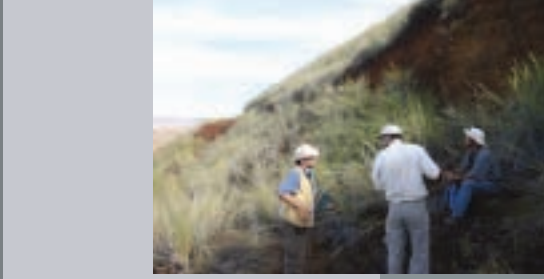


# Jubilee Platinum



**ANNUAL REPORT**  
for year ended 30 June 2006

Jubilee Platinum plc people & places



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## Chairman's Statement

Dear Shareholder

The Company has had a very eventful year with significant progress made in all areas. Important Joint Venture agreements have been concluded, exploration projects have advanced and a £1.5 million convertible note has been provided by a leading London based resource finance institution.

The Company's flagship property, Tjate, has consistently yielded exceptional drilling results and is now progressing towards prefeasibility study.

The current exploration projects in Madagascar are at varying stages of development but show significant potential for large Nickel/Copper/PGM deposits, mineable from surface. We are happy to have cemented our presence in Madagascar, an under-explored country which appears to be showing a propensity for large scale bulk-metal projects.

During the period under review the company lost £498,978 (2005 - £299,855) and £1,125,800 was capitalised on exploration projects. The loss represents 0.67p per share against 0.46p in 2005.

Platinum Group and base metal prices have been very strong during the year and have highlighted the need for new discoveries. Your board has noted that joint venture and corporate activity is not confined to major mining companies but has extended to consumers and countries anxious to secure strategic stakes in future metal production.

Jubilee continues to seek out new opportunities which will enhance its South African position in the platinum-rich Bushveld Complex; the objective being to secure "bankable" PGM ounces to meet rising demand. The competition is understandably intense but Jubilee has developed credibility over the last four years and is now strongly positioned to take advantage of any opportunities.

Jubilee has a joint venture with Impala Platinum Holdings on its Ambodilafa project in Madagascar and drilling has commenced. The Company recently announced a significant US\$10 million joint venture with TransAsia Minerals on its Londokomanana and Itsindro projects in Madagascar. Mindful of equity dilution, these joint ventures have the

effect of limiting new share issues and are aimed at sharing the early risk of exploration with companies who have the financial strength to build new mines.

The Company is well funded to meet its current objectives and progress its portfolio of exploration and development projects.

Finally, I would like to thank my fellow directors, management, operational staff and consultants for their tireless efforts in a busy but successful year.

**Malcolm Burne**  
Chairman

### HIGHLIGHTS

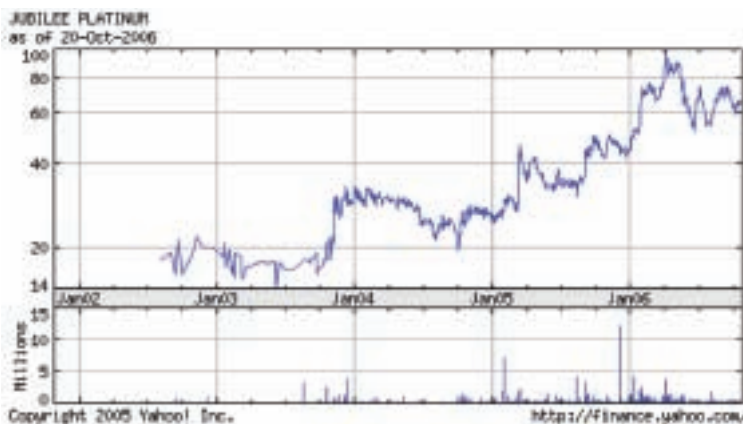
Tjate consistently shows exceptional drilling results

Projects in Madagascar show potential for large Nickel/Copper/PGM deposits

Jubilee in US\$5 million Joint Venture with Impala Platinum

Jubilee in US\$10 million Joint Venture with TransAsia Minerals

Jubilee well funded with current cash of £5.7 million to meet current project demands



# Operations Review 2005 - 2006



## South Africa

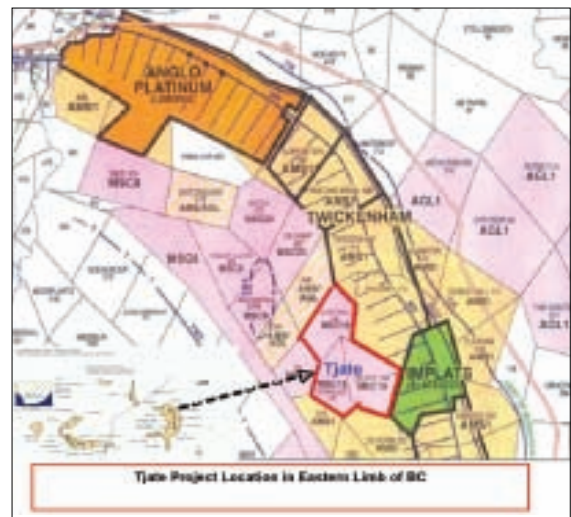
### Tjate Project

During the year under review, Jubilee continued to focus exploration efforts on its flagship Tjate property. On the Dsjate farm the Company drilled four boreholes DT4, DT5, DT6 and DT7 and fourteen wedge offshoot holes with a combined total of 3669 metres. All four borehole results showed good grades and reef thicknesses that were consistent with the previous three boreholes DT1, DT2 and DT3.

The Company is to start a second phase of drilling in the third quarter 2006 towards delineating a resource estimate.

The Dsjate farm is one of three contiguous farms in the Tjate property, which comprises of an area totalling 5,143 hectares. The farms are immediately down dip of Anglo American's Twickenham Mine and Impala Platinum's Marula Mine on the Winnaarshoek farm. The entire project area has an exploration target of 65 million oz of 5 PGE (platinum group elements) and gold. The Company is presently engaged in a comprehensive drilling programme on the property with the objective of defining a mineral resource.

On 12 June 2006, the Department of Minerals and Energy approved the conversion of Tjate Platinum Corporation's old order prospecting right to a new order prospecting right under the Mineral and Petroleum Resources Development Act (No. 28 of 2002).



### Tjate Borehole Results

Borehole	Reef	Reef depth m	Reef thickness cm*	Weighted averages							
				4E g/t	Pt g/t	Pd g/t	Rh g/t	Au g/t	Ni %	Cu %	Pt:Pd ratio
DT1	Merensky	868	80	6.55	3.77	2.08	0.18	0.52	0.29	0.16	1.8
	UG2	1248	93	6.01	2.80	2.51	0.60	0.10	n.a.	n.a.	1.1
DT2	Merensky	722	81	3.57	2.11	1.11	0.11	0.23	0.20	0.11	1.9
	UG2	1103	95	8.01	3.42	3.75	0.70	0.14	n.a.	n.a.	0.9
DT3	Merensky	900	82	5.24	3.10	1.61	0.14	0.39	0.29	0.17	1.9
	UG2	1290	82	7.49	3.55	3.08	0.70	0.16	n.a.	n.a.	1.2
DT4	Merensky	685	80	6.53	3.66	2.22	0.17	0.48	0.27	0.15	1.6
	UG2	1077	85	7.60	3.10	3.66	0.72	0.12	n.a.	n.a.	0.8
DT5	Merensky	772	90	3.86	2.98	0.49	0.16	0.23	0.07	0.05	1.6
DT6	Merensky	812	80	12.82	7.32	4.17	0.31	1.02	0.46	0.27	1.7
DT7	Merensky	723	82	7.08	3.99	2.31	0.19	0.59	0.21	0.12	1.7
<b>Total</b>	<b>Merensky</b>		<b>82</b>	<b>6.47</b>	<b>3.83</b>	<b>1.97</b>	<b>0.18</b>	<b>0.49</b>	<b>0.25</b>	<b>0.15</b>	<b>1.9</b>
Total	UG2		89	7.21	3.2	3.2	0.68	0.13	n.a.	n.a.	1.0

\* Apparent thickness

4E (Pt Pd Rh Au)

n.a. not applicable



## Madagascar

### Londokomanana Project

This project is located in the Londokomanana region in central northern Madagascar, some 165 kilometres north of the capital Antananarivo. The Company holds exploration licences for two contiguous properties:

- 1) Londokomanana (the northern part) under Exploration Licence PR [Permis Recherche] no. 5103 and;
- 2) Lavatrafo (the southern part) under Exploration Licence PR no. 10175.



