

Shareholder update on the disposal of non-core ferro alloy smelters and powerplant assets by Jubilee

2 August 2013

Shareholders are referred to the announcements dated 28 May, 3 June and 19 June 2013 in relation to the Sale of Shares agreement ("Agreement") with Global Renewal Energy Limited ("GRE"). The terms of the agreement are such that GRE has agreed to acquire the issued share capital of Jubilee Smelting and Refining (Pty) Ltd in Middelburg ("JSR"), a wholly owned subsidiary of Jubilee and the 70% of the issued share capital of Power Alt (Pty) Ltd ("PowerAlt") (the "Assets") for an aggregate cash consideration of US\$14 million ("Transaction").

It was agreed that the Transaction may be executed over two tranches, namely a disposal ("Tranche 1") which includes the sale of 65% of the issued share capital of JSR and 40% of the issued share capital of PowerAlt ("the Disposal") and an option whereby Jubilee retains an exclusive put option for the remaining share capital held by the Company ("the Option"). The Option was secured by Jubilee to evaluate Jubilee's continued exposure to the revenue generated by these non-core assets versus the value of the put-option.

Consideration for the Disposal comprised a non-refundable deposit payment of US\$0.2 million plus an amount of US\$8.9 million which was due to be paid on or before 31 July 2013 under the extension granted by Jubilee (the "Second Payment"). The granted extension for the Second Payment was also subject to further payments by GRE to JSR which included the funding of the expansion of the JSR smelter off gas systems.

To date Jubilee has received the non-refundable deposit payment of US\$0.2 million as well as US\$0.56 million (ZAR5.6 million) non-refundable funding from GRE – in settlement of specified creditors of JSR and PowerAlt and to fund increased production of the smelting complex (as announced on 19 June 2013).

However, while GRE has made payments under the extension granted it is in default of the stipulated payment terms for the Second Payment as to date Jubilee has not received the US\$8.9 million for the Disposal from GRE which was due on 31 July 2013. Jubilee is in discussions with both its advisors and GRE with a view to concluding the appropriate action. GRE has reiterated its commitment to the transaction which forms part of Jubilee's review.

Toll Smelting Update

The Company also announces that it has successfully secured a further toll smelting contract on the back of the continued upgrade of the Middelburg smelter complex. The new contract is expected to commence production on 05 August 2013.

This additional tolling contract will further contribute to the revenue base of JSR, which is supported by the continued growth in the revenue PowerAlt is generating from the sale of private power to the South African public electricity supply company.

Unaudited revenue (excludes intercompany sales) generated by JSR and PowerAlt for the six months ended 30 June 2013 increased by 48% to ZAR34.6 million (GBP2.3 million) from ZAR23.6 million (GBP1.8 million) reported for the six months ended 31 December 2012.

Leon Coetzer, CEO of Jubilee Platinum, said:

"We are disappointed that GRE has not honoured the terms of the Transaction. This sale of non-core assets by Jubilee is not fundamentally linked to the Jubilee business strategy and instead is a transaction that offered Jubilee the opportunity to liquidate its shareholding in businesses that do not form part of Jubilee's platinum Mine-to-Metals strategy.

"We will review the appropriate action to take regarding the Transaction after further discussions with GRE and our advisors taking into account the continued growth in the businesses.

“In the interim we will continue to drive the growth in revenue from these businesses on the back of the increased capacity.”

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