

Jubilee and ASA agree to establish PGMs plant

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Jubilee Platinum has agreed with ASA Metals to build a processing plant to extract platinum group metals (PGMs) and chrome from tailings.

The parties are further talking about expanding the plant to include third-party material.

Jubilee has three furnaces in operation at its Middelburg smelter site in Mpumalanga where it treats other companies' ferrosilicon and ferronickel concentrates. It wants the plant to treat platinum concentrates.

Jubilee's subsidiary, Pollux Investment, has the right to process and recover PGMs in 800,000 tonnes of tailings at the Dilokong Chrome Mine and smelter owned by ASA 125km south of Polokwane. The tailings contain about 74,000oz of four PGMs. The agreement with ASA entails the construction of a plant next to the smelter to extract PGMs and chrome. ASA will provide water and electricity to build and operate the plant.

The plant, for which the two parties did not disclose the construction cost, will treat 180,000 tonnes a year of tailings. ASA's operations will add between 8,000 and 12,000 tonnes of tailings a month to the stockpile.

"This looks like a good deal for Jubilee with a new plant to be built which will have available material from tailings as well as potential to source fresh ore from the Eastern Limb," SP Angel said in a note.

Jubilee and ASA were in "advanced " talks about expanding the plant to process other parties' chrome and platinum-bearing ore. "Numerous chrome mining opportunities are being explored in the region that require access to a purpose-designed PGM and chrome processing facility which offers a partnership with a ferrochrome producer," Jubilee CEO Leon Coetzer said on Monday.