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REGULATORY RELEASE

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First Quarter 2016 Production Report and Update

Lonmin Plc ("Lonmin" or "the Company"), a primary Platinum producer, today announces its production results for the three months to 31 December 2015 (unaudited) and a progress update on its Business Plan for the period from 1 October 2015 to today's date.

Overview

We are making good progress with the implementation of our Business Plan. As at 27 January 2016 5,077 workers, had left the Group representing 84.6% of our planned head count reduction, in line with expectations. Removal of high cost production has advanced with the shutdown of the 1B shaft and opencast completed and further cost reductions are being made through our total cost of ownership projects. Our Business Plan assumes that a low pricing environment will persist in the short to medium term and we are managing our business on that basis.

The rolling 12 month average Lost Time Injury Frequency Rate (LTIFR) for the 12 months to 31 December 2015 was 5.38 per million man hours, an improvement of 0.6% on September 2015 at 5.41. Regrettably, however, one of our colleagues, Mr Zilindile Ndumela, was fatally injured on 26 October 2015 at Rowland shaft and we extend our deepest condolences to his family and friends. We continue to focus on safety improvements.

Total tonnes mined in the quarter were 2.5 million tonnes. Saffy shaft is now at full production and achieved a record 200,076 tonnes in November. In line with our plans to reduce high cost production in response to low PGM prices, and due to a year on year increase in Section 54 safety stoppages (up 0.2 million tonnes), underground tonnes mined were lower than the prior year period by 11.8% or 0.3 million tonnes.

Refined Platinum production of 171,441 ounces was 31,618 ounces or 22.6% higher than the prior year period, as the smelter complex operated well, unlike December 2014 which had smelter shutdowns. Sales of 150,420 Platinum ounces were 3,530 ounces or 2.4% higher than the prior year period.

The average Rand basket price at R10,859 per PGM ounce was 5.5% lower than the prior year period, a reduction which was anticipated in our Business Plan. Unit costs for the quarter were contained to R10,949 per PGM ounce, a 5.5% year on year increase notwithstanding the 8.2% year on year increase in labour costs set in the multi-year wage agreement in 2014. Unit costs in Q1 are seasonally high due to the distorting impact of the holiday period in December and unit costs are expected to reduce over the course of the year in-line with guidance of R10,400 per PGM ounce for the full year.

Strategic Update

We continue to proactively manage our cashflows and balance sheet through cost containment measures. Capital spent in Q1 was $16 million as planned.

Update on Rights Issue and Amended Bank Debt Facilities

The successful completion of the Rights Issue raised $396 million in gross proceeds before the impact of hedging arrangements which resulted in a forward exchange gain of $4 million. The proceeds net of fees and expenses relating to the Rights Issue of $27 million were $373 million. This was below the $381 million expected net proceeds as stated in the Prospectus as a result of exchange rate differences of $7 million and $1 million higher expenses.

The amended bank debt facilities became effective on 15 December 2015 and are summarised as follows:

- Revolving credit facilities totalling $75 million and a $150 million term loan, at a Lonmin Plc level, which mature in May 2020 (assuming Lonmin exercises its option to extend the term up until this date).
- Revolving credit facility totalling R1,980 million, at a Western Platinum Limited level, which matures in May 2020 (assuming Lonmin exercises its option to extend the term up until this date).

Lonmin has used part of the proceeds from the Rights Issue to fully repay the amounts drawn on the revolving credit facilities, leaving $150 million fully drawn on the USD term loan and $203 million in revolving credit facilities available to Lonmin to draw on when required. Fees and expenses relating to the amended facilities agreements amounted to $12 million, in-line with the expectation given in the Prospectus. Net cash at 31 December 2015 was $69 million.

