

Jubilee Platinum signs Access deal to tailings at Dilokong Chrome Mines

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Jubilee Platinum PLC Monday said it had signed a deal with ASA Metals Proprietary Ltd giving Jubilee the exclusive right to access the platinum group metals bearing tailings on the Dilokong Chrome Mines mine area and the right to build a dedicated chrome and platinum group metals processing plant to process them.

In a statement, the company said ASA Metals has also agreed to give it access to sufficient power and water for the construction and operation of the new processing plant.

It estimates that there are about 800,000 tonnes of material to process containing about 74,000 ounces of platinum group metals. Dilokong Chrome Mines is also still depositing tailings onto the surface tailings dam at an estimated rate of 8,000 to 12,000 tons a month.

Tailings, also known as mine dumps, are the materials left over from previous processing of ore from a mine.

Jubilee said it could process a minimum of 180,000 tonnes of surface stock a year.

It said it is continuing negotiations with PhokaThaba Platinum Proprietary Ltd, a subsidiary of Platinum Australia Limited, to process the Dilokong Chrome Mines tailings at its processing facility until Jubilee's own new plant is built on site.

Jubilee said it is in talks with a number of financial institutions about funding for the new plant.

"Jubilee has furthermore entered into advanced discussions with ASA for the further expansion of the proposed new plant to target the processing of 3rd party chrome and platinum containing ore in the region. Numerous chrome mining opportunities are being explored in the region that requires access to a purpose designed PGM and chrome processing facility which offers a partnership with a FerroChrome produce," it said in a statement.

"This agreement is a significant target milestone for the company in order to bring to production our acquired rights to platinum containing surface material while simultaneously progressing its PGM processing strategy serving the larger Eastern Limb of South Africa's platinum belt," Jubilee Chief Executive Leon Coetzer said in a statement.

Jubilee Platinum shares were up 1.6% at 1.68 pence Monday morning.