

Jubilee Platinum gets immediate boost from new furnace at Middelburg

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Jubilee Platinum's (LON:JLP) Middelburg operation in South Africa was in profit in May after the commissioning of a third ARC furnace at the smelter.

The new furnace helped increased overall metal production by 45% compared to the previous month. Net profit at the plant was R1.33mIn (£76,000), which will result in positive cash flow, the company added.

Electricity subsidiary Power Alt has also received a 6.4% rise in the price of the power it sells into the South African grid with the contract extended to end March 2015.

Jubilee said this contract helps to offset any interruption in the smelter operation as it can then sell more power into the grid.

Leon Coetzer, Jubilee's chief executive, said he was pleased the latest furnace is up and running and is now looking at further automation and a way to utilise waste heat more efficiently.

The next target, though, is to extract the platinum from tailings at the Dilokong Chrome Mine, where negotiations on a processing plant are at an advanced stage.

"We hope to update the market shortly on the detail of the execution of our platinum-containing chrome tailings project on the back of the successful conclusion of the tailings access agreement announced on the 9 June.

"The company is further encouraged by a renewed interest in the company's patented ConRoast process by the platinum sector.