

## MEDIA RELEASE

05 February 2004

### CHAIRMAN'S STATEMENT AT THE AGM ON 5 FEBRUARY 2004

Speaking at today's Annual General Meeting Lonmin Chairman Sir John Craven said:

"The Company performed exceptionally well in the year to 30th September 2003 and current trading continues to be broadly in line with the Board's expectations. You will remember that just after Christmas 2002 we suffered an explosion in the new smelter that had only recently been commissioned. This could have been a major setback but management and staff threw enormous energy into dealing with the situation and the final out-turn for the year was one of record production, though of course we had to rely to an extent upon tolling arrangements with our neighbour, Impala, to process excess concentrate.

The smelter has now been recommissioned and is operating satisfactorily. We took advantage of the period during which it was out of commission to introduce a number of major improvements, which will I am sure stand us in good stead for the future.

Safety always ranks highest on our agenda and I am pleased to report that we had an exceptionally good year in this regard. All three mines achieved millionaire status (one million fatality free shifts worked) with both Western and Eastern Platinum achieving double millionaire status, and Karee Mine achieving millionaire status twice. Western Platinum Mine also became the first of our mines to complete a financial year without a fatality and shortly after year end recorded 3 million fatality free man shifts.

Early in the year we announced agreement to sell our 27% interest in Ashanti to AngloGold. This was subject to a number of conditions precedent, of which perhaps the most important was the agreement of the Government of Ghana, which is the second largest shareholder in Ashanti. I am pleased to report that this consent has been given and the Ghanaian Parliament is expected to consider the issue shortly. We believe that this transaction will be completed in the next few months at which point Lonmin will hold approximately 3.8% in the enlarged AngloGold Ashanti. As those of you who have been shareholders for a long time will know, Ashanti has been an important component of the Lonmin group for many years and we are delighted that it now becomes a part of the largest gold producer in the world, and the most important pan-African mining business. The importance of Ashanti is reflected in the proposed name of the combined group, which will be known as AngloGold Ashanti.

Sam Jonah, who joined Lonmin in 1969, is currently the longest serving director having been appointed to the Board in 1992. Sam is currently Chief Executive Officer of Ashanti and will become President of AngloGold Ashanti on completion and at that stage will step down from our Board. I am sure that the shareholders wish to join my colleagues and myself in thanking him for his enormous contribution to the Group over the past 35 years.

We announced in September 2003 that we had reached agreement in principle with Impala Platinum, which owns 27.1% of the share capital of both Eastern Platinum and Western Platinum (which we

refer to together as Lonplats) whereby Impala will dispose of its entire shareholding in Lonplats. Of this, Lonmin will take one third increasing our shareholding in Lonplats to 82%. The remaining 18% of Lonplats will be acquired by a new company, Incwala Resources, the current intention for which is that it will be HDSA (or Historically Disadvantaged South African) controlled from inception.

Incwala will be developed as a diversified mining company built upon its initial stake in Lonplats. The intention is ultimately to list Incwala on the Johannesburg Stock Exchange.

This is a ground-breaking transaction which, when successfully completed, will not only position Lonplats favourably towards qualifying for a New Order Mining Licence under the Mining Charter but also remove a major strategic impediment for Lonmin. Agreements made many years ago contained clauses which severely constrained the ability of the Board of Lonmin to pursue strategic alternatives in the best interests of its shareholders. The discussions with Impala, the banks and prospective HDSA investors have been ongoing and are proceeding well. We anticipate that the arrangements concerning the Impala stake in Lonplats and the formation of Incwala will be completed by some time in April.

I am pleased to be able to tell you that earlier this morning an announcement was made to the effect that Mr Brad Mills, currently President and Chief Executive of the Base Metals Division of BHP Billiton Limited and a member of that company's Executive Committee, has agreed to join us as Chief Executive. We expect that this appointment will take effect not later than 1st May 2004 and at that time it is our intention to appoint Mr Mills a director of the Company.

Ed Haslam, who has served Lonmin in various capacities for 23 years, the last three of which as Chief Executive of the group, had signified his intention to step down on reaching retirement age in April 2004. Ed has given excellent service to the Company bringing enormous experience on every aspect of our activities, and I should like on your behalf and on behalf of myself and my Board colleagues to thank him for his contribution. Perhaps the most eloquent testimony of the success of his tenure is that over a five year period to 31st December 2003 the TSR (or Total Shareholder Return) of Lonmin has been 309%, which places us 17th or in the top 5% in the FTSE 350 Index, at which level we rank well ahead of almost all our competitors in the natural resources sector.

Brad Mills, a US citizen, has spent the last 25 years of his career in the natural resources industry working in a wide variety of capacities including worldwide exploration, ore body development, operational management, strategy, planning, technology and organisational design. Prior to joining BHP Billiton he was an officer of two successful North American public companies, Magma Copper Company and Echo Bay Mines. Brad has considerable exposure to South Africa having played a key role as BHP's Chief Strategic Officer in the merger with and integration of Billiton.

This appointment marks a new chapter in the affairs of the Company. The experience and knowledge that Brad will bring to the Company's affairs will accelerate the strategic review that the Board announced in mid-2003. While Lonplats is an exceptional asset and business in probably the most exciting sector of the mining industry and while our management is arguably the best of breed there is a concentration of risk inherent in the present business model. The Company is dependent on a single suite of metals, a single mining complex and smelting technology. Like all companies in the South African mining industry we are exposed to the volatility of the South African Rand. This affects us more than most in that all our operations are in South Africa so that our cost base is almost wholly in Rand, which has been one of the strongest currencies in the world for the last 18 months. Our revenues are denominated wholly in US dollars and, of course, we account and report in US dollars.

We believe it is our duty as a Board to explore any steps we might take to reduce the concentration of risk in the business

One of the priorities of Brad Mills on his arrival will be to conduct a full review of our corporate strategy. It may well be that he and the Board will conclude that our pure platinum plan, which I know is popular amongst many of our shareholders, is the best way forward for the foreseeable future. No plans exist, I can assure you, for any diversification at this stage but we cannot ignore the fact that, through the cycle, the market ascribes a higher value to mining activities that are diversified both in terms of sector within the industry and geography and it may be that the best way forward to protect and enhance shareholder value - and the future dividend stream - will be by some measure of diversification."

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