Antsahabe Gossan



Trench sampling

# Operations Review 2005 - 2006

## Londokomanana Property

This property includes the ultrabasic (pyroxenite /dunite) formations **Antsahabe** (centre of the property, **Mavoandro** (to the north of the property) and **Antsatratakona**, some 3 kilometres to the east of **Mavoandro**.

During the year under review, the Company drilled borehole **ANT1** (results tabled below) in **Antsahabe**, in an area of coincident geochemical and geophysical anomalies. The borehole intersected near surface an aggregated **48-metre** thick near-vertical mineralised structure grading **0.62% nickel** and **0.13% copper**.

Parallel with this drilling, the Company commissioned a dipole-dipole (DPDP) geophysics survey (useful in identifying structures at depth) over the area concurrent with geochemical soil sampling. The area covered included lateral relative **high** and **low** chargeability areas delineated from an earlier gradient array geophysics survey.

The survey identified relative **high** chargeability response zones at depth, some coincident with geochemical anomalies and some not. The lateral relative **low** chargeability areas were associated with the ultrabasic formations. The lateral **high** chargeability responses could not be associated with the basic lithologies and were interpreted both laterally and at depth, to be associated with possibly disseminated sulphides.



### Borehole ANT1 Results

Intersection	From metres	To metres	Thickness metres*	Nickel %	Copper %
<b>Total</b>	<b>17.2</b>	<b>44.5</b>	<b>27.3</b>	<b>0.64</b>	<b>0.13</b>
including	20.9	41.4	20.5	0.78	0.15
including	21.5	29.5	5.0	1.05	0.22
including	30.5	35.6	5.1	1.16	0.10
including	33.6	34.6	1.0	2.09	0.14
<b>Total</b>	<b>54.8</b>	<b>71.8</b>	<b>17.0</b>	<b>0.60</b>	<b>0.12</b>
including	60.1	68.1	8.0	0.89	0.16
including	60.1	61.8	1.7	2.07	0.08
<b>Total</b>	<b>77.2</b>	<b>80.9</b>	<b>3.7</b>	<b>0.58</b>	<b>0.12</b>
including	80.4	80.9	0.5	0.14	0.32
<b>Aggregate Total</b>	<b>17.2</b>	<b>80.9</b>	<b>48.0</b>	<b>0.62</b>	<b>0.13</b>

\* Apparent thickness

Antsahabe Ridge looking from south to north





Exploration camp

The Company drilled a number of boreholes to test this interpretation. No significant sulphides were intersected and the interpretation proved to be incorrect. The applicability of DPDP geophysics as a tool for exploration in this geological environment was therefore considered inadequate.

The Company subsequently focused on utilising geochemical soil sampling to delineate mineralised corridors (see **Lavatrafo** below) in **Antsahabe** and the **Mavoandro/Antsatratakona** formations further to the north. **Antsatratakona** features significant airborne geophysical electromagnetic (E-M) anomalies, identified in the 1960s.

Since year end, the Company entered into a joint venture Project Agreement with TransAsia Minerals Limited (TransAsia), a subsidiary private company of Indonesian based TransAsia Resources PT Group. TransAsia has acquired a 51% interest in the Londokomanana and Itsindro properties for a commitment to fund US\$10 million on exploration over three years. TransAsia is an aggressive multi-commodity group with ambitions for growth in nickel production.



Ground geophysics surveying

### Lavatrafo Property

Exploration in the year under review included archival research, mapping, soil sampling, geophysics and drilling.

Archival research and mapping uncovered several significant new extensions to the ultrabasic formations on **Lavatrafo** including two key new targets **Amboasary** and **Ranomena**.

### Lavatrafo Formation

The Company carried out a geophysical survey, utilising induced polarisation (IP) gradient array and DPDP methods, similar to that reported above for **Londokomanana**. The survey identified areas and zones of similar relative **high** and **low** chargeabilities, both laterally and at depth. Again the lateral relative **high** chargeability areas were interpreted to be associated with possibly disseminated /massive sulphides and hence an alternative model for drilling.

The Company initially drilled two boreholes **LAV1** and **LAV2A** (results tabled below) within a relative **low** chargeability area associated with ultrabasic lithology and coincident with geochemical anomalies. The drilling results showed near-surface wide Ni-Cu-PGM mineralisation with indicated viable economic metal values for open pit mining.

The Company then drill-tested the alternative high chargeability DPDP model. No sulphide mineralisation was intersected in the high chargeability zones. This confirmed the inadequacy of the DPDP tool for exploration and demonstrated conclusively that soil geochemistry presents the optimum exploration approach in this geological environment.



Test drilling



## Operations Review 2005 - 2006

However, the gradient array data generated from the survey complemented the Company's conventional ground mapping, since outcrop is relatively sparse in the area. The Company subsequently reverted to geochemical soil sampling to establish 'mineralised corridors' (trends along strike of anomalous copper and nickel values) in all the ultrabasic formations.

Borehole **LAV7**, located some 1.5 kilometres south of, and along strike, from **LAV1** was the first borehole targeted at a 4-kilometre long mineralised corridor established in the **Lavatrafo** formation. The borehole intersected 19m (apparent) width of PGE (Platinum Group Elements), Ni and Cu mineralisation 35m down the hole (25m vertical depth). This result (see table below) supported the mineralised corridor model.

More boreholes are targeted for drilling in this corridor in the coming season.



Soil sampling

### Borehole Results:

#### Borehole LAV1

Intersection	From metres	To metres	Thickness metres*	Nickel %	Copper %	3E** g/t
<b>Total</b>	<b>37.7</b>	<b>108.4</b>	<b>70.7</b>	<b>0.23</b>	<b>0.11</b>	<b>1.05</b>
including	72.8	108.4	35.7	0.31	0.19	0.99
including	89.4	108.4	19.1	0.34	0.20	1.05
including	75.3	83.5	8.3	0.32	0.23	1.15
including	102.3	108.4	6.1	0.47	0.24	1.02

\* Apparent thickness

\*\* 3E = platinum palladium gold

#### Borehole LAV2A

Intersection	From metres	To metres	Thickness metres*	Nickel %	Copper %	3E** g/t
<b>Total</b>	<b>72.4</b>	<b>164.1</b>	<b>91.7</b>	<b>0.26</b>	<b>0.14</b>	<b>0.66</b>
including	82.4	162.1	79.7	0.29	0.16	0.73
including	115.0	158.8	43.8	0.40	0.25	0.80
including	136.1	156.2	20.1	0.52	0.33	0.92

\* Apparent thickness

\*\* 3E = platinum palladium gold

#### Borehole LAV7

Intersection	From metres	To metres	Thickness metres*	Nickel %	Copper %	3E** g/t
<b>Total</b>	<b>35.6</b>	<b>54.6</b>	<b>19.0</b>	<b>0.18</b>	<b>0.21</b>	<b>0.53</b>
including	35.6	43.2	7.6	0.16	0.15	0.82
including	41.2	44.2	3.0	0.27	0.19	1.13
including	45.2	46.0	0.8	0.21	1.03	0.71
including	42.2	43.2	1.0	0.33	0.30	1.61
including	52.5	53.5	1.0	0.20	1.05	0.17

\* Apparent thickness

\*\* 3E = platinum palladium gold

## Ranomena Formation

The **Ranomena** formation is located in the southern section of Lavatrafo, some 8 kilometres south-south-west of the current **Lavatrafo** formation working area. The Company reopened, deepened and resampled four trenches C1 to C4 (results tabled below), which had been mapped previously as part of a "platinoide" mission carried out in the 1990s. High PGM and nickel mineralisation values were obtained across trench lengths of up to 60 metres, particularly in C3 which included **8 metres @ 0.92g/t 2E** (Pt, Pd) and **0.36% Ni** and **two 1-metre intervals @ 1.38 g/t 2E** and **1.68 g/t 2E**.

The data suggested an immediate drilling target, which is currently being drilled.

### Trench results

Trench	Sampled metres	2E* g/t	Pt g/t	Pd g/t	Nickel %	Copper %
<b>C1</b>						
Total	26	<b>0.4</b>	0.23	0.17	<b>0.19</b>	0.06
including	2	<b>0.58</b>	0.30	0.28	<b>0.20</b>	0.12
including	2	<b>0.61</b>	0.40	0.21	<b>0.18</b>	0.06
including	2	<b>0.51</b>	0.33	0.18	<b>0.44</b>	0.18
<b>C2</b>						
Total	60	<b>0.27</b>	0.15	0.12	<b>0.18</b>	0.02
including	3	<b>0.90</b>	0.31	0.57	<b>0.78</b>	0.18
<b>C3</b>						
Total	16	<b>0.64</b>	0.32	0.31	<b>0.27</b>	0.08
including	8	<b>0.92</b>	0.47	0.43	<b>0.36</b>	0.12
including	1	<b>1.38</b>	0.86	0.52	<b>0.44</b>	0.18
including	1	<b>1.68</b>	0.91	0.74	<b>0.11</b>	0.08
<b>C4</b>						
Total	30	<b>0.14</b>	0.07	0.08	<b>0.34</b>	0.1
including	2	<b>0.30</b>	0.13	0.13	<b>0.53</b>	0.13

\* 2E = platinum and palladium

## Amboasary Formation

In **Amboasary**, geophysical electromagnetic (E-M) anomalies were mapped in the 1960s and there appeared to have been little follow-up exploration on these anomalies. This marks **Amboasary** as a highly prospective target for further exploration. A programme of soil sampling has commenced and will be followed up with time-domain electromagnetics (TDEM) survey.

