239,020	249,895	605,801	652,772
		Palladium	oz	104,039	96,595	261,097	272,840
		Rhodium	oz	29,976	25,726	65,229	72,386
		Total PGMs	oz	441,254	411,698	1,107,557	1,141,172
	Limpopo	Platinum	oz	1,380	-	1,380	-
		Palladium	oz	918	-	918	-
		Rhodium	oz	43	-	43	-
		Total PGMs	oz	3,183	-	3,183	-
	Lonmin Platinum	Platinum	oz	240,400	249,895	607,181	652,772
		Palladium	oz	104,957	96,595	262,015	272,840
		Rhodium	oz	30,019	25,726	65,272	72,386
		Total PGMs	oz	444,437	411,698	1,110,740	1,141,172

Note: Limpopo figures relate to production from Lonmin Platinum Limpopo from 15 June 2005 when Lonmin completed its acquisition of the mine

## Lonmin Group Metal Sales

			Quarter to 30 June 05	Quarter to 30 June 04	Nine months to 30 June 05	Nine months to 30 June 04
Platinum	oz		222,490	220,579	588,143	633,112
Palladium	oz		99,020	90,402	251,745	272,084
Rhodium	oz		26,078	31,172	65,408	90,211
Total PGMs	oz		412,616	406,513	1,084,207	1,200,039

## Prices

				Quarter to 30 June 05	Quarter to 30 June 04	Nine months to 30 June 05	Nine months to 30 June 04
Average price received per ounce	Platinum	R		5,592	5,372	5,224	5,363
		\$		855	816	847	813
	Palladium	R		1,230	1,656	1,194	1,542
		\$		188	251	193	235
	Rhodium	R		9,785	5,168	8,265	4,068
		\$		1,513	787	1,397	619
Basket price of PGMs and base metals			\$/kg	19,625	17,459	19,166	16,644

## Exchange Rates

				Quarter to 30 June 05	Quarter to 30 June 04	Nine months to 30 June 05	Nine months to 30 June 04
Average exchange rate	Sterling	£/\$		1.84	1.81	1.88	1.79
		SA Rand	R/\$	6.28	6.64	6.17	6.60
Closing exchange rates	Sterling	£/\$		1.79	1.82	1.79	1.82
		SA Rand	R/\$	6.67	6.32	6.67	6.32

## Outlook

The New Era Labour Agreement was signed on 21 June 2005. This agreement is for five years from 1 October 2005. Under the agreement basic wages will increase in line with South African CPIX but employees will share on an equal basis in a bonus pool created based on 25% of gains achieved above certain agreed targets for costs and productivity. In addition employees covered by the gain share will receive a safety bonus based on achieving certain specified targets. The agreement also equalised pay and conditions in many categories across our three mines. This equalisation equates to a first year only cost above CPIX of 2.9%.

We are in the process of finalising the Shared Services structure within the business and are progressing well with implementation. This process will lead to a number of redundancies and we will report an exceptional provision in respect of this restructuring of around \$10 million for the full year. This provision will be excluded from our unit cost figures.

We announced on 29 July that we have completed the compulsory acquisition process and owned 100% of the outstanding shares of Southern Platinum Corp. In respect of the completion of the acquisition we will report a one off exceptional cost of around \$13 million for the full year 2005. The integration of the Limpopo operations continues to progress well.

We have restated our full year cost guidance to around R2,450 per PGM ounce sold for our Marikana operations and we now expect our production for the full year to be around 910,000 ounces of Platinum (including around 10,000 ounces from our Limpopo Division).

The 4<sup>th</sup> Quarter Production Report will be announced on 26 October 2005 and Final Results on 16 November 2005.

### **Enquiries:**

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