Right Sizing the Group

Progress continues with the restructuring programme due to the new bench marked operating model and removal of high cost production to ensure the business remains viable. In total by 27 January 2016 5,077 people had left the Group with 2,880 own employees leaving of which 2,440 took voluntary separations and early retirement packages. The net reduction in contractor headcount was 2,197. This represents 84.6% of our total planned reduction and is in line with expectations. Redundancy costs paid in the quarter amounted to $13 million.

We reached agreement in December 2015 that we would continue with the mining operations at E1 and W1 at least until the end of the financial year. As a result, and in the short term, the reduction in contractor headcount will be 1,000 less than previously reported.

Cost savings

We are making good progress towards achieving the target of R0.7 billion cost savings in 2016 through the reduction in the size of the Group's workforce, overhead costs and support service structures and the total cost of ownership projects. By the end of the first quarter the estimated labour cost was R194 million lower than the prior year period and total cost of ownership savings amounted to R12 million. In addition a further benefit of around R84 million has been realised as a result of permanently reducing our metal in process stock.

Unit costs

The distorting impact of the holidays in December typically results in unit costs peaking in the first quarter of the financial year. Unit costs in Q1 at R10,949 per PGM ounce increased by 5.5% on the prior year period despite the 8.2% increase in labour costs year on year and the increased level of Section 54 safety stoppages in the quarter. We remain vigilant in containing our costs. The distorting impacts of the December and Easter holiday periods, which are important for our employees' health and wellbeing, are built into our plans and we are maintaining our full year guidance for unit costs of R10,400 per PGM ounce.

Bulk Tailings Treatment

We are progressing towards securing third party funding for the Bulk Tailings Treatment plant. We have signed an agreement with the counterparty which is subject to various conditions precedent, including obtaining lender consent to the agreed terms.

Update of Shanduka / Pembani merger

The merger between Shanduka, our former BEE partner and Pembani recently completed with Pembani assuming all the rights and obligations previously held by Shanduka. Lonmin retains its BEE status.

First Quarter Production Overview

Mining Operations

The Marikana underground mining operations produced 2.5 million tonnes during the first quarter, a decrease of 11.8% or 0.3 million tonnes on the prior year period. Tonnes lost due to Section 54 safety stoppages were 0.2 million tonnes partly driven by the fatality in October.

Generation 2 shafts

Production from our Generation 2 shafts (K3, Rowland, Saffy and 4B/1B) was 2.0 million tonnes, a decrease of 2.5%, or 0.1 million tonnes on the prior year period. Since we are commencing an orderly shutdown and placement on care and maintenance of Hossy shaft, this shaft is now reported as a Generation 1 shaft and prior periods have been restated accordingly.

- K3, our biggest shaft, produced 684,000 tonnes, a decrease of 2.0% on the prior year period due to an increase in the impact of Section 54 safety stoppages.
- Saffy shaft produced 497,000 tonnes, an increase of 21.2% on the prior year period. This shaft is now operating at full production and achieved a record 200,000 tonnes in November.
- Rowland produced 387,000 tonnes, which was a decrease of 18.4% on the prior year period driven by safety shut downs following the fatality in October 2015.
- 4B/1B produced 382,000 tonnes as planned, a decrease of 8.7%. As announced on 9 November, the 1B shaft was closed and placed on care and maintenance in October 2015.

Generation 1 shafts

Production from our Generation 1 shafts (Hossy, Newman, W1, E1, E2, E3 and Pandora (100%)) at 0.6 million tonnes during the first quarter was 0.3 million tonnes, or 32.9% lower than the prior year period in line with the end of life plans for these shafts.

K4 shaft remains on care and maintenance and a small amount of opencast ore was recovered in October as this operation wound down.

Production Losses

These results have been achieved with significantly increased Section 54 safety stoppages year on year. Production lost due to Section 54 safety stoppages in the quarter totalled 197,000 tonnes. This was 190,000 tonnes higher than the prior year period. We have examined the relationship between the increase in our LTIFR and Section 54 safety stoppages and we have developed a safety improvement plan to curb the increase in LTIs and high potential incidents. Each mine has a 90 day safety turnaround action plan in place to address site-specific safety challenges and these action plans are implemented by the General Manager of each area.

