

Dear Sir / Madam

**CONSOLIDATION AND UPDATE OF ENVIRONMENTAL MANAGEMENT PROGRAMMES FOR LONMIN'S
MARIKANA OPERATIONS NEAR RUSTENBURG, NORTH WEST PROVINCE**

Lonmin is the world's third largest producer of platinum group metals (PGMs) and associated minerals. The company owns valuable reserves and resources with other companies along the western limb of the Bushveld complex. In 2010 its total platinum production amounted to 607,794 (oz), with an employee count of about 24 000. Lonmin's Marikana operations consist of Western Platinum Limited (WPL) and Eastern Platinum Limited (EPL) that are located on the western limb of the Bushveld complex near Brits and Rustenburg in South Africa.

Lonmin Marikana proposes to undertake improvements at its operations near Rustenburg which would require the following:

- The consolidation of the existing five approved Lonmin Environmental Management Programmes (EMPs), dated November 2005, and the amendments thereto, into two EMPs for the mining rights areas (MRA) comprising WPL and EPL respectively;
- The integration of activities in terms of both the MPRDA, 2002, NEMA, 1998 and other subsidiary and applicable legislation;
- The update of the EMPs with information from a number of technical studies and work conducted since 2005;
- The integration of the outcomes of the Lonmin's Closure Strategy for WPL and EPL within the updated EMPs; and
- The alignment of the EMPs with new environmental legislation.

In terms of Section 102 of the Minerals and Petroleum Resources Development Act (Act 28 of 2002) (MPRDA) and Section 24 of the National Environmental Management Act (Act 107 of 1998) (NEMA) together with EIA Regulations as per GN R543, 544, 545 and 546, a Environmental Impact Assessment (EIA) process will need to be conducted for this project. Lonmin Marikana has appointed Golder Associates, an independent environmental consultant to conduct the EIA, public participation and EMP consolidation processes.

Important milestones in the EIA process

- **Project announcement and stakeholder registration:** The attached Background Information Document (BID) provides more information about the project and EIA process. The due date for comment on the BID and registration as an Interested and Affected Party (I&AP) is **Monday, 28 March 2011**.
- **Public review of the Draft EIA Report:** The Draft EIA Report will be made available for public review during the second quarter of 2011 and I&APs will be informed of the exact dates in due course.

How to comment on the BID

You are welcome to comment on the BID by:

- Completing the enclosed registration and comment sheet and submitting it to the Public Participation Office by **Monday, 28 March 2011**;
- Writing a letter or additional written submission by mail, email or fax; and
- Calling the public participation office.

We invite you to become involved in the EIA process and to raise any comments, concerns and suggestions about the proposed project. Further correspondence will be with registered I&APs only. Should you require any additional information, please contact me at: (011) 254 4978, fax (011) 315 0317 or email:

nbredenhann@golder.co.za

Yours sincerely

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name. Project No 13048

Nestus Bredenhann

NESTUS BREDEHANN

Public Participation Office: EIA and EMP Consolidation for Lonmin Marikana

<p>CONSOLIDATION AND UPDATE OF ENVIRONMENTAL MANAGEMENT PROGRAMMES FOR LONMIN'S MARIKANA OPERATIONS NEAR RUSTENBURG, NORTH WEST PROVINCE</p> <p>REGISTRATION AND COMMENT SHEET</p> <p>Accompanying Background Information Document March 2011</p>	<p>Golder Associates Africa EIA PUBLIC PARTICIPATION OFFICE</p> <p>Nestus Bredenhann / P O Box 6001, Halfway House, 1685 Tel: (011) 254 4978 Fax: (011) 315 0317 E-mail: nbredenhann@golder.co.za</p>
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Please complete and return to the EIA Public Participation Office (as above) by no later than Thursday, 31 March 2011

TITLE		FIRST NAME	
INITIALS		SURNAME	
ORGANISATION			
POSTAL ADDRESS			POSTAL CODE
LAND LINE TEL NO		CELL NO	
FAX NO		EMAIL	

REGISTRATION AS AN INTERESTED AND AFFECTED PARTY (I&AP) (please mark applicable box with X)

Please register me as an interested and affected party (I&AP) so that I may receive further information and notifications during the EIA process	YES	NO
I would like my notifications by:		
Letter (mail)	E-mail	Fax
I would like to receive documents for comment as follows:		
Paper copies	By email	On CD
In terms of GNR 543 (EIA regulations) I disclose below any direct business, financial, personal or other interest that I may have in the approval or refusal of the application:		
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.....		

