

# Jubilee Platinum abandons Platinum Australia deal

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Jubilee Platinum (LON:JLP) has abandoned its attempt to acquire Platinum Australia after failing to reach agreement over how to structure the deal.

The company had flagged in January that the protracted nature of the discussions, which started over 15 months ago, had endangered the deal due to rising debts at Platinum Australia (PLA).

These rising debts meant that any funding raised would not have been used to re-commission PLA's operations but to pay off debt against a lower than expected platinum metal price.

Jubilee wants to use PLA's Smokey Hills mine concentrator to process tailings from the Dilokong Chrome Mine (DCM) in South Africa to generate platinum and its associated metals. Its subsidiary Pollux has processing rights to an estimated 800,000 tonnes of surface tailings from DCM.

While talks are still continuing between over a re-commissioning of Smokey Hills, Jubilee said it is now looking at building a dedicated plant to be sited next to the mine as well as talking to other potential smelter groups.

It has already received quotes for the provision of power, water and surface infrastructure for a new processing plant and key processing equipment required for such a plant is readily available within the current market, it said.

Leon Coetzer, Jubilee's chief executive, said the strategic fit of the assets of Jubilee and PLA had never been in question but terminating the deal was an important step in moving the discussions forward.

"The processing of the DCM tailings could significantly enhance Jubilee's earnings capability to further enhance shareholder value.

"The material is at surface and therefore does not incur any mining cost and is suited for the further refining in the ConRoast process to which Jubilee holds the exclusive rights. The earnings capability of this project would further enhance the targeted earnings for the Middelburg smelter operation."