	Q1 2016 tonnes	Q1 2015 tonnes
Section 54 safety stoppages	197,000	7,000
Management induced safety stoppages	7,000	13,000
Labour stoppages	9,000	2,000
Total tonnes lost	**213,000**	**22,000**

We remain focused on embedding the safety protocols and improving our safety performance in light of the high level of Section 54 safety stoppages.

Process Operations

Total tonnes milled in the quarter at 2.7 million tonnes were 14.9% or 0.5 million tonnes lower when compared to the prior year period. There was a small amount of opencast ore milled in October as stock piles were wound down.

Underground milled head grade at 4.47 grammes per tonnes (5PGE+Au) decreased slightly by 1.1% when compared to the 4.55 grammes per tonne in the prior year period. The overall milled head grade was 4.45 grammes per tonne, also down 1.1% on the prior year period. Concentrator recoveries for the quarter were excellent at 86.8% albeit slightly lower than the prior year period at 87.1% largely due to ore mix. Total Platinum in concentrate for the quarter at 166,953 saleable ounces was 16.6% lower than the prior year period. Total PGMs in concentrate were 320,137 saleable ounces which was 16.2% lower than the prior year period.

Total refined Platinum production for the first quarter at 171,441 ounces was 22.6% higher than the prior year period when processing capacity was impacted by smelter stoppages in December 2014. Total PGMs produced in the first quarter were 331,294 ounces, an increase of 25.0% on the prior year period. The Number Two furnace was successfully rebuilt and commissioned in early December 2015, having been disassembled for a planned shutdown at the end of September 2015 for scheduled refractory brick replacement and design upgrades on the roof and off gas system. The Pyromet furnaces were utilised during this time to provide the additional smelting capacity required.

Sales & Pricing

Platinum sales for the quarter at 150,420 ounces were up 2.4%, or 3,530 ounces on the prior year period and PGM sales were up 5.8% to 290,475 ounces. BASF and Johnson Matthey, two of the largest consumers of platinum group metals globally reconfirmed their commitment to the sector and Lonmin in particular by both entering into multiple year agreements during this quarter.

The US Dollar basket price (including base metal revenue) at $769 per ounce during the quarter was down 25.6% on the prior year period while the corresponding Rand basket price (R10,859 per ounce) was 5.5% lower than the prior year period impacted by the Rand weakness. The average Rand to US Dollar exchange rate was 26.8% weaker at 14.22 compared to 11.22 in the prior year period. Post the quarter end the platinum price in January 2016 ranged between a high of $891 per ounce and a low of $816 per ounce compared to the price achieved in Q1 of $886 per ounce. The impact of the decrease in platinum price was offset by the Rand weakening further against the US Dollar, averaging ZAR:USD 16.37 in January 2016 compared to 14.22 in Q1 resulting in a Rand basket price for January 2016 that is in-line with Q1.

Outlook and Guidance

The weak PGM pricing environment appears likely to continue, offset by Dollar strength. Sales guidance for the full year is maintained at around 700,000 Platinum ounces. We are maintaining unit cost guidance of around R10,400 per PGM ounce produced absent any material safety stoppages. Our capital expenditure guidance for the year of around $132 million (including the $29 million for the Bulk Tailing Treatment plant expected to be funded by a third party) is currently maintained.

- ENDS -

ENQUIRIES

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Notes to editors

Lonmin, which is listed on both the London Stock Exchange and the Johannesburg Stock Exchange, is one of the world's largest primary producers of PGMs. These metals are essential for many industrial applications, especially catalytic converters for internal combustion engine emissions, as well as their widespread use in jewellery.

Lonmin's operations are situated in the Bushveld Igneous Complex in South Africa, where more than 70% of known global PGM resources are located.

