

MEDIA RELEASE

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Thakadu Battery Materials (Pty) Ltd and Lonmin sign breakthrough beneficiation deal

Johannesburg, Wednesday 16 November 2016. On 10 November 2016, Thakadu Battery Materials and Lonmin concluded an agreement to proceed to bankable feasibility and an ultimate long-term off-take arrangement for the platinum group metals producer to supply its crude nickel sulphate stream to beneficiation company, Thakadu. Thakadu will beneficiate the crude stream and produce high-purity battery-grade nickel sulphate at its \$14 million purification plant to be constructed at Lonmin's base metals refinery (BMR).

High-purity nickel sulphate is a key component in the manufacture of rechargeable lithium-ion batteries, the global market for which is expected to generate revenue of around \$46 billion by 2022 (Allied Market Research, 2016). The bulk of lithium-ion battery manufacturing capacity is located in Japan, Korea and China, which together account for 85% of global production capacity.

Says Thakadu's CEO, Ruli Diseko, who has more than 10 years' experience in commodities trading, mining and metals, "We are excited about the potential created by this deal. In addition to funding and building the plant, Thakadu will leverage Lonmin's existing BMR infrastructure and is expected to produce approximately 25,000 tonnes per annum of high-purity nickel sulphate. This will provide upstream raw material for the rapidly growing global lithium-ion battery market. The product's end uses are in stationary energy storage, consumer electronics and electric vehicles."

Lonmin's CFO, Barrie van der Merwe, emphasises, "This deal will maximise Lonmin's realised value from nickel, as high-purity nickel sulphate is sold at a premium to the London Metal Exchange price of nickel. We see this as one of Lonmin's flagship black industrialist projects."

"Thakadu has been working on this project for some time now and we have already come a long way," Ruli elaborates. "Back in 2015, Thakadu self-funded the metallurgical test work and proved the project's technical feasibility at mineral research organisation Mintek in 2016. As part of that test work, Thakadu developed a proprietary flow sheet and produced a high-purity lithium-ion battery-grade sample. This was a first for South Africa. Next, we conducted a comprehensive market study and now Thakadu's samples are undergoing pre-qualification tests by end-users in the priority markets of Japan, Korea and China."

“We have also raised funding for and commenced the bankable feasibility study for the purification plant, planned for completion in the second quarter of 2017. Commercial production from the plant is planned for the first half of 2018. The plant will create 60 permanent jobs, in addition to the employment opportunities created during construction. It will be the first commercial scale operation in South Africa producing battery grade nickel sulphate, so we already have two SA firsts here.”

Barrie concludes, “This is a globally competitive beneficiation business built on a solid commercial foundation. The market for lithium-ion batteries is expected to enjoy notable growth in the next decade and we are happy to be an integral part of that.”

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Notes to editors

Thakadu

Thakadu is a new generation beneficiation and trading company. Thakadu was founded by an experienced mining and metals professional and is supported by a world class technical team, cornerstone advisors and equity investors with extensive experience in finance, mining and metals beneficiation. Companies in the group are Thakadu Battery Materials (Pty) Ltd, Thakadu Resources (Pty) Ltd and Thakadu Chrome (Pty) Ltd. For further information, please visit: <http://www.thakaduglobal.com>

Lonmin Plc

Lonmin is one of the world’s largest primary producers of platinum group metals (PGMs). The company conducts discovery, extraction, refining and marketing of PGMs. Lonmin’s established mining operations are located on the western limb of the Bushveld Igneous Complex (BIC) in South Africa. The company is listed on the London and Johannesburg stock exchanges. For more information, please visit: <https://www.lonmin.com/>