## Operations Review 2005 - 2006

### Ambodilafa Project

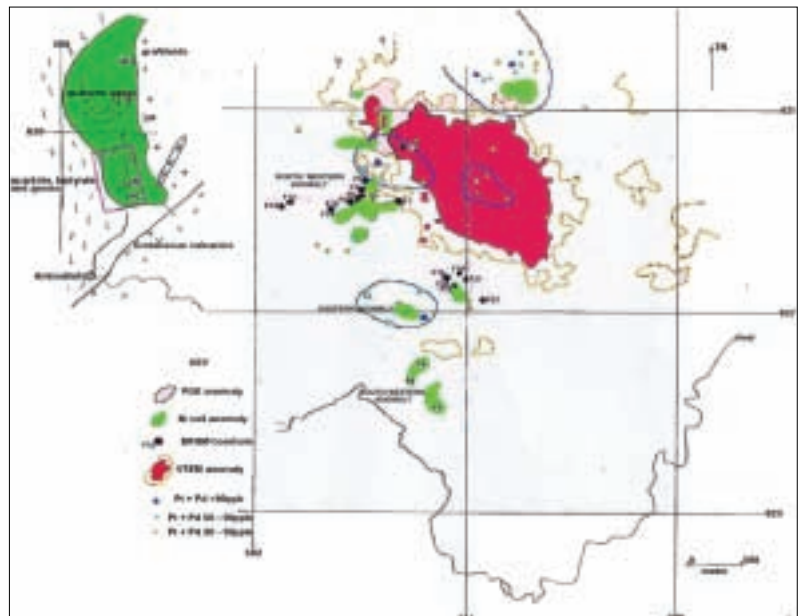
The Ambodilafa Licence is located some 200 kilometres south-south-east of Antananarivo and covers some 194 square kilometres. The area includes the 56-square kilometre Vohipaha basic and ultrabasic gabbroic intrusive system, at the southern end of which lies the 8-square kilometre Ambodilafa project. Regional reconnaissance drilling in the area in 1969 included an intersection of 93 metres of disseminated sulphides, containing pyrrhotite, pentlandite (nickel ore mineral) and chalcopyrite (copper ore mineral). The intersection included a 1.5 metre intercept assaying 2.2% Ni and 0.35% Cu. Later stream sediment sampling in 1990 defined several drainage catchments in the area, which showed anomalous platinum and palladium values. This earlier drilling, which followed geochemical anomalies, was carried out generally to the west of a significant geophysical E-M anomaly.



Madagascar Environmental Team - Assessment visit to Ambodilafa

A helicopter-borne VTEM (Versatile Time-Domain Electromagnetics) survey was carried out over this area. The survey identified a strong anomaly consisting of a flat lying circular feature some 80 metres below surface with an estimated thickness of up to 40 metres. Following this highly promising result, the Company entered into an option agreement with Impala Platinum Holdings (Implats), whereby Implats were granted the sole and exclusive right and option to acquire an undivided 51% interest in the Ambodilafa property by funding a total of US\$5,000,000 for exploration.

The Company successfully secured an environmental permit to carry out phase one exploration and drilling commenced on 18 September 2006.



VTEM anomaly

### Lanjanina Project

Lanjanina is located in south-central Madagascar some 180 kilometres south of Antananarivo. It represents some 7 kilometres of strike length and lies at the southern end of the 30-kilometre long basic-ultrabasic Itsindro Intrusive. Following a review of its previous IP geophysical survey and soil sampling data, the Company continued with further infill soil sampling and IP and DPDP surveys over those areas, which showed significant copper and nickel geochemical anomalies. The DPDP surveys indicated several sub-vertical high chargeability units which were generally coincident with these geochemical anomalies. These units were selected for preliminary scout drilling of three boreholes. The boreholes intersected semi-massive and massive sulphides, predominantly pyrrhotite, but the nickel and copper values were generally disappointing overall. However, some individual samples returned encouragingly high values of up to 0.9% Ni and 0.6% Cu. Lanjanina remains highly prospective.



### Sierra Leone

#### York Platinum Project

Jubilee is in joint venture (80% interest and manager) with AIM-listed Golden Prospect plc (20% interest) on this 105.3 square kilometre York Platinum project in Sierra Leone. The project is located around the village of York, some 37 kilometres south of the capital Freetown.

No field exploration was carried out on the project during the year. The Company instead focused on a review of the previous year's exploration data in order to develop an effective programme for the next phase of exploration, which is anticipated to include geophysics followed up by preliminary drilling.

The licence covers the central part of the Freetown Layered Gabbro Complex. This is a layered sequence of gabbroic and troctolitic rocks with some of the cyclical units having anomalous platinum, palladium, chromium, vanadium, nickel and copper mineralisation. Previous exploration by the Company, and others, have traced this mineralisation, with anomalous geochemical sampling platinum values of up to 0.84g/t over a strike length of 8.5 kilometres. This exploration also discovered a new parallel reef-like horizon two kilometres to the east, over a strike length of 1.2 kilometers, which remains open ended. A new trench yielded up to 0.44 g/t platinum in highly weathered, laterised rock, while soils showed anomalous values of up to 0.35 g/t platinum.



Sierra Leone

## Operations Review 2005 - 2006

### Other Projects

#### **Houtenbek (97JT) and Mapochsgronde (500JS)**

The Houtenbek and Mapochsgronde properties are located in the southern sector of the eastern Limb of the Bushveld Complex. The Company, through its subsidiary Dullstroom Plats (Pty) Ltd applied for new order prospecting rights, having held old order rights on both properties. The DME did not grant the rights and the Company is appealing against this decision.

#### **Grasvally (293KR)**

The Company entered into a 70% earn-in agreement with MSA Projects on their Grasvally property subject to the property being granted a converted new order prospecting right. This conversion right was granted on 22 August 2006.

The 663-hectare Grasvally property, which represents the last currently known and untested block of Platreef ground in the Bushveld is situated just south of Mokopane (formerly Potgietersrus), squarely between the Platinum Group Metals' War Springs deposit, Caledonia's Rooipoort deposit and the Pan Palladium Volspruit deposit.

Approximately 5 kilometres of potential Platreef outcrop have been identified through a geochemical soil-sampling programme undertaken by MSA during 2004. A comprehensive diamond-drilling programme was designed to drill test these anomalies and form the basis of initial resource estimates. The initial phase of diamond drilling commenced on 17 September 2006.

The Platreef is a wide platinum-bearing reef occurring along approximately 100 kilometres of outcrop on the northern limb of the Bushveld Complex. This open-pittable reef zone has been the focus of significant and well publicised exploration during the past five years, with several major and junior mining companies having embarked on extensive and successful drilling programmes in the zone.

One of the major benefits of this wide reef zone is that, in addition to significant contained platinum and palladium, there is also substantial associated nickel and copper credits, making the Platreef an exciting low-cost polymetallic prospect.

#### **Bokfontein (448QT) and Elandsdrift (467JQ)**

The Company carried out a geologic assessment with some limited percussion drilling of the Bokfontein and Elandsdrift farms near Brits in the western Bushveld to test a postulated occurrence of a split UG2 type reef on the properties, which lie up dip of the known UG2 outcrop in the area. On Bokfontein, a low grade chromitite reef, which the Company believes strongly to be UG1 reef, was intersected at shallow depth and on Elandsdrift no reef was intersected. The postulated split UG2 theory was not proven and further work is not contemplated on these small acreage properties.

### **Buffelsvallei (170JS)/Zaaiplaats (150JS)**

New order prospecting rights were granted for the Buffelsvallei/Zaaiplaats farms, which are located near Groblersdal in the eastern sector of the Bushveld Complex. The property is contiguous to and east of the Blaauwbank ("Blue Ridge") farm on which Ridge Mining is developing its Blue Ridge Cu-Ni-PGM project. The project area is bisected by the Steelpoort fault.

