

3rd November 2009

Jubilee Platinum* - Completion of Braemore Acquisition and Strategic Partnership with Sylvania.

Strong Buy with Increased 69p Target Price

The successive announcements that Jubilee had completed its acquisition of Braemore Resources Plc, together with agreeing a strategic partnership with Platinum Group Metal (PGM) production company Sylvania Resources Plc, have confirmed Jubilee's arrival as a serious player in the PGM sector with mid-tier ambitions and total capability.

On the 29th of October the High Court of Justice in England and Wales sanctioned the Scheme of Arrangement allowing for Braemore's existing shares to be cancelled, 44,940,517 new Jubilee shares to be issued as consideration to Braemore shareholders and paving the way for Jubilee's £13.25 million conditional placing to proceed with 44,166,666 shares issued at a price of 30p each. This news rubber stamps the process that officially began on the 3rd of July 2009, but had arguably been in the pipeline for many months if not years before that. While integration of the two companies will take some time yet, the benefits of its new total capability as well as unique ConRoast processing technology are already bearing fruit – something evidenced by Jubilee's announcement on 2nd November that it had signed a strategic alliance with Sylvania Resources.

The Jubilee and Sylvania Resources deal will initially take the form of using Jubilee's ConRoast technology to smelt PGM concentrates from a selection of Sylvania's tailings retreatment projects. Having been looking to acquire access to its own tailings dumps for a while, the alliance with Sylvania fast-tracks Jubilee's near-term cash flow plans while gaining the assistance of a partner experienced in the retreatment of surface tailing stockpiles. In addition to the tailings retreatment, Jubilee has been offered first preference as smelter builder and operator for Sylvania's

Key Data

| | |
|--------------------|----------------------------------------------------------------------|
| EPIC | JLP |
| Share Price | 31.5p |
| Spread | 31p – 32p |
| Total no of shares | 229.2 million (post share issues) |
| Market Cap | £72.2 million |
| 12 Month Range | 7.125p – 53.75p |
| Net Cash | £18 million (est.) |
| Market | AIM |
| Website | www.jubileeplatinum.com |
| Sector | Mining |
| Contact | Colin Bird, CEO Tel: +44 (0) 20 7584 2155 |

primary PGM mining projects located in the Northern Limb of the Bushveld complex, as ConRoast not only offers cost and operational benefits, but is safer and has a lower environmental impact than traditional processes.

While Jubilee may have caught Sylvania on the rebound after the latter's failed merger with Ruukki Group Plc, at a corporate level the alliance removes a direct competitor and improves each company's chances of gaining new business opportunities. With Braemore now tucked safely under its wing and a mutually beneficial alliance with a former competitor agreed, there has certainly been a de-risking of operations within Jubilee. While the majority of our valuation on the company is derived from the Tjate project, we have reduced our secondary risk weighting on the company slightly and consequently increase our target price to 69p (from 67p). Our recommendation remains **strong buy**.

Forecast Table

| Year to 30th June | Sales (£ Million) | Pre-tax Profit (£ Million) | Earnings Per Share (p) | Price Earnings Ratio | Dividend Per Share (p) | Dividend Yield (%) |
|-------------------|-------------------|----------------------------|------------------------|----------------------|------------------------|--------------------|
| 2007A | 0 | (1.75) | (1.55) | NA | 0 | 0.0 |
| 2008A | 0 | (4.08) | (3.61) | NA | 0 | 0.0 |
| 2009E | 0.3 | (3.00) | (1.60) | NA | 0 | 0.0 |
| 2010E | 2.0 | (1.00) | (0.50) | NA | 0 | 0.0 |

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