COMMENTS (please use separate sheets if you wish)

I suggest that the following issues of concern be investigated in the EIA:

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I suggest the following for the public participation process:

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Any other comments:

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Please register the following people as I&APs for this EIA:

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THANK YOU FOR YOUR CONTRIBUTION

NAME:	SIGNATURE:	DATE:
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March 2011

BACKGROUND INFORMATION
DOCUMENT

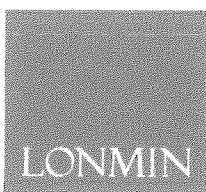
**LONMIN - WESTERN AND EASTERN
PLATINUM LIMITED**

**Consolidation and update of
Environmental Management
Programmes (EMPs) for
Lonmin's Marikana
Operations, North West
Province**

Due date for comment: Monday, 28 March 2011



Report Number. 13084





LONMIN MARIKANA: BACKGROUND INFORMATION

Introduction

Lonmin's Marikana operations comprise Western Platinum Limited and Eastern Platinum Limited that are located on the western limb of the Bushveld complex near Brits and Rustenburg in South Africa. These mining operations are in an ongoing state of change, adding new mining components, whilst closing others. Moreover, the operations are also continually improving their environmental related performance by meeting new regulatory requirements and improving on-site environmental measures. The purpose of these improvements is to comply with regulatory changes and is part of the company's continual improvement initiatives.

Most of the above environmental related improvements and changes require that the company engage in the relevant regulatory processes to obtain authorisation for these improvements. Public engagement forms part of these processes, where stakeholders are offered the opportunity to participate and comment on the documentation produced as part of the processes. The regulatory process must be conducted by independent consultants. Lonmin has appointed Golder Associates for this purpose.

The Background Information Document (BID) announces the onset of a regulatory process, invites stakeholders to participate in the process and provides the overall information on the planned project and the regulatory process to be followed. The project covered by this BID mainly comprises the following:

- The consolidation of the existing five approved Lonmin Environmental Management Programmes (EMPs), dated November 2005, and the amendments thereto into two EMPs for the mining rights areas (MRA) comprising Western Platinum Limited (WPL) and Eastern Platinum Limited (EPL) respectively;
- The update of the EMPs with information from a number of technical studies and work conducted since 2005;
- The integration of the outcomes of the Lonmin's Closure Strategy for WPL and EPL within the updated EMPs; and
- The alignment of the EMPs with new environmental legislation.

All regulatory reports that form part of the EMP consolidations will also be made available to stakeholders for comment, giving stakeholders further opportunity to raise possible issues of concern and make suggestions for enhanced benefits.

Location and description of Lonmin Marikana

The Mining Rights Areas of WPL and EPL are located approximately 25 km east of Rustenburg and 12 km west of Brits in the North West Province, along an east-west axis roughly to the north and parallel to the N4 highway. The towns and settlements of Marikana, Segwaelane and Wonderkop are situated within the MRAs. Bapong is located in the southern MRA of WPL and Mooinooi to the south of the N4 outside the MRAs.

The western part of WPL falls under the jurisdiction of the Rustenburg Local Municipality, whilst the eastern part of WPL, and the entire EPL falls within the Madibeng Municipality as indicated on Figure 1.