The Company commissioned a geologic appraisal of the prospectivity of these farms for similar PGM occurrences and formations to those which underpin the Blue Ridge property. The appraisal concluded that the risk rating for PGM exploration of the Buffelsvallei - Zaaiplaats project area is medium to high risk. Test drilling is scheduled for next year.

### **Salliesloot (718KS)/Zwartkop (720KS)**

New order prospecting rights were granted in respect of the properties Salliesloot/Zwartkop, in which Jubilee is in an unincorporated joint venture 80% with the prospecting right holder Ex Terra (Pty) Ltd 20%.

The Salliesloot/Zwartkop farms, near Marble Hall in the eastern sector of the Bushveld Complex, are located on the northern limit of a "tongue" of Transvaal Supergroup (TS) rocks, which have been brought ("domed") to the surface. The TS classically underlies the Bushveld complex and the anomalous occurrence of these rocks in the area has led to a model postulating that the Critical Zone of the Bushveld Complex may have been brought within accessible mining depths in the area by the above doming event. Rocks with petrographic similarities to those from Main Zone, which classically lies above the Critical Zone, have been recorded and mapped historically as being present in the area.

The Company drilled a lithological scout borehole to 476 metres and intersected generally fine-grained hornfels (thermally metamorphosed sediments of the Transvaal Supergroup) but not Main Zone lithology.

The Company is reviewing this model and historical map data, which suggest that the hole may have been up dip of two plotted norite outcrops and that a second hole, if deemed appropriate, should be located to the north of the scout borehole. However, since drilling to 800 metres or more may be necessary to support or otherwise this geologic model, the Company is focussing in the short term on its other more prospective and advanced projects.

# Report of the Directors

The directors present their report together with the financial statements for the year ended 30 June 2006.

## Principal activities

The Group and Company are principally engaged in exploration and exploitation of natural resources.

## Business review

A review of the Group's operations during the year ended 30 June 2006 and future developments is contained in the Operations Review.

## Financial review:

The loss for the year after taxation was £620,747 (2005: £334,065). The loss per share has increased from 0.46 pence in 2005 to 0.67 pence in 2006. The current year loss has increased due to impairment charges, goodwill amortisation and the interest charge on the convertible loan notes issued during the year.

The directors do not recommend the payment of a dividend.

## Risk review:

The risks inherent in an exploration business are kept under constant review by the Board and the Executive Committee. The principal risks for an exploration company and the measures taken by the Company to mitigate them are detailed below:

- ◆ Exploration risk is the risk of spending money and resources on projects which may not provide a return. The Company addresses this risk by using its skills, experience and local knowledge to select only the most promising areas to explore. Priorities are set by the Board and the management team based on exploration results.
- ◆ Political risk is the risk that assets will be lost through expropriation or war. The Company minimises political risk by operating in countries with relatively stable political systems, established fiscal and mining codes and a respect for the rule of law.
- ◆ Commodity risk is the risk that the price realised for minerals will fall to a point where it becomes uneconomic to extract them from the ground. The principal metals in the Company's portfolio are platinum group metals, nickel and copper. The price of these metals has increased significantly during the year. The economics of all the Company's projects are kept under close review on a regular basis.

- ◆ Financial risk faced by the Company includes liquidity and currency risk. Liquidity risk is the risk of running out of working and investment capital. The Company's mission is to finance its exploration activities from cash flow from operations but in the absence of cash flow the Company relies on the issue of equity share capital and joint ventures to finance its activities.

The Company finances its overseas operations by transferring UK Pounds and US Dollars to meet local operating costs. The Company does not hedge its exposure and is therefore exposed to currency fluctuations between these two currencies and local currencies.

The Company maintains tight financial controls and undertakes regular financial reviews to mitigate these financial risks.

## Corporate governance

The Board supports the principles of good corporate governance contained in the Combined Code appended to the Listing Rules of the Financial Services Authority. It complies where this is commercially justified, allowing for the practical limitations relating to the Company's size.

The Board and the management team meet regularly to determine strategy and policy of the Group and the allocation of its financial resources.

The Company has two non-executive Directors, M A Burne and C Molefe. Given the size of the Group's operations, it is not considered appropriate to have separate audit, remuneration and nomination committees.

## Internal control

The Board is responsible for maintaining an appropriate system of internal controls to safeguard shareholders' investment and Group assets.

The Directors monitor the operation of internal controls. The objective of the system is to safeguard Group assets, maintain proper accounting records and ensure that the financial information used within the business and for publication is reliable. Any such system of internal control can only provide reasonable but not absolute assurance against material misstatement or loss.

Internal financial control procedures undertaken by the Board include:

- ◆ Review of quarterly financial reports and monitoring performance.

- ◆ Prior approval of all significant expenditure including all major investment decisions.
- ◆ Review and debate of treasury policy.

Risk assessment and the review of internal controls are undertaken by the Board in the context of the Group's overall strategy. The review covers the key business operational, compliance and financial risks facing the Group. In arriving at its judgement of what risks the Group faces, the Board has considered the Group's operations in the light of the following:

- ◆ The nature and extent of risks which it regards as acceptable for the Group to bear within its overall business objective
- ◆ The threat of such a risk becoming a reality
- ◆ The Group's ability to reduce the incidence and impact of risk on its performance
- ◆ The cost and benefits to the Group of operating the relevant controls.

The Board has reviewed the operation and effectiveness of the Group's system of internal control for the financial year and the period up to the date of approval of these financial statements.

### Relations with shareholders

Communication with shareholders is given a high priority by the Board and the directors are available to enter into dialogue with shareholders. All shareholders are encouraged to attend and vote at the Annual General Meeting during which the Board is available to discuss issues affecting the Company.

### Statement of disclosure to auditors

The directors have taken all reasonable steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to ensure that the Company's auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware.

### Going concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing the financial statements.

### Directors

The directors who served during the year and their interests in the shares of the Company as at beginning and end of the year were as follows:

	Ordinary shares		Share options	
	30 June 2006	30 June 2005	30 June 2006	30 June 2005
C Bird	6,585,048	6,585,048	1,650,000	1,000,000
M A Burne	-	-	450,000	450,000
C Molefe	-	-	300,000	250,000
A Sarosi	-	-	750,000	500,000
J D Parker	-	-	-	100,000

Mr A Sarosi was appointed a director on 1 January 2006. Mr J D Parker resigned as a director on 31 January 2006.

### Directors' responsibilities for the financial statements

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are responsible for ensuring that the Directors' Report and other information included in the Annual Report is prepared in accordance with Company Law in the United Kingdom and for ensuring that the Annual Report includes information required by the AIM Rules. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## Report of the Directors - continued

The directors are also responsible for the maintenance and integrity of the Company's website.

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the Company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

### Substantial shareholders

The directors are aware of the following substantial shareholdings of 3% or more of the current issued share capital of 78,648,974 shares at 30 June 2006.

Ordinary shares of 1p each	Number	Percentage
Golden Prospect plc	9,635,388	12.25
JP Morgan Fleming Asset Management	8,000,765	10.17
Fidelity Managed Funds	7,786,757	9.90
Colin Bird	6,585,048	8.37
Framlington Investment Management	4,671,000	5.94
Artemis Fund Managers	4,276,250	5.44
Fiske plc	2,720,000	3.46

### Share issues

Details of the shares issued in the year are detailed in Note 13 to the Financial Statements.

### Post balance sheet events

Details of post balance sheet events are disclosed in Note 26 of the Financial Statements.

### Payment policy and practice

The Company's policy is to pay suppliers on the terms agreed with them. There were no trade creditors at the year end.

### Auditors

The directors review the terms of reference for the auditors and obtain written confirmation that the firm has complied with its ethical guidance on ensuring its independence. Saffery Champness provides audit services to the Company as well as corporation tax compliance services. The level of fees charged is reviewed by the Board to ensure they remain competitive and to ensure no conflicts of interest arise.

A resolution proposing their appointment as auditors in accordance with Section 385 of the Companies Act 1985 will be placed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

C Bird  
Chief Executive Officer

2 November 2006

## Report of the Independent Auditors to the members of Jubilee Platinum plc

We have audited the financial statements on pages 18 to 34. These financial statements have been prepared in accordance with the accounting policies set out therein.

### Respective responsibilities of Directors and Auditors

As described in the statement of directors' responsibilities on page 14, the Company's directors are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Enhanced Business Review that is cross referred from the Business Review section of the Directors' Report. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Chairman's Statement and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements

made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- ◆ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and the group as at 30 June 2006 and of the loss of the group for the year then ended; and
- ◆ the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- ◆ the information given in the Directors' Report is consistent with the financial statements.

