

# Three-pronged tactic strengthens Jubilee's balance sheet

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Aim-and Alt-listed mineral specialist Jubilee Platinum has strengthened its balance sheet through a combination of a placing to raise new capital, the settlement of a secured debt and the early expiration of its equity financing facility.

This came as the company focused on the execution of its platinum mine-to-metals strategy, continuing to develop its long-term shareholder base and create a "transparent" structure with regard to its funding commitments and requirements.

## **The Placing**

Jubilee secured a conditional placing of up to 24.85-million new ordinary shares of one pence each at a price of 1.75p a share to raise around £435 000.

The proceeds from the issue of the placing shares would be used towards the settlement of the senior convertible loan note instrument dated December 16, 2013, which had been placed with funder Darwin Strategic.

## **Early Expiration**

This came as Jubilee and Darwin mutually agreed to cancel the £10-million equity finance facility, as announced on January 2, with no cost attached to the cancellation.

The company had also elected to fully redeem the loan notes placed with Darwin, in terms of the loan note instrument, through the payment of £950 000 in cash.

## **Loan Settlement**

Meanwhile, Jubilee subsidiary Power Alt had reached an agreement with Investec for the release of the balance of a 2009 loan, plus related costs, through the issuance of 41.4-million new ordinary shares of 1p each in Jubilee.

Power Alt was granted the secured loan of about R57-million for the construction and commissioning of a power plant and had since repaid a portion of the loan with a remaining balance outstanding of some R12-million.

The shares issued to settle the outstanding amount would be placed into the market through financial services firm Daniel Stewart & Company and, upon completion of the placing, the security currently held by Investec would be released in full.

In addition, Jubilee subsidiary Braemore Resources entered into a nonconverting loan agreement syndicated between YA Global and a coinvested London-based family office.

The proceeds from the loan agreement would, in part, be used towards the completion and commissioning of the third arc furnace currently under construction at the company's Middelburg smelter, in Mpumalanga.

Jubilee Platinum CEO Leon Coetzer said on Monday that the combination of a straight equity placing with a simple loan agreement was aligned to the expected earnings profile of the company.

"Jubilee remains focused on the commissioning of our three arc furnaces backed by new smelting contracts while we are driving hard to conclude the processing strategy for our platinum Dilokong chrome mine tailings project, in Limpopo," he commented.

Application had been made for the placing shares and the loan shares to be admitted to trading on Aim and to be listed on the Alt of the JSE, which was expected to take place on or about March 4.