LONMIN MARIKANA: BACKGROUND INFORMATION

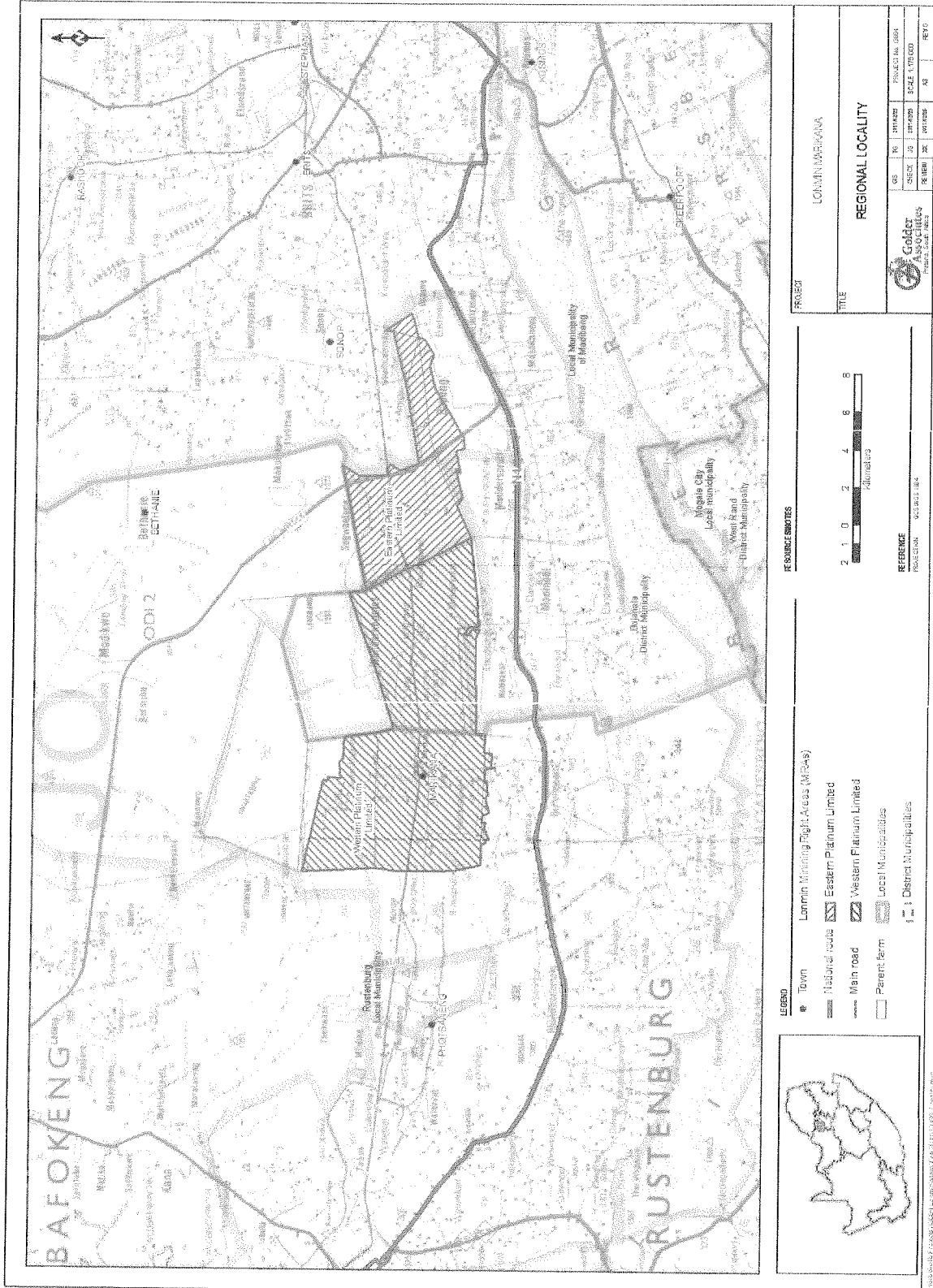


Figure 1: Lonmin Marikana Locality Map



LONMIN MARIKANA: BACKGROUND INFORMATION

Who is Lonmin?

Lonmin is the world's third largest producer of platinum group metals (PGMs) and associated minerals. The company owns valuable reserves and resources with other companies along the western limb of the Bushveld complex as indicated on the inserted map. In 2010 its total platinum production amounted to 607,794 (oz), with an employee count of about 24 000.

Lonmin is listed on the London Stock Exchange, with a secondary listing on the Johannesburg Stock Exchange.

Lonmin comprises two key business divisions, Mining and Processing. The Mining Division comprises the Marikana operation in the North West Province and the Baobab operation in Limpopo Province. The latter operation was placed under care and maintenance during 2009 and could start mining if market conditions are favourable. The concentrators, smelter, Base Metal Refinery (BMR), located within the Marikana operations, and the Precious Metal Refinery (PMR) located in Brakpan, form the Processing Division.

Lonmin Marikana operations

Operations at the WPL and EPL mainly comprise exploration, mining, concentrating, smelting, base metals extraction and refining of ore obtained from the UG2 and Merensky reefs. The existing MRAs cover about 10,418 ha for WPL, and 4,099 ha for EPL.