SAFFERY CHAMPNESS  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
LONDON

2 November 2006

### Note

1. *The maintenance and integrity of the Jubilee Platinum plc website is the responsibility of the directors: the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.*
2. *Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdiction*

## Principal Accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and the Statement of Recommended Practice "Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities" (the SORP).

The principal accounting policies, which have been reviewed by the directors in the light of FRS18 and are considered the most appropriate to the Group's circumstances, are set out below.

### Basis of consolidation

The Group financial statements consolidate those of the Company and of its subsidiary undertakings (see Note 9) for the year ended 30 June 2006. The Group's investment in its associate, Tjate Platinum Corporation (Pty) Limited is included in the consolidated financial statement using the equity method.

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life.

### Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

Office equipment	25% on cost
Computer equipment	33% on cost
Motor vehicles	25% on cost

### Exploration expenditure

In accordance with the full cost method as set out in the SORP, expenditure including related overheads on the acquisition, exploration and evaluation of interests in licences not yet transferred to a cost pool is capitalised under intangible assets. Cost pools are established on the basis of geographic area. When it is determined that such costs will be recouped through successful development and exploitation or alternatively by sale of the interest, expenditure will be transferred to tangible assets and depreciated over the expected productive life of the asset. Whenever a project is considered no longer viable the associated exploration expenditure is written off to the profit and loss account.

### Fixed asset investments

Fixed asset investments are carried at cost less provision for diminution in value.

### Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. The financial statements of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries and certain long-term loans are taken directly to reserves. All other exchange differences are dealt with through the profit and loss account.

### Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

### Financial instruments

The Group has adopted FRS25, which is effective for the annual reporting periods beginning on or after 1 January 2005. The revised standard provides more clarity and guidance on the classification of financial instruments.

The Group uses financial instruments to manage exposures to fluctuations in interest rates. Financial assets are recognised in the balance sheet at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate.

Interest receivable and payable is accrued and credited / charged to the profit and loss account in the period to which it relates.

### Liquid resources

Liquid resources comprise funds on deposit at not less than 24 hours notice.

### Operating leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

## Consolidated Profit and Loss Account

for the year ended 30 June 2006

	Note	Year ended 30 June 2006 £	Year ended 30 June 2005 £
Administrative expenses		<b>(827,528)</b>	(558,563)
<b>Operating loss</b>		<b>(827,528)</b>	(558,563)
Interest receivable and similar income		<b>282,916</b>	230,401
Interest payable		<b>(51,025)</b>	-
Share of operating loss in associate	10	<b>(25,110)</b>	(5,903)
<b>Loss on ordinary activities before taxation</b>	1	<b>(620,747)</b>	(334,065)
Tax on loss on ordinary activities	4	-	-
<b>Loss on ordinary activities after taxation</b>		<b>(620,747)</b>	(334,065)
Minority interests:			
Equity		<b>121,769</b>	34,210
<b>Loss on ordinary activities attributable to members of Jubilee Platinum Plc</b>		<b>(498,978)</b>	(299,855)
Basic loss per share	6	<b>(0.67p)</b>	(0.46p)
Fully diluted loss per share	6	<b>(0.65p)</b>	(0.45p)

All of the Group's activities are classed as continuing.

The accompanying accounting policies and notes form an integral part of these financial statements.

## Statement of Total Recognised Gains and Losses

for the year ended 30 June 2006

	<b>Year ended 30 June 2006 £</b>	Year ended 30 June 2005 £
<b>Loss for the financial year</b>	<b>(498,978)</b>	(299,855)
Translation differences on foreign currency net investments	<b>(304,248)</b>	(233,320)
	<hr/>	<hr/>
<b>Total recognised gains and losses for the year</b>	<b>(803,226)</b>	(533,175)
	<hr/> <hr/>	<hr/> <hr/>

The accompanying accounting policies and notes form an integral part of these financial statements.

## Consolidated Balance Sheet

as at 30 June 2006

	Note	Year ended 30 June 2006 £	Year ended 30 June 2005 £
<b>Fixed assets</b>			
Intangible assets	7	3,903,299	909,204
Tangible assets	8	51,634	24,513
Investment in associate	10	2,620,442	2,900,438
		<u>6,575,375</u>	<u>3,834,155</u>
<b>Current assets</b>			
Debtors	11	537,349	195,122
Cash at bank and in hand		4,668,199	4,635,153
		<u>5,205,548</u>	<u>4,830,275</u>
<b>Creditors: amounts falling due within one year</b>	12	<b>(1,655,939)</b>	<b>(1,374,244)</b>
		<u>3,549,609</u>	<u>3,456,031</u>
<b>Net current assets</b>		<b>3,549,609</b>	<b>3,456,031</b>
<b>Total assets less current liabilities</b>		<b>10,124,984</b>	<b>7,290,186</b>
<b>Minority interests</b>			
Equity interests		95,925	43,929
		<u>10,220,909</u>	<u>7,334,115</u>
<b>Capital and reserves</b>			
Called up share capital	13	786,489	699,228
Share premium account	14	11,859,073	8,256,314
Profit and loss account	15	(2,424,653)	(1,621,427)
		<u>10,220,909</u>	<u>7,334,115</u>
<b>Shareholders' funds</b>	16	<b>10,220,909</b>	<b>7,334,115</b>

The financial statements were approved by the Board of Directors on 2 November 2006.

C Bird  
Chief Executive Officer

The accompanying accounting policies and notes form an integral part of these financial statements.

# Company Balance Sheet

as at 30 June 2006

	Note	Year ended 30 June 2006 £	Year ended 30 June 2005 £
<b>Fixed assets</b>			
Intangible assets	7	30,925	30,925
Tangible assets	8	1,649	2,889
Investments	9	3,426,212	388
		<u>3,458,786</u>	<u>34,202</u>
<b>Current assets</b>			
Debtors	11	4,907,362	4,049,453
Cash at bank and in hand		4,266,303	3,681,894
		<u>9,173,665</u>	<u>7,731,347</u>
<b>Creditors: amounts falling due within one year</b>	12	<b>(1,621,297)</b>	<b>(86,136)</b>
		<u>7,552,368</u>	<u>7,645,211</u>
<b>Net current assets</b>		<b>7,552,368</b>	<b>7,645,211</b>
<b>Total assets less current liabilities</b>		<b>11,011,154</b>	<b>7,679,413</b>
<b>Capital and reserves</b>			
Called up share capital	13	786,489	699,228
Share premium account	14	11,859,073	8,256,314
Profit and loss account	15	(1,634,408)	(1,276,129)
		<u>11,011,154</u>	<u>7,679,413</u>
<b>Shareholders' funds</b>	16	<b>11,011,154</b>	<b>7,679,413</b>

The financial statements were approved by the Board of Directors on 2 November 2006.

C Bird  
Chief Executive Officer

The accompanying accounting policies and notes form an integral part of these financial statements.

## Consolidated Cash Flow Statement

for the year ended 30 June 2006

	Note	Year ended 30 June 2006 £	Year ended 30 June 2005 £
<b>Net cash outflow from operating activities</b>	17	<b>(1,147,523)</b>	(869,591)
<b>Returns on investments and servicing of finance</b>			
Interest received		275,812	230,401
Foreign exchange difference		279,996	9,925
		<b>555,808</b>	240,326
<b>Capital expenditure and financial investment</b>			
Purchase of intangible fixed assets	7	<b>(1,125,800)</b>	(596,807)
Purchase of tangible fixed assets	8	<b>(13,635)</b>	(24,669)
		<b>(1,139,435)</b>	(621,476)
<b>Acquisitions and disposals</b>			
Investment in associate		-	(2,906,977)
		-	(2,906,977)
<b>Movement in liquid resources</b>			
Funds placed on deposit		<b>(4,537,519)</b>	(4,079,481)
Funds removed from deposit		<b>4,079,481</b>	3,050,000
		<b>(458,038)</b>	(1,029,481)
<b>Financing</b>			
Increase in loans	19	<b>1,500,000</b>	1,224,233
Issue of shares and warrants	13	<b>264,196</b>	4,766,295
Expenses of share issues	14	-	(310,218)
		<b>1,764,196</b>	5,680,310
<b>Increase in cash</b>	18	<b>(424,992)</b>	493,111

The accompanying accounting policies and notes form an integral part of these financial statements



# Notes to the Financial Statements

for the year ended 30 June 2006

## 1 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is stated after:

	<b>2006</b>	2005
	<b>£</b>	£
Auditors' remuneration - statutory audit services	<b>10,500</b>	10,977
- tax compliance fees	<b>1,500</b>	1,500
Payments under operating leases - land and buildings	<b>12,500</b>	24,500
Depreciation	<b>9,937</b>	7,670
Foreign exchange gain	<b>2,636</b>	-
	<u><u><b>2,636</b></u></u>	<u><u>-</u></u>

