

# Acquisition of Platinum Australia Ltd

## Market update

**19 June 2013**

Further to previous announcements, the last of which was released on 13 June 2013, Jubilee, the JSE listed and AIM quoted Mine-to-Metals specialist, is pleased to provide shareholders with an update on the proposed acquisition of PLA ("the Transaction").

Shareholders were advised that a liquidation application out of the High Court of South Africa (North Gauteng Provincial Division), dated 28 May 2013, was launched by Westdown Investments (Pty) Ltd trading as JIC Mining Services ("JIC") against PhokaThaba Platinum (Pty) Ltd ("PhokaThaba") a subsidiary of PLA ("Liquidation Application"). The Liquidation Application triggered a regulated event as defined in the Implementation Deed entered into between Jubilee and PLA as part of the execution of the Transaction ("Regulated Event").

## Key features of the update

Settlement value of ZAR R3.5million (GBP224,500) reached between PhokaThaba, PLA and JIC payable to JIC within 14 days from settlement date

The Liquidation Application has been set aside

The Regulated Event has been remedied

The first court hearing for the approval of scheme of arrangement for the acquisition of PLA is confirmed for 20 June 2013

On 18 June 2013 the Liquidation Application was set-aside by the parties entering into a settlement agreement between PhokaThaba, PLA and JIC whereby PhokaThaba and PLA agrees to pay an amount of ZAR R3.5 million in full and final settlement of this matter ("Settlement Agreement). The Settlement Agreement remedies the Regulated Event triggered under the Implementation Deed entered into between Jubilee and PLA which allows the continuation of the First Court hearing required to approve the Scheme of Arrangement for the acquisition of PLA by Jubilee, scheduled for 20 June 2013.

## Transaction Overview

The proposed transaction affords Jubilee the opportunity to acquire ownership of a fully operational platinum mine and processing plant supported by a shallow platinum bearing UG2 reef. The mine's location in the Eastern Bushveld Igneous Complex of South Africa's platinum region offers significant potential for both extending the existing mine life by partnering with bordering mining companies as well as processing of third party material.

The Enlarged Group will result in a significant South African platinum group metals producer supported by strong prospects for expansion through the development of its near surface resources;

Jubilee is able to accelerate its Mine to Metals strategy through the Transaction which would include a fully operational platinum mine and processing plant together with Jubilee's operational smelting operation;

Jubilee's Mines to Metal strategy will be brought forward, directors believe, by some 18 months and the resultant earlier cash flow will position the Company well to secure further opportunities in the near-term;

The input of Dilokong Chrome Mine tailings will enable the Smokey Hills Platinum Mine ("Smokey Hills") to be brought back into production at a more modest output rate than previously designed thus extending mine life and ensuring that mine production targets are more achievable; and

The Enlarged Group would have exclusive right to the ConRoast smelting process ("ConRoast"), enhancing earnings from its own production and giving access to third party earnings by entering into agreements to utilise ConRoast.

Leon Coetzer, CEO of Jubilee Platinum commented:

“The Transaction brings together strongly complementary assets forming an enlarged group consisting of operational mining and processing assets and at surface platinum containing chrome tailings and surface stocks, supported by a pipe-line of near surface platinum projects which are all underpinned by the large Tjate platinum project.

“The combination of these assets forms a unique platinum group metals producer free of the burden of deep mining operations.

“The Transaction offers a relatively unique opportunity to the Jubilee shareholder to acquire a shallow fully operational platinum mine and processing plant, complemented by near surface platinum projects valued at a significant premium to the Transaction value.” Contacts

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