The Company creates value for shareholders through mining, refining and marketing PGMs and has a vertically integrated operational structure - from mine to market. Underpinning the operations is the Shared Services function which provides high quality levels of support and infrastructure across the operations.

For further information please visit our website: http://www.lonmin.com

				3 months to 31 Dec 2015	3 months to 31 Dec 2014
Tonnes mined[1]	Generation 2	K3 shaft	kt	684	699
		Rowland shaft	kt	387	474
		Saffy shaft	kt	497	410
		4B/1B shaft	kt	382	418
		Generation 2	**kt**	**1,950**	**2,001**
	Generation 1	Hossy shaft	kt	159	267
		Newman shaft	kt	132	220
		W1 shaft	kt	47	47
		East 1 shaft	kt	30	35
		East 2 shaft	kt	77	95
		East 3 shaft	kt	6	18
		Pandora (100%)[2]	kt	118	165
		Generation 1	**kt**	**569**	**848**
	Generation 3	K4 shaft	kt	-	8
		Total underground	kt	2,519	2,857
		Opencast	kt	7	56
	Lonmin (100%)	**Total tonnes mined (100%)**	**kt**	**2,526**	**2,913**
		% tonnes mined from UG2 reef (100%)	%	76.0	76.5
	Lonmin (attributable)	**Underground & Opencast**	**kt**	**2,467**	**2,821**
Ounces mined [3]	Lonmin excluding Pandora	Pt ounces	oz	149,658	175,357
	Pandora (100%)	Pt ounces	oz	7,921	11,329
	Lonmin	Pt ounces	oz	157,579	186,686
	Lonmin excluding Pandora	PGM ounces	oz	287,744	334,417
	Pandora (100%)	PGM ounces	oz	15,558	22,172
	Lonmin	PGM ounces	oz	303,303	356,589
Tonnes milled [4]	Marikana	Underground	kt	2,524	2,864
		Opencast	kt	31	93
		Total	**kt**	**2,555**	**2,957**
	Pandora [5]	Underground	kt	118	183
	Lonmin Platinum	**Underground**	**kt**	**2,642**	**3,047**
		Head grade[6]	g/t	4.47	4.55
		Recovery rate[7]	%	86.8	87.2
		Opencast	**kt**	**31**	**93**
		Head grade[6]	g/t	2.71	3.01
		Recovery rate[7]	%	84.2	85.0
		Total	**kt**	**2,673**	**3,140**
		Head grade[6]	g/t	4.45	4.50
		Recovery rate[7]	%	86.8	87.1

				3 months to 31 Dec 2015	3 months to 31 Dec 2014
Metals-in-concentrate[8]	Marikana	Platinum	oz	157,873	186,092
		Palladium	oz	73,936	84,817
		Gold	oz	3,718	4,406
		Rhodium	oz	22,912	27,348
		Ruthenium	oz	37,021	43,655
		Iridium	oz	7,157	8,448
		Total PGMs	**oz**	**302,616**	**354,765**
		Nickel [9]	MT	822	960
		Copper [9]	MT	501	592
	Pandora	Platinum	oz	7,921	12,425
		Palladium	oz	3,704	5,700
		Gold	oz	22	43
		Rhodium	oz	1,328	2,116
		Ruthenium	oz	2,164	3,404
		Iridium	oz	420	644
		Total PGMs	**oz**	**15,558**	**24,332**
		Nickel [9]	MT	22	28
		Copper [9]	MT	8	12
	Concentrate purchases	Platinum	oz	1,160	1,653
		Palladium	oz	376	490
		Gold	oz	3	7
		Rhodium	oz	149	210
		Ruthenium	oz	215	262
		Iridium	oz	60	84
		Total PGMs	**oz**	**1,962**	**2,707**
		Nickel [9]	MT	1	1
		Copper [9]	MT	1	1
	Lonmin Platinum	**Platinum**	**oz**	**166,953**	**200,170**
		Palladium	**oz**	**78,016**	**91,007**
		Gold	**oz**	**3,743**	**4,456**
		Rhodium	**oz**	**24,389**	**29,674**
		Ruthenium	**oz**	**39,399**	**47,320**
		Iridium	**oz**	**7,637**	**9,177**
		Total PGMs	**oz**	**320,137**	**381,804**
		Nickel [9]	**MT**	**844**	**989**
		Copper [9]	**MT**	**511**	**605**

