

Update on processing of Platinum containing Dilokong Tailings

14 December 2012

Jubilee, the AIM and JSE quoted mine-to-metal specialist, is pleased to provide a significant update on its operations and progress with various agreements with respect to Dilokong Chrome Mine tailings ("Dilokong Tailings").

Highlights

Further to the announcement on 21 November 2012 the Company and its subsidiary Pollux Investments has concluded a toll processing agreement ("Toll Agreement") with Phokothaba (a subsidiary of Platinum Australia) in respect of processing the Dilokong Tailings at Phokothaba's Smokey Hills Mine concentrator. The Toll Agreement accelerates the processing of the tailings by some 14 months to commence during the first half of 2013.

The parties to the Toll Agreement have commenced consultation, expected to be concluded by January 2013, with parties and local communities who may be affected by the transport and movement of Dilokong Tailings from the Dilokong Chrome Mine to the Smokey Hills Mine.

Funding of £573,750 has been secured, via a Standby Equity Distribution Agreement ("SEDA") advance pursuant to the SEDA agreement announced on 15 March 2011, which will be used towards settlement of a SEDA backed loan. Under the SEDA advance 7,913,799 ordinary shares are being issued at a subscription price of £0.0725 per ordinary share.

Leon Coetzer, Chief Executive Officer of Jubilee, said: "The conclusion of these processing agreements has the effect of bringing forward the targeted processing of Dilokong Tailings by some 14 months as well as avoiding an estimated capital expenditure of GBP 8,000,000 for the construction of a dedicated processing plant for the upgrading of the platinum in the tailings prior to smelting the material. The SEDA advance addresses any pressure on funding as we accelerate the project and bring the operation into production within the first half of 2013. We are now funded for production of own platinum concentrates in 2013 and can accelerate the development of our next platinum assets in the western limb of the Bushveld Igneous Complex."

Under the Toll Agreement, Jubilee has the exclusive right to process a targeted 40,000 to 50,000 tonnes of platinum-bearing tailings per month from the Dilokong Chrome Mine to produce an estimated 1,600 oz 4E (platinum, palladium, rhodium and gold) in concentrate per month for an exclusive period of eight months, with an option to extend the period on a non-exclusive basis.

Andrew Sarosi, Executive Director of Jubilee, who holds a B.Sc. Metallurgy and M.Sc. Engineering, University of Witwatersrand and is a member of The Institute of Materials, Minerals and Mining, is a 'qualified person' as defined under the AIM Rules for Companies and a competent person under the reporting standards. The technical parts of this announcement have been prepared under Andrew Sarosi's supervision and he has approved the release of this announcement.

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