## 2 SEGMENTAL ANALYSIS

The group has one business segment, that of mineral exploration. An analysis of loss on ordinary activities before taxation and net assets by geographical area is given below:

	<b>2006</b>	2005
	<b>£</b>	£
Profit/(loss) on ordinary activities (adjusted for minority interests)		
United Kingdom	<b>(110,042)</b>	(19,127)
South Africa	<b>(321,461)</b>	(235,982)
Madagascar	<b>(67,476)</b>	(44,746)
	<u><u><b>(498,979)</b></u></u>	<u><u>(299,855)</u></u>
Net assets		
United Kingdom	<b>11,011,154</b>	7,679,413
South Africa	<b>(684,562)</b>	(303,073)
Madagascar	<b>(105,683)</b>	(42,225)
	<u><u><b>10,220,909</b></u></u>	<u><u>7,334,115</u></u>

## 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	<b>2006</b>	2005
	<b>£</b>	£
Wages and salaries	<b>227,804</b>	225,457
Social security costs	<b>23,830</b>	21,962
	<u><u><b>251,634</b></u></u>	<u><u>247,419</u></u>
Remuneration in respect of directors was as follows:		
Emoluments	<u><u><b>139,833</b></u></u>	<u><u>134,118</u></u>

## Notes to the Financial Statements

for the year ended 30 June 2006

### 3 DIRECTORS AND EMPLOYEES (continued)

Emoluments disclosed above include the following amounts paid to the highest paid director:

	<b>2006</b>	2005
	<b>£</b>	£
Emoluments	<b>92,980</b>	56,901

The average monthly number of employees during the year was seven (2005: 7) including the four directors, none of whom (2005: None) participate in company pension schemes.

### 4 TAX ON LOSS ON ORDINARY ACTIVITIES

	<b>2006</b>	2005
	<b>£</b>	£
Loss for the year	<b>(620,747)</b>	(334,065)
Loss for the year multiplied by standard rate of UK corporation tax 30%	<b>(186,224)</b>	(100,220)
Effect of:		
UK expenses not deductible for tax purposes	<b>2,538</b>	4,630
Increase in UK tax losses	-	71,104
South African losses at 30%	<b>153,505</b>	24,486
Other tax adjustments	<b>30,181</b>	-
Tax charge	<b>-</b>	-
Unprovided deferred tax asset:		
UK tax losses carried forward multiplied by standard rate of UK corporation tax 30%, recoverable only when the Company has generated taxable profits	<b>239,576</b>	239,576

### 5 PROFIT FOR THE FINANCIAL YEAR

The Company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The Company loss for the year was £44,287 (2005: £19,125).

### 6 LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the financial year divided by the weighted average number of shares being 74,355,295 (2005: 64,687,342) in issue during the year.

The fully diluted loss per share is based on the loss for the financial year divided by the weighted average number of shares and potential shares being 76,411,257 (2005: 66,463,756) in issue during the year.

# Notes to the Financial Statements

for the year ended 30 June 2006

	<b>2006</b>	2005
	<b>£</b>	£
Ordinary shares	<b>74,355,295</b>	64,687,342
Effect of options issued at fair value	<b>2,055,962</b>	1,776,414
	<b>76,411,257</b>	66,463,756

## 7 INTANGIBLE FIXED ASSETS

<b>The Group</b>	<b>Goodwill on consolidation</b>	<b>Exploration expenditure</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cost			
At 1 July 2005	-	909,204	909,204
Foreign Exchange Adjustments	-	(80,473)	(80,473)
Additions	2,318,911	1,125,800	3,444,711
Amortisation	(65,755)	(304,388)	(370,143)
At 30 June 2006	2,253,156	1,650,143	3,903,299

<b>The Company</b>	<b>Exploration expenditure</b>
	<b>£</b>
Cost	
At 1 July 2005	30,925
Additions	-
At 30 June 2006	30,925

## Notes to the Financial Statements

for the year ended 30 June 2006

### 8 TANGIBLE FIXED ASSETS

#### The Group

	<b>Office equipment £</b>
Cost	
At 1 July 2005	35,866
Foreign exchange adjustments	23,423
Additions	13,635
	<hr/>
At 30 June 2006	72,924
	<hr/>
Depreciation	
At 1 July 2005	11,353
Charge for the year	9,937
	<hr/>
At 30 June 2006	21,290
	<hr/>
Net book amount at 30 June 2006	51,634
	<hr/> <hr/>
Net book amount at 30 June 2005	24,513
	<hr/> <hr/>

#### The Company

	<b>Office equipment £</b>
Cost	
At 1 July 2005	8,139
Additions	577
	<hr/>
At 30 June 2006	8,716
	<hr/>
Depreciation	
At 1 July 2005	5,249
Charge for the year	1,818
	<hr/>
At 30 June 2006	7,067
	<hr/>
Net book amount at 30 June 2006	1,649
	<hr/> <hr/>
Net book amount at 30 June 2005	2,889
	<hr/> <hr/>

# Notes to the Financial Statements

for the year ended 30 June 2006

## 9 FIXED ASSET INVESTMENTS

<b>The Company</b>	<b>Shares in Group undertakings 2006</b>	Shares in Group undertakings 2005
	<b>£</b>	<b>£</b>
Cost		
At 1 July 2005	<b>388</b>	273
Additions	<b>3,425,824</b>	141
Disposals	-	(26)
	<hr/>	<hr/>
At 30 June 2006	<b>3,426,212</b>	388
	<hr/> <hr/>	<hr/> <hr/>

The Company issued 7,447,443 Ordinary 1p shares at 46p per share on 5 December 2005 to New Africa Mining Fund as consideration for acquiring the 12.52% minority interest in Windsor Platinum Investments (Pty) Ltd ("Windsor"). Windsor is now a 100% owned subsidiary of the Company.

At 30 June 2006 the Company held more than 20% of the following subsidiary undertakings:

<b>Name of undertaking</b>	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Proportion of equity capital held By the Company By the Group</b>	
Dullstroom Plats (Pty) Ltd	South Africa	Mineral exploration	-	100%
Maude Mining and Exploration (Pty) Ltd	South Africa	Mineral exploration	-	65%
Mineral Resources of Madagascar Sarl	Madagascar	Mineral exploration	85%	-
Windsor Platinum Investments (Pty) Ltd	South Africa	Mineral exploration	100%	-
Emanuel Mining and Exploration (Pty) Ltd	South Africa	Mineral exploration	90%	-
Mokopane Mining and Exploration (Pty) Ltd	South Africa	Mineral exploration	90%	-

## Notes to the Financial Statements

for the year ended 30 June 2006

### 10 INVESTMENT IN ASSOCIATE

	<b>2006</b>
	<b>£</b>
<b>Tjate Platinum Corporation (Proprietary) Limited</b>	
Share of turnover	-
Share of operating loss for the year	(25,110)
Share of assets	
Share of current assets	2,290
Share of non-current assets	2,742,886
	<u>2,745,176</u>
Share of liabilities	
Share of current liabilities	352
Share of non-current liabilities	124,382
	<u>124,734</u>
Share of net assets	<u>2,620,442</u>

Jubilee Platinum plc owns 25% of the issued ordinary share capital of Tjate Platinum Corporation (Proprietary) Limited which is engaged in the exploration and exploitation of natural resources.

The associate has an unsecured loan from Windsor Platinum Investments (Pty) Limited, a subsidiary within the Jubilee group, of £497,529 with no fixed repayment terms, bearing an interest rate of 2% above the prime lending rate.

### 11 DEBTORS

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	2005	<b>2006</b>	2005
	<b>£</b>	£	<b>£</b>	£
Amounts due from Group undertakings	-	-	<b>4,888,092</b>	4,010,748
Other debtors	<b>532,871</b>	176,324	<b>14,792</b>	21,656
Prepayments and accrued income	<b>4,478</b>	18,798	<b>4,478</b>	17,049
	<u><b>537,349</b></u>	<u>195,122</u>	<u><b>4,907,362</b></u>	<u>4,049,453</u>

The loans to group members are unsecured and bear interest at base rate +2%.