Both underground and open pit mining are conducted at WPL and EPL. The underground workings are accessed by vertical and/or incline shafts, whilst conventional truck and shovel open pit mining is conducted on the outcrops of the above two reefs. Open pits could be in excess of 50m deep. The mined out open pits are in-filled with the material removed during mining. The surfaces of the in-filled areas are rehabilitated and vegetated in accordance with Lonmin's rehabilitation protocol, to achieve an acceptable land use.

Concentrating involves milling, crushing and flotation of the ore to produce a concentrate for smelting. The waste product from the concentrators is termed slimes or tailings and is deposited on dedicated tailings storage facilities (TSFs). The concentrate is further processed at high temperature by smelting to produce converter matte, which is then treated in the BMR to produce copper cathodes, nickel sulphate crystals and PGM concentrate.

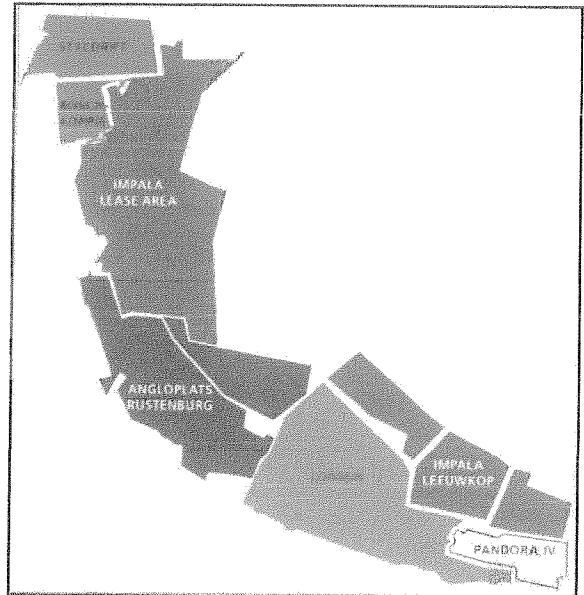
The final PGM concentrate is air freighted to the PMR for further refining to obtain high purity platinum, palladium, rhodium, ruthenium and iridium for customers worldwide.

In addition to the above tailings, routine mining related waste such as scrap metal, and waste rock from the underground workings are also produced. The waste rock that is deposited on waste rock dumps is gradually reused as aggregate for local construction and building projects.

Project objective

The project aims to consolidate and update the five existing approved Lonmin Marikana EMPs and amendments thereto into two dedicated EMPs for EPL and WPL. This incorporates the following:

- Technical knowledge gained from recent specialist studies and related work over the period 2005 to 2010, in terms of air quality, water, waste, and land management;
- Outcome of Lonmin's Closure Strategy for WPL and EPL;





LONMIN MARIKANA: BACKGROUND INFORMATION

- Future projects and/or activities that are already conceived within a 5 year planning horizon and require regulatory approval for implementation;
- The requirements of the following relevant legislation:
 - Minerals and Petroleum Resources Development Act, No 28 of 2002(MPRDA);
 - Recently promulgated regulations (2 August, 2010) in terms of the National Environmental Management Act, No 107 of 1998 (NEMA);
 - National Environmental Management Air Quality Act, No 36 of 2004 (NEM:AQA);
 - Other legislation such as National Environmental Management Waste Act, No 59 of 2008 (NEM:WA) and environmental legislation that has been promulgated since 2005; and
- The required regulatory authorisation processes to obtain approval for the updated and consolidated EMPs.

Project execution

Project execution mainly comprises the following two key activities:

- Update, improvement and consolidation of the EMPs; and
- Conducting a gap analysis on the possible shortcomings in information and knowledge and compiling scopes of work for inclusion in the respective EMPs to address these identified shortcomings.

Update and consolidation of EMPs

The activities to be included in the update of the EMPs are mainly related to the construction of new mining infrastructure and extensions to existing facilities, the decommissioning of infrastructure and facilities. In addition to this, the extension of water management control facilities for improved site wide water management will be also be included. These projects/activities are broadly described below, but may not be limited thereto, as further changes and improvements could be identified within the Lonmin Medium to Long Term Business Plan as well as with the execution of this project.

