

MEDIA RELEASE

25 November 2004

UPDATE ON SMELTER INCIDENT

Further to the announcement made on 19th November 2004, Lonmin is now able to give some further details on the incident at its No. 1 smelter at its operations in South Africa.

On Thursday 18th November 2004, at approximately 17:45 (SA time), an ingress of water occurred through the roof of the No. 1 furnace following the dislodgement of a water cooling pipe. The latter forms part of the cooling system for the electric power contact pads on the furnace electrodes. The water entered the furnace via the gap between one electrode and the furnace roof for several minutes before shutoff could be effected. The subsequent steam explosion resulted in the destruction of the furnace roof and damage to the electrodes and other peripherals. The incident is unrelated to the matte tap hole explosion experienced two years ago and is minor in comparison.

We now estimate that we should be able to recover to normal operations by the end of January 2005 at a repair cost of between \$4-6 million provided further inspection reveals no damage to those other parts of the furnace which we have not yet been able to examine. The cost of these repairs would not be covered by insurance. Contingency planning in place means that all long lead time materials required for the re-building of the roof are already in stock and orders have already been placed for the other items required to effect the necessary repairs.

At this point in time it is thought likely that the production target for the financial year to 30th September 2005 will still be met by a combination of the utilisation of our own standby smelting resources and third party tolling.

There will clearly be a short-term effect in terms of the interim results on working capital requirements and profitability and further announcements will be made to the market when more accurate assessments are available.

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