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28 May 2013

**Jubilee Platinum PLC  
("Jubilee" or the "Company")**

**Disposal of non-core asset  
Update on proposed acquisition of Platinum Australia Limited  
Cautionary Announcement**

**HIGHLIGHTS**

- Jubilee reduces its holding in the peripheral non-platinum ferroalloy smelter and power plant assets while retaining its platinum processing capacity at Middelburg for an aggregate cash consideration of USD14 million ("the Transaction")
- The sale enables Jubilee to liquidate its non-platinum ferroalloy smelting operation while retaining its Platinum processing ability
- The Transaction may be executed over two tranches, namely a disposal 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")
- Jubilee retains the utilisation of the new 5MW arc furnace at Middelburg for the processing of platinum containing materials
- Jubilee has an irrevocable free option for a period of two years from the date of the sale agreement to install an additional 5 MW DC arc furnace complete at the Middelburg smelter
- Jubilee has the right to participate in any expansion of the power plant over a period of two years
- The proceeds from the Disposal will expedite bringing the Jubilee's current platinum projects forward thereby realising the Jubilee's platinum Mine-to-Metals strategy.

**Update on Platinum Australia Limited (PLA) Transaction**

- The timeline required to meet the condition precedent ("CP") for securing of financing as stated in the Implementation Deed entered into between PLA and Jubilee has been moved to coincide with the first court hearing for the proposed Scheme of Arrangement between the two companies targeted for 10 June 2013.
- The extended time-line falls in line with the legal proceeding of the proposed Scheme of Arrangement and ensures adequate time to evaluate the updated business model for the PhokaThaba mine and associated funding proposal.

Jubilee, the AIM-quoted and JSE-listed Mine-to-Metals specialist, is pleased to announce that the Company has on Friday, 24 May 2013, concluded a Sale of Shares agreement ("Agreement") with

Global Renewal Energy Limited (“GRE”), a company incorporated in the Isle of Man, in terms of which agreement GRE will acquire from Jubilee, *inter alia*, the issued share capital of Jubilee Smelting and Refining (Pty) Ltd (“JSR”) , a wholly owned subsidiary of Jubilee and the issued share capital of Power Alt (Pty) Ltd (“PowerAlt”) (collectively “Sale Shares”), for an aggregate cash consideration of US\$14 million. The Transaction will be executed over two tranches namely the Disposal and the Option.

The Disposal includes the sale of 65% of the issued share capital of JSR and 40% of the issued share capital of Power Alt for a cash consideration of US\$9.066 million (“Tranche 1 Disposal”). As part of the Agreement, Jubilee retains the right to utilise the new 5MW AC arc furnace for the processing of platinum containing materials as well as the right to construct a second furnace subject to power availability at the Middelburg property.

Jubilee furthermore, in terms of the Option, is granted an irrevocable put option in its favour, and at its election, over a period of two years to dispose of the remaining shareholding in JSR and PowerAlt for a cash consideration of US\$4.933 million.

**Leon Coetzer, Chief Executive Officer of Jubilee, said:**

“Jubilee has been successful in bringing to value its shareholding in the non-core ferroalloy smelting business and associated power plant. This enables Jubilee to direct the proceeds from the Disposal of the non-core ferroalloy smelters into the continued development of the Company’s platinum Mine-to-Metals strategy. Our immediate focus is to expedite the recovery of platinum from the Dilokong Chrome Mine tailings while we target further such surface material opportunities. The proceeds from the Disposal enables Jubilee to further capitalise on platinum opportunities presented to the Company due to current challenges within the platinum industry.

We are able to dispose of our non-platinum business while retaining the processing right and platinum smelting capacity for platinum containing material at the Middelburg facility. Our platinum Mine-to-Metals strategy remains on course with the added benefit of an enhanced cash balance in Jubilee.