New facilities/infrastructure and extensions

New infrastructure/facilities are required at the WPL and EPL as a result of changing operational requirements and improved environmental management. These include the addition of spiral plants to remove beneficial chrome from tailings and slag plants to extract useful minerals from slag; storage and mixing facilities; infrastructure to support new facilities, such as new overland conveyors, pipelines, pumping stations and associated activities.

Water management

A number of activities/infrastructure and water management facilities are required to support the implementation of an integrated water balance for WPL and EPL to improve the efficient use, re-use and management of site-wide process and storm water. These include the construction of pipelines between return water dams (RWDs), new stormwater and containment dams, interception trenches and silt traps. Furthermore, additional storage impoundments could be required, as informed by the extensive mine wide integrated water balance that is being completed for the WPL and EPL.

Decommissioning

Some facilities are to be decommissioned as redundancy is experienced, such as existing loading systems, landfill sites, old plants which cannot be rejuvenated and defunct shafts that have reached the end of their respective operational lives.



Gap analysis and further specialist studies

As both the EPL and WPL have been in operation for a notable period of time, a significant body of technical and specialist work is available for both sites.

This project includes a dedicated gap analysis of the existing information to determine possible shortcomings in knowledge to address the environmental and technical challenges identified with this project. Additional specialist work or assessments could be required for this purpose. This work will be scoped and incorporated into the respective EMPs for execution as required.

The objectives and nature of the above specialist work will be made known to stakeholders as part of the public participation process.

Project scheduling and implementation

Project scheduling and implementation are mainly governed by the following:

- Execution of the technical work of updating and consolidation that is expected to be completed by mid June 2011;
- Execution of the public participation process as follows:
 - Submission of Draft Scoping Reports for public comment by April 2011;
 - Making the draft EIAs and EMPs available for public comment by June 2011; and
 - Finalising the EIAs and EMPs for submission to regulatory authorities by August 2011.
- Obtaining approval and environmental authorisation for the updated and consolidated EMPs in terms of MPRDA and NEMA towards the end of 2011;

Design and construction of key projects will commence immediately after receipt of the environmental authorisation. Less urgent projects may only be implemented in the medium to longer term.

Enviro-legal processes

The enviro-legal processes for the approval and environmental authorisation of updated and consolidated EMPs are conducted in terms of the following legislation:

- Section 102 of the Minerals and Petroleum Resources Development Act (Act 28 of 2002) (MPRDA); and
- Section 24 of the National Environmental Management Act (Act 107 of 1998) (NEMA) as well as EIA Regulations as per GN R543, 544, 545 and 546.

The reports and documentation from the above processes will be compiled and finalised for submission to the National Department of Mineral Resources (DMR), North West Region, and the North West Provincial Department of Agriculture, Conservation, Environment and Rural Development (NWDACERD) for consideration.

Additional licences and permits for the enviro-legal activities addressed by the above processes could be required. The applications for these licences and permits will commence once the required approval and authorisations have been obtained.

Lonmin intends to integrate and conduct the two enviro-legal processes concurrently, meeting the requirements of both Acts, as outlined on Figure 2. It is noted that this project only involves the technical consolidation and updating of existing information and documentation and it is foreseen that no new EIAs, over and above those already compiled, will be conducted.

At Golder Associates we strive to be the most respected global company providing consulting, design, and construction services in earth, environment, and related areas of energy. Employee owned since our formation in 1960, our focus, unique culture and operating environment offer opportunities and the freedom to excel, which attracts the leading specialists in our fields. Golder professionals take the time to build an understanding of client needs and of the specific environments in which they operate. We continue to expand our technical capabilities and have experienced steady growth with employees who operate from offices located throughout Africa, Asia, Australasia, Europe, North America, and South America.

Africa	+ 27 11 254 4800
Asia	+ 86 21 6258 5522
Australasia	+ 61 3 6862 3500
Europe	+ 356 21 42 30 20
North America	+ 1 800 275 3281
South America	+ 55 21 3095 9500

solutions@golder.com
www.golder.com

Golder Associates Africa (Pty) Ltd
PO Box 13776, Hatfield, 0028
Ditsela Place
1204 Park Street
Hatfield, Pretoria
Gauteng
South Africa
T: [+27] (12) 366 0100



Dear Sir / Madam

CONSOLIDATION, UPDATE AND AMENDMENTS OF ENVIRONMENTAL MANAGEMENT PROGRAMMES FOR LONMIN'S MARIKANA OPERATIONS NEAR RUSTENBURG, NORTH WEST PROVINCE

