

Code	JLP
Share Price	38p
Market Cap	£43m
Shares in Issue	116m

Institutional Contacts

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Jubilee Platinum*

The all-share transaction, entered into on 27 April but not announced until now due to JSE regulations, increases Jubilee's interest in Maude Mining and Exploration, its South African subsidiary, to 91%.

- ▶ Maude Mining & Exploration has the rights to PGE (platinum group elements) in some 1 million tonnes of tailings grading 1.5-2.5g/t, contained in a dump located on the Bushveld's Western limb and to additional potential PGE tailings from its other properties. A binding heads of agreement was signed with Braemore Resources on 19 May allowing Braemore to buy the PGE-rich concentrate Jubilee plans to produce in 12-18 months time. Jubilee subsequently has tabled an offer for Braemore Resources.
- ▶ Under the transaction, Jubilee will purchase all the preference shares in K-Plats (Pty) Ltd, a local Black Empowerment company, and shareholder in Maude, in return for R5m paid for by issuing 3.9m new Jubilee shares. The price of the new shares, at 10p, is the VWAP for the 30 day period prior to 27 April 2009, the date the transaction was signed. A further R3m in new Jubilee shares will be issued to K-Plats shareholders if the tailings and/or any of Maude's other properties is either sold or put into commercial production.
- ▶ Although on a smaller scale to the projects operated by Sylvania, we think that this tailings project can potentially release important near term cash flow for Jubilee. Importantly, once in production, the chrome-rich concentrate will be suitable for treatment using Braemore's ConRoast process.

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The recommendation system used for this research is as follows. We expect the indicated target price relative to the FT All Share Index to be achieved within 12 months of the date of this publication. A 'Hold' indicates expected performance relative to this index of +/-10%, a 'Buy' indicates expected outperformance >10% and a 'Sell' indicates expected underperformance of >10%.

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