# Notes to the Financial Statements

for the year ended 30 June 2006

## 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2006 £	2005 £	2006 £	2005 £
Other loan	-	1,274,325	-	-
Convertible loan notes	<b>1,500,000</b>	-	<b>1,500,000</b>	-
Social security and other taxes	-	-	-	5,297
Other creditors	<b>63,966</b>	24,839	<b>30,188</b>	7,981
Accruals and deferred income	<b>91,973</b>	75,080	<b>91,109</b>	72,858
	<b>1,655,939</b>	1,374,244	<b>1,621,297</b>	86,136

On 27 January 2006, the Company issued £1,500,000 8% Convertible Loan Notes to City Natural Resources High Yield Trust Plc to assist with the funding of working capital costs of its exploration and development programmes in South Africa and Madagascar. The loan notes are convertible at the option of the holder at any time prior to the maturity date, after 12 months from the issue date at a price of £0.70 (conversion price) into approximately 2,142,857 Ordinary 1p shares in the Company. The loan notes will mature on 26 January 2010. After the initial 12 month period, if the 20-day average closing price of the Company's shares at any time attains £0.85 or more, the Company may call the Convertible Loan Notes for conversion into the Company's Ordinary shares at the conversion price.

## 13 SHARE CAPITAL

	Group and Company	
	2006 £	2005 £
Authorised		
500,000,000 ordinary shares of 1p each	<b>5,000,000</b>	5,000,000
Allotted, called up and fully paid		
78,648,974 (2005: 69,922,828) ordinary shares of 1p each	<b>786,489</b>	699,228

## Notes to the Financial Statements

for the year ended 30 June 2006

### 13 SHARE CAPITAL (continued)

The Company allotted 8,726,146 Ordinary 1p shares with an aggregate nominal value of £87,261 during the year as follows:

<b>Date of issue</b>	<b>Price per share</b>	<b>Number of shares</b>	<b>Aggregate consideration £</b>
12 December 2005	46p	7,447,443	3,425,824
7 March 2006	16p	470,000	75,200
7 March 2006	20p	30,000	6,000
31 March 2006	20p	646,600	129,320
31 March 2006	16p	4,144	663
31 March 2006	33p	48,485	16,000
31 March 2006	45p	74,474	33,513
31 March 2006	70p	5,000	3,500
		<b>8,726,146</b>	<b>3,690,020</b>

The Company has granted options to subscribe for Ordinary 1p shares as follows:

<b>Date granted</b>	<b>Period exercisable</b>	<b>Exercise price per share (pence)</b>	<b>Number of options</b>
24 July 2002	24 July 2004 to 24 July 2012	16	1,770,000
24 October 2003	24 October 2005 to 24 October 2013	20	175,000
24 October 2003	24 October 2005 to 24 October 2013	28	100,000
9 February 2004	9 February 2004 to 9 February 2007	31	650,000
2 August 2004	2 August 2004 to 1 August 2009	20	646,600
20 December 2004	20 December 2006 to 20 December 2014	28	1,100,000
20 July 2005	20 July 2007 to 20 July 2015	38	110,000
1 March 2006	1 March 2006 to 1 March 2011	50	100,000
14 June 2006	14 June 2008 to 14 June 2016	75	15,000
20 April 2006	20 April 2008 to 20 April 2016	95	115,000
30 June 2006	30 June 2008 to 30 June 2016	85	1,200,000

1,278,703 options were exercised during the year.

The highest and lowest price of the Company's shares during the year was 99.33p and 32.75p respectively. The share price at the year end was 69p.



# Notes to the Financial Statements

for the year ended 30 June 2006

## 14 SHARE PREMIUM ACCOUNT

	Group and Company	
	2006	2005
	£	£
At 1 July 2005	<b>8,256,314</b>	4,007,864
Premium on allotments in the year	<b>3,602,759</b>	4,558,668
Expenses of share issues	-	(310,218)
At 30 June 2006	<b>11,859,073</b>	8,256,314

## 15 PROFIT AND LOSS ACCOUNT

	Group	Company
	2006	2006
	£	£
At 1 July 2005	<b>(1,621,427)</b>	<b>(1,276,130)</b>
Profit/(loss) for the year	<b>(498,978)</b>	<b>(44,287)</b>
Translation differences on foreign currency net investments	<b>(304,248)</b>	<b>(313,991)</b>
At 30 June 2006	<b>(2,424,653)</b>	<b>(1,634,408)</b>

## 16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Profit/(loss) for the financial year	<b>(498,978)</b>	(299,855)	<b>(44,287)</b>	(252,445)
Foreign exchange difference	<b>(304,248)</b>	(233,320)	<b>(313,991)</b>	-
Issue of shares (net of expenses)	<b>3,690,020</b>	4,456,078	<b>3,690,020</b>	4,456,078
Net increase in shareholders' funds	<b>2,886,794</b>	3,922,903	<b>3,331,742</b>	4,203,633
Shareholders' funds at 1 July 2005	<b>7,334,115</b>	3,411,212	<b>7,679,412</b>	3,475,780
Shareholders' funds at 30 June 2006	<b>10,220,909</b>	7,334,115	<b>11,011,154</b>	7,679,413

## Notes to the Financial Statements

for the year ended 30 June 2006

### 17 NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	<b>2006</b>	<b>Group</b>
	<b>£</b>	2005 £
Operating loss	<b>(827,528)</b>	(558,563)
Depreciation	<b>9,937</b>	7,670
Amortisation of goodwill	<b>65,755</b>	-
Amounts written off exploration expenditure	<b>234,800</b>	-
Exchange movement	<b>(304,248)</b>	(233,320)
Increase in debtors	<b>(356,547)</b>	(140,164)
Increase in creditors	<b>30,308</b>	54,786
	<hr/>	<hr/>
Net cash outflow from continuing operating activities	<b>(1,147,523)</b>	(869,591)
	<hr/> <hr/>	<hr/> <hr/>

### 18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	<b>2006</b>	<b>Group</b>
	<b>£</b>	2005 £
Increase in cash in the year	<b>(424,992)</b>	493,111
Increase in liquid resources	<b>458,038</b>	1,029,481
Increase in loans	<b>(225,675)</b>	(1,224,233)
	<hr/>	<hr/>
Increase in net funds	<b>(192,629)</b>	298,359
Net funds at 1 July 2005	<b>3,360,828</b>	3,062,469
	<hr/>	<hr/>
Net funds at 30 June 2006	<b>3,168,199</b>	3,360,828
	<hr/> <hr/>	<hr/> <hr/>

### 19 ANALYSIS OF NET FUNDS

	<b>2006</b>	<b>Group</b>	2005
	<b>£</b>	Cash Movement £	£
Cash at bank	<b>4,668,199</b>	33,046	4,635,153
Other loans	<b>(1,500,000)</b>	(225,675)	(1,274,325)
	<hr/>	<hr/>	<hr/>
Net funds	<b>3,168,199</b>	(192,629)	3,360,828
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 20 FINANCIAL INSTRUMENTS

The Group uses financial instruments, other than derivatives, comprising borrowings, cash, liquid resources and various items such as sundry debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

# Notes to the Financial Statements

for the year ended 30 June 2006

The main risks arising from the Group's financial instruments are liquidity risk and currency risk. The directors review and agree policies for managing these risks and these are summarised below.

Short-term debtors and creditors have been excluded from all the following disclosures.

## Liquidity risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by placing surplus funds on deposit. At the balance sheet date the Group had £100,000 on seven-day deposit at an interest rate of 4.29% and £4,100,000 on monthly deposit at an interest rate of 4.45%.

## Currency risk

The functional currencies of the companies in the group are Sterling, South African Rand, and Madagascan Ariary. The Group does not hedge against the effects of movement in exchange rates. These risks are monitored by the board on a regular basis.

## Borrowing facilities and interest rate risk

The Group finances its operations through the issue of equity share capital. There is no significant borrowing and therefore no exposure to interest rate fluctuations.

## Fair values

The fair values of the Group's financial instruments are considered equal to the book value.

## 21 CAPITAL COMMITMENTS

Neither the Group nor the Company had any capital commitments at 30 June 2006 or 30 June 2005.

## 22 FINANCIAL COMMITMENTS

The Company had the following commitments under non-cancellable operating leases as at 30 June 2006:

	<b>Land and buildings</b>	
	<b>2006</b>	2005
	<b>£</b>	£
Within 1 year	<b>12,000</b>	18,250

## 23 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2006 or 30 June 2005.

## 24 TRANSACTIONS WITH DIRECTORS

No director had, during or at the end of the year, a material interest in any contract which was significant in relation to the Group's business.

## 25 CONTROL

The directors consider the Company to have no ultimate controlling party.

