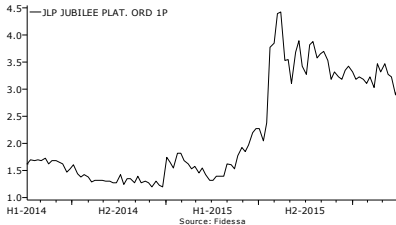


2 April 2016

Jubilee Platinum Ltd (JLP.L, JBL.J)



Price: 2.85p

12m High 5.45p

12 m Low 1.28p

Mkt cap £26.10m

Shares 900m

Sector Mining

Market London (AIM)

Brokers Beaufort Securities Limited

Website www.jubileeplatinum.com

Description: Jubilee is a junior platinum miner with exclusive access to proprietary mineral processing and refining technologies. With a strategy of capital growth through tailings reprocessing, part funding primary mine development it hopes to leverage its skills and build a mid-tier vertically integrated platinum group specialist.

Investor patience rewarded with first concentrate production and finance for second unit, to include Platinum production.

Dual-listed Jubilee Platinum is a now an active miner and should be congratulated for its graduation to 'producer' status in the harshest environment for new mines in decades. The company has built its first mineral production capacity and now has finance for a second, larger facility. Chrome concentrate is already flowing and concentrate containing Platinum Group Metals (PGMs) is expected from the second facility in Q4 2016.

Strategy: The capital released by the sale of smelter and power generation assets in 2015 has been directed towards the building of the first tailings concentrator, known as the ASA project. The successful commissioning of this facility and production of first chrome concentrate has provided lenders the evidence they needed that the second, larger and more profitable facility (the Heric Project) can be supported. That facility is expected to be ready for commissioning in Q4 2016, with estimated production of 30koz PGMs annually.

Portfolio: With the ASA project operational and the Heric project under construction, Jubilee is entering a phase of low cost PGM & chrome production. It is eminently possible that further low cost units may be built, if additional suitable tailings resources are acquired, but the main focus is now production.

Valuation: We expect the ASA project to provide profit of around £1m pa and the Heric project provide profit of the order of £10m pa (using US\$450/oz contained PGMs). Jubilee now has access to a US\$15m debt package (inc \$5m unsecured) to fund the second capital project and sustain both facilities through their production lives.

Risks: The successful commissioning of the ASA project, on time and within the contracted bonus period, has substantially derisked the second facility and provided leverage for that project. Achieving the modelled margin of US\$450/oz contained PGM will depend on two factors; efficient recovery of payable metals from the tailings resource and the price of those metals in the open market.

Investment summary: After a decade of steady working, JLP is now a mineral producer. This is no mean feat in the best of times. With a company-projected US\$14m pa profit margin, we don't expect further calls on shareholders during this phase of operations. Organic growth is certainly possible.

Jun Year End (£, millions)	FY11	FY12	FY13	FY14*	FY15*
Revenue	5.5	3.73	4.75	0.04	0.05
Operating Profit/(Loss)	-6.51	-8.22	-7.08	-3.35	-2.81
Net Interest	0.65	0.58	0.27	0.26	0.20
Profit Before Tax	-7.01	-8.55	-7.33	-3.35	-2.94
Profit After Tax	-7.59	-7.88	-7.47	-3.60	-3.57
Revenue per Share (p)	2.15	1.33	1.47	0.95	0.69
Earnings per Share (p)	-2.67	-2.43	-2.41	-1.27	-0.55
Net (debt)/cash	0.5	-2.01	-1.39	-1.84	4.09
P/E (x)	-8.15	-4.17	-2.44	-1.86	-4.89

* Revised Source: London Stock Exchange

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