				3 months to 31 Dec 2015	3 months to 31 Dec 2014
Refined production	Lonmin refined metal production	Platinum	oz	170,931	139,712
		Palladium	oz	77,782	63,443
		Gold	oz	4,859	3,654
		Rhodium	oz	30,303	18,944
		Ruthenium	oz	35,450	32,522
		Iridium	oz	10,936	4,349
		Total PGMs	**oz**	**330,261**	**262,625**
	Toll refined metal production	Platinum	oz	510	111
		Palladium	oz	197	1
		Gold	oz	9	-
		Rhodium	oz	60	-
		Ruthenium	oz	222	1,889
		Iridium	oz	36	502
		Total PGMs	**oz**	**1,033**	**2,503**
	Total refined PGMs	Platinum	oz	171,441	139,823
		Palladium	oz	77,978	63,444
		Gold	oz	4,868	3,655
		Rhodium	oz	30,364	18,944
		Ruthenium	oz	35,672	34,411
		Iridium	oz	10,972	4,851
		Total PGMs	**oz**	**331,294**	**265,128**
	Base metals	Nickel [10]	MT	990	660
		Copper [10]	MT	549	392
Sales	Refined metal sales	Platinum	oz	150,420	146,890
		Palladium	oz	62,332	67,836
		Gold	oz	4,714	5,200
		Rhodium	oz	35,195	17,114
		Ruthenium	oz	29,157	33,335
		Iridium	oz	8,656	4,050
		Total PGMs	**oz**	**290,475**	**274,425**
		Nickel [10]	MT	1,071	832
		Copper [10]	MT	406	402
		Chrome [10]	MT	438,717	367,507

			3 months to 31 Dec 2015	3 months to 31 Dec 2014
Average prices	Platinum	$/oz	886	1,213
	Palladium	$/oz	586	787
	Gold	$/oz	1,323	1,512
	Rhodium	$/oz	715	1,199
	Ruthenium	$/oz	36	52
	Iridium	$/oz	505	509
	$ basket excl. by-product revenue [11]	$/oz	711	961
	$ basket incl. by-product revenue [12]	$/oz	769	1,033
	R basket excl. by-product revenue [11]	R/oz	10,055	10,689
	R basket incl. by-product revenue [12]	R/oz	10,859	11,488
	Nickel [12]	$/MT	7,292	12,683
	Copper [12]	$/MT	4,700	6,517
	Chrome [12]	$/MT	16	18
Unit costs	Cost of production per PGM ounce	R/oz	10,949	10,380
Exchange rates	Average rate for period [13]	R/$	14.22	11.22
	Closing rate	R/$	15.46	11.56

Notes:

1 Reporting of shafts is in line with our operating strategy for Generation 1 and Generation 2 shafts.

2 Pandora underground tonnes mined represents 100% of the total tonnes mined on the Pandora joint venture of which 42.5% for October and November 2014 and 50% thereafter is attributable to Lonmin.

3 Ounces mined have been calculated at achieved concentrator recoveries and with Lonmin standard downstream processing recoveries to present produced saleable ounces.

4 Tonnes milled excludes slag milling.

5 Lonmin purchases 100% of the ore produced by the Pandora joint venture for onward processing which is included in downstream operating statistics.

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 have been calculated at Lonmin standard downstream processing recoveries to present produced saleable ounces.

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. Chrome is produced in the form of chromite concentrate and volumes shown are in the form of chromite.

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.