## 26 POST BALANCE SHEET EVENTS

(1) The Company has granted options to subscribe for Ordinary 1p shares as follows:

<b>Date granted</b>	<b>Period exercisable</b>	<b>Exercise price per share</b>	<b>Number of options</b>
6 September 2006	6 September 2008 to 6 September 2016	78 pence	25,000
11 September 2006	11 September 2006 to 11 September 2009	80 pence	200,000
11 September 2006	11 September 2006 to 11 September 2009	100 pence	120,000

(2) On 15 September 2006, the Company announced that it has received the appropriate regulatory approvals to embark on the first phase of exploration drilling on its prospective nickel-copper-PGE Ambodilafa project in Madagascar.

(3) On 4 October 2006, Jubilee entered into a Project Agreement with TransAsia Minerals Limited ("TransAsia") with regards to its Londokomanana and Itsindro property.

TransAsia has agreed an aggregate expenditure of US\$10,000,000 - US\$7,000,000 on Londokomanana and US\$3,000,000 on Itsindro - on exploration over a three-year period to acquire an undivided 51% interest in the above properties.

As part of its funding commitment TransAsia subscribed for US\$1,000,000 worth of Jubilee shares equivalent to 490,000 Ordinary 1p shares at £1.10 per share and also advanced further cash of US\$1,000,000 for Londokomanana and Itsindro.

## Notice of meeting

Notice is hereby given that the 2006 Annual General Meeting of the Company will be held at the Thomond Suite, Jurys Kensington Hotel, 109-113 Queensgate, London SW7 5LR on Monday, 4 December 2006 at 10:00 a.m. to transact the following business of the Company:

1. To re-elect Andrew Sarosi as a Director, who is retiring by rotation.
2. To re-elect Chris Molefe as a Director, who is retiring by rotation.
3. To receive and adopt the Director's Report and the Financial Statements for the year ended 30 June 2006 and the report of the auditors thereon (the "Accounts").
4. To re-appoint Saffery Champness as auditors and to authorise the directors to agree their remuneration.
5. As special business, to consider and if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"THAT the directors be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 ("the Act"), in substitution for all previous powers granted to them, to exercise all the powers of the Company to allot and make offers to allot relevant securities (within the meaning of Section 80(2) of the Act) up to an aggregate nominal amount £999,999.98; such authority shall, unless previously revoked or varied by the Company in general meeting, expire on the conclusion of the Annual General Meeting of the Company to be held in 2007 provided that the Company may, at any time before such expiry, make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities pursuant to any such offer or agreement; as if the authority conferred hereby had not expired."

6. As special business, to consider and if thought fit, to pass the following resolution which will be proposed as a Special Resolution:

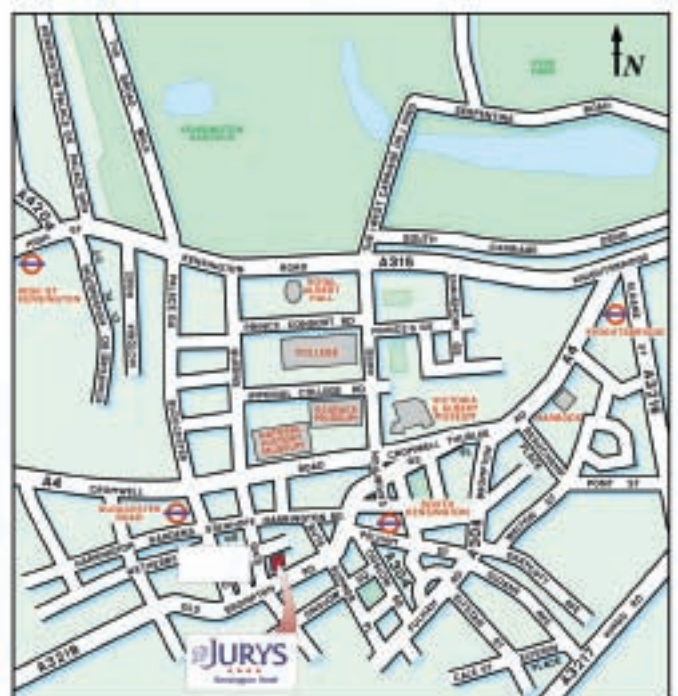
"THAT the directors be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 ("the Act"), in substitution for all previous powers granted thereunder, to allot equity securities of up to an aggregate nominal amount of £395,695 (within the meaning of Section 94 of the Act), being 50% of the issued share capital of the Company, for cash pursuant to the authority granted by resolution 5 above as if Section 89(1) of the Act did not apply to any such allotment provided that this power shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2007, save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired."

By Order of the Board dated 6 November 2006

**Notes:**

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend, and, on a poll, to vote in his/her stead. A proxy need not be a member of the Company. Completion of a form of proxy does not preclude a member from attending the meeting and voting thereat.
2. Any form of proxy and power of attorney or other authority under which it is signed, or notarially certified or office copy of such power or authority, in order to be valid, must reach the Company's Registrars not less than 48 hours before the time of the meeting.
3. Copies of all directors' service contracts of more than one year's duration will be available for inspection at the registered office during usual business hours until the date of the annual general meeting, and at the place of the meeting for at least 15 minutes before the meeting until the conclusion of the meeting.

**2006 Annual General Meeting of the Company will be held at the Thomond Suite, Jurys Kensington Hotel, 109-113 Queensgate, London SW7 5LR on Monday, 4 December 2006 at 10:00 a.m.**



# Form of Proxy

Shareholders may vote by proxy by returning this form duly completed to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, to arrive no later than 10.00 am on 1 December 2006. Before completing this form, please see the explanatory notes below.

I/We want the following person (called a 'proxy') to vote on my/our behalf  
(The proxy need not be a member of the Company)

**(Please place a mark in one box only to indicate your choice).**

The Chairman  
of the meeting

**(Please leave this box blank if you are selecting someone other than the Chairman)**

OR

The following  
person:

**(Please leave this box blank if you have selected the Chairman.  
Do not insert your own name(s))**

To attend and vote on my/our behalf at the Annual General Meeting of Jubilee Platinum plc to be held on 4 December 2006 at 10.00 am and at any adjournment of the Meeting. I/We would like my/our proxy to vote on the resolutions proposed at the Meeting as indicated on this form. Unless otherwise instructed, the proxy may vote as he or she sees fit or abstain in relation to any business of the Meeting.



Signature

Date

**(In the case of joint shareholders any one joint holder may sign)**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

## RESOLUTIONS

	FOR	AGAINST
1 To re-elect Andrew Sarosi as a Director	<input type="checkbox"/>	<input type="checkbox"/>
2 To re-elect Chris Molefe as a Director	<input type="checkbox"/>	<input type="checkbox"/>
3 To receive and adopt the Director's Report and the financial statements for the year ended 30 June 2006	<input type="checkbox"/>	<input type="checkbox"/>
4 To appoint Saffery Champness as Auditors of the Company and to authorise the directors to fix their remuneration	<input type="checkbox"/>	<input type="checkbox"/>
5 To authorise the directors to allot relevant securities	<input type="checkbox"/>	<input type="checkbox"/>
6 To authorise the directors to allot securities disapplying pre-emption rights.	<input type="checkbox"/>	<input type="checkbox"/>

## Notes:

- 1 A member entitled to attend and vote is entitled to appoint a proxy investor to attend, speak and vote instead of him.
- 2 The form of proxy must be executed under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a body corporate either under the seal or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.
- 3 To be effective, the form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of authority, should be deposited with Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not later than 48 hours before the time appointed for the meeting.
- 4 In the case of joint holder, the vote of the senior of them who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register.
- 5 Completion and return of a form of proxy shall not preclude a member from attending and voting at the Meeting should he/she so wish.



SECOND FOLD

PLEASE  
AFFIX  
STAMP

**Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU**

FIRST FOLD

THIRD FOLD AND TUCK IN







## Directors, Officers and Advisers

Incorporation Number	4459850
Registered Office	4th Floor 2 Cromwell Place London SW7 2JE
Company Secretary	Capita Company Secretaries The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Directors	Malcolm Burne (Non-Executive Chairman) Colin Bird (Chief Executive Officer) Andrew Sarosi (Executive Director) Chris Molefe (Non-Executive Director)
Bankers	National Westminster Bank plc 246 Regent Street London W1B 3PB
Solicitors	Stringer Saul 17 Hanover Square London W1S 1HU
Auditors	Saffery Champness Chartered Accountants Lion House Red Lion Street London WC1R 4GB
Registrars	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0A
Nominated Adviser	Collins Stewart (CI) Ltd 88 Wood Street London EC2V 7QR
Joint Brokers	Collins Stewart (CI) Ltd 88 Wood Street London EC2V 7QR  Ambrian Partners Ltd 8 Angel Court London EC2R 7HP



Jubilee Platinum plc / 4th Floor / 2 Cromwell Place / London / SW7 2JE

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