

Jubilee secures funding for the expansion of the Middelburg Smelters and Settlement of power station debt

23 December 2013

Jubilee, the AIM and AltX quoted Mine-to-Metals Company, is pleased to announce the conditional placing of convertible loan notes ("Loan Notes") to Darwin Strategic Limited ("Darwin"). The issued Loan Notes are for a total principle par value of £1.85m before expenses.

Key Features of the Loan Notes:

Proceeds will fund the commissioning of the 3rd ARC furnace at the Middelburg Smelters on the back of the new processing agreement awarded to Jubilee as announced on the 5th of December 2013

Settlement of all remaining debt held in Jubilee's power plant subsidiary, Power Alt, which enables Jubilee to access all surplus cash flow from the power operations

The convertible note results in all of Jubilee's subsidiaries being debt free save for the Loan Notes

The commissioning of the 3rd Arc furnace at Middleburg is an integral part of the Company's development plans for the Middelburg Smelter operations with a view to increasing its earnings growth profile. Once commissioned, the Company will have a total of two ferroNickel and one ferroSilicone smelters in operations.

With new contracts in place (as announced on 5 December 2013), the Company hopes to build on the strong performance of the existing infrastructure in place.

Once the recommissioning of the 3rd furnace is complete the targeted total smelter design capacity will be approximately 13,800 tons of metal per annum.

Leon Coetzer CEO of Jubilee said: "We are pleased to have secured this funding which allows us to implement the Middelburg Smelter expansion after successful renegotiation of smelter contracts. We expect the expansion to be concluded during Q1 2014."

"As stated previously, the expansion of the Smelter operations is the final phase of our expansion programme and this phase will facilitate a rapid growth in the earnings profile. The issue of the loan notes demonstrates that we now have more options available to us without the need to dilute through equity issues. The additional monies mean that all of our subsidiaries will be debt free save for the Loan Notes."

"I am pleased that Darwin is supporting us with this convertible note and we welcome them as strategic investors into our company. This convertible note is off equity and as such satisfies our wish to grow without major dilution that current market conditions would create."

Principal key terms of the Loan Notes:

The Loan Notes of £50 000 each, with a maturity of two years, have a conversion price ("Conversion Price"), which will be the lesser of 5p or 94% of the arithmetic 5-day average price selected by the investor during the 20 trading days preceding the date of conversion. Jubilee has the option to redeem the loan notes early at its absolute discretion in cash at £52 500 each.

Warrants to the value of half of the value of the Loan Notes have been offered and priced at a 30% premium to the share trading price on the trading date preceding the execution of the Loan Note. The warrant period is for 3 years and 7 days following the execution of the Loan Notes.

The proceeds from the issue of the Loan Notes will be used towards implementation of the 4th phase of Middelburg smelter development (announced 5 December 2013), the settlement of the senior creditor Investec in respect of its loan to Power Alt (Pty Ltd (70% owned by Jubilee) and working capital.

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