Our sincere appreciation to stakeholders who have commented on the Background Information Document (BID). Comments and suggestions received thus far have been captured in a Comment and Response Report (CRR) accompanying the Draft Scoping Reports. Please note that the enviro-legal process will be seperated at this point as follows:

- A Draft and Final Scoping Report will be compiled to satisfy the MPRDA requirements for the update and consolidation of the existing approved Environmental Management Programmes (EMPs) and amendments. This report will lead to the consolidated Environmental Impact Assessments (EIAs) and EMPs for Eastern Platinum Limited (EPL) and Western Platinum Limited (WPL) as explained in the BID, to be approved by the Department of Mineral Resources (DMR) in terms of the Minerals and Petroleum Resources Development Act, No 28 of 2002 (MPRDA); and
- A Draft and Final Scoping Report will be compiled to satisfy the National Environmental Management Act, No 107 of 1998 (NEMA) requirements for new service and maintenance infrastructure developments in support of ongoing mining activities. This report will lead to an EIA Report for the infrastructure developments on both EPL and WPL to be approved by the North West Provincial Department of Agriculture, Conserbvation, Environmmt and Rural Development (NWDACERD) in terms of NEMA.

Although there will be separate EIAs/EMPs and EIA Reports for the MPRDA and NEMA legislation respectively, the public participation process will remain integrated. The purpose of this letter is to inform you of the following upcoming milestones in the EIA process:

Public review period for Draft Scoping Reports: Monday, 18 April to Tuesday, 31 May.

The Draft Scoping Reports and the CRR will be available for stakeholders to verify that their comments have been captured correctly and to ensure that comments made will inform the specialist studies that will be done in the Impact Assessment Phase of the project.

Your comment is important, please

The reports will be available on the following website: www.golder.com/public. In addition, copies of the draft reports will be available at the following public places:

Public Place	Contact person	Contact number
Rustenburg Public Library	Mr Pieter Louw	014 590 3295
Marikana Public Library	Ms Refilwe Motlhabane	014 572 3611
Marikana Post Office	Ms Noria Magomarele	014 572 3000
Mooiwoo Post Office	Ms Elsie van Heerden	014 574 3003
Golder Associates	Mr Nestus Bredenhann	011 254 4800

Stakeholders can comment on the Draft Scoping Reports in any of the following ways:

- By completing the reply sheet enclosed with this letter;
- By writing a letter or producing additional written submissions; and
- By email, fax or telephone to the public participation office.

We look forward to your further participation in the EIA process. Should you have any questions, need more information or wish to comment, please contact the Public Participation office at: (011) 254 4978, fax (011) 315 0317 or email: nbredenhann@golder.co.za

Yours sincerely

Nestus Bredenhann

NESTUS BREDEHANN

EIA Public Participation Office: EIA and EMP Consolidation for Lonmin Marikana

<p>CONSOLIDATION, UPDATE AND AMENDMENTS OF ENVIRONMENTAL MANAGEMENT PROGRAMMES FOR LONMIN'S MARIKANA OPERATIONS NEAR RUSTENBURG, NORTH WEST PROVINCE</p>		<p>Golder Associates Africa EIA PUBLIC PARTICIPATION OFFICE</p>	
<p>REPLY SHEET</p> <p>To request a copy of the Draft Scoping Reports <i>Please complete and return by Tuesday, 31 May 2011 to the Public Participation office (see alongside)</i></p>		<p>Nestus Bredenhann P O Box 6001, Halfway House, 1685 Tel: (011) 254 4978 Fax: (011) 315 0317 E-mail: nbredenhann@golder.co.za</p>	
TITLE		FIRST NAME	
INITIALS		SURNAME	
ORGANISATION			
ADDRESS			
		POSTAL CODE	
TEL NO		FAX NO	
EMAIL		CELL NO	
<p>Reports are available at the public places mentioned in the letter and can also be downloaded from the Golder website www.golder.com/public Please e-mail me an electronic copy of the following report (Please circle the appropriate block) (Documents sent by email will be in small-format PDF - low-resolution)</p>			
Draft Scoping Report			<input type="checkbox"/>
Comment and Response Report			<input type="checkbox"/>

Any other comments:

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THANK YOU FOR YOUR RESPONSE

NAME:

SIGNATURE:

DATE: