



**Lonmin Plc**  
4 Grosvenor Place  
London SW1X 7YL  
United Kingdom  
T: +44 (0)20 7201 6000  
F: +44 (0)20 7201 6100  
[www.lonmin.com](http://www.lonmin.com)

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### **Lomin clarifies News24 Article Entitled Miners Want to Live in Shacks not Houses**

Lonmin Plc acknowledges the article entitled *Miners want to live in shacks not houses – Lonmin spokesperson* published by News24 on 18 August 2016 (see link: <http://www.news24.com/SouthAfrica/News/miners-want-to-live-in-shacks-not-houses-lonmin-spokesperson-20160818>)

The story published misquotes the point regarding the Living Out Allowance and does not reflect what the Company says and stands for. We would like to clarify these matters, and are happy to engage further with the media and other stakeholders on them.

#### **Our response:**

As context, the Living Out Allowance (LOA) was introduced to the SA Mining Industry in 1999. Since then, employees not housed in company accommodation receive a LOA to cater for their accommodation needs. The challenge, in respect of accommodation in and around Marikana, is that there isn't sufficient housing to cater for all our employees and this is compounded by the large numbers of job seekers who come into the area looking for work. This challenge has been further exacerbated by the hostel conversion process where the industry sought to move away from hostels housing a number of employees per room, to single and family units with existing hostel complexes.

In terms of accommodation options currently available for our employees: By the end of 2014, Lonmin completed the conversion of all hostels, namely 776 family hostel units and 1908 single apartments. In 2015 we initiated an infill apartments project which is continuing – the first phase is complete. We donated 50 hectares of serviced land (estimated value R80 million) to the government in 2013 and we have also provided technical support. The first phase of this partnership project was completed earlier this year, yielding 252 CRU's and 292 BNG houses (previous known as "RDP" houses).

We continue to investigate further improvement of local living conditions with government, including the Department of Human Settlements, and the continuous improvement of collaborative projects such as the Special Presidential Package and are working more closely with the Brits and Rustenburg municipalities, and other stakeholders, to improve infrastructure and service provision.

It is true that we are currently experiencing some of the more challenging times we have experienced as a Company with intensive cost savings programmes and downsizing of operations having become part of our Company's existence.

The challenges are huge. And we accept that we and our industry generally bears a level of historical responsibility for the situation that exists. As such, this is not an undertaking that any mining company can do successfully on its own. Success requires partnership with Government, the industry, community leaders, employees and NGOs like Amnesty International. We trust they will be willing to partner us in these efforts.

- ENDS -

## ENQUIRIES

### Media:

Sue Vey

+27 60 523 7953

### 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 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>