The extension in the funding Condition Precedent (“CP”) allows Jubilee to review the updated business model for the PhokaThaba mine in-line with the proposed toll processing of 3<sup>rd</sup> party platinum-reef material, as announced on 23 May 2013, before committing to final funding terms. “

**1. Overview of assets being divested**

**Jubilee Smelting and Refining**

JSR currently operates as a toll smelting operation producing non platinum ferroalloys for the metal industry. JSR’s diverse smelting and processing technologies offers unique capability to the mining and metals industry in South Africa. The non-platinum processes are based on RST Special Metals (Pty) Ltd’s fully patented Reductive Smelting Technology (“RST”). Jubilee will retain the usage right of the new 5MW AC arc furnace for the processing of platinum containing material. This furnace is designed to allow the implementation of the ConRoast recipe on platinum containing material.

**Power Alt**

PowerAlt generates electricity through the internal combustion of off-gasses produced by a petrochemical refinery. It has a total generating capacity of approximately 11MW of power. Currently PowerAlt holds a private power sale agreement with JSR and the South African National Electricity provider.

Jubilee agreed to disinvest its 70% of Power Alt that owns the on-site 11MW gas-fired electricity generation plant in Middelburg, while retaining a right to participate in the potential expansion of the power plant facility over a two year period.

## **2. Rationale**

The Board of Jubilee believes that this divestment enables the Company to focus on its platinum Mine-to-Metals strategy while retaining its platinum smelting capacity at the Middelburg facility. The Middelburg ferroalloy smelting and power facilities are non-core assets of the Group. The retention of an irrevocable free option to install a new furnace at the Middelburg smelter for platinum smelting and alternatively to participate in any expansion of the Power Plant made this divestment attractive to Jubilee and its shareholders. Jubilee is able to utilise the funds from the Disposal to invest into its platinum projects with an immediate focus on the commissioning of the DCM tailings project to recover platinum concentrates for further processing.

## **3. Principal terms**

With effect from 27 May 2013 ("Effective Date") Jubilee sells to GRE the Sale Shares and claims on loan account from Jubilee in two distinct tranches, namely the Disposal and the Option.

### 3.1 In respect of the Disposal

Jubilee will sell to GRE 65% of the issued share capital of JSR, with Jubilee as one indivisible transaction selling 42.25% (65% of 65%) of its claims on loan account against JSR.

Jubilee sells to GRE 40% of the issued share capital of PowerAlt with the Jubilee as one indivisible transaction selling 57.14% (40% of 70%) of its claims on loan account against PowerAlt.

The claims on loan account against JSR and PowerAlt sold to GRE comprise the Class A loans being Jubilee's inter-company loans in existence as at the Effective Date ("Class A Loans").

### 3.2 In respect of the Option

Jubilee is granted an irrevocable put option in its favour, which put option shall be capable of being exercised in writing at any time, at its election, within a period of two years from the Effective Date.

Should Jubilee exercise the put option, such put option shall immediately trigger the Option, in which case GRE acquires 35% of the issued share capital of JSR and 30% of the issued share capital of PowerAlt. GRE shall also acquire the balance of any loan account claims in favour of Jubilee against JSR and RST which claims on loan account comprise the Class B loans ("Class B Loans").

The Class B loans comprise Jubilee's the inter-company loans in existence or which may exist at the time the Jubilee exercises the put option, which Class B loans shall be subordinated to all other loans or future loans recorded in the books of account of the RST, JSR and Power Alt ("the Companies"), and which Class B loans shall only be repaid to Jubilee out of platinum revenues generated by GRE

(via the Companies) in the event that Jubilee does not exercise the put option granted to it.

Should Jubilee exercise the put option within one year of the Effective Date, such transaction may require the approval of Jubilee shareholders in general meeting, which approval shall firstly be obtained prior to implementing the Option.

#### **4. Purchase Price**

The agreed purchase price of the Disposal and the Option shall be as follows:

##### 4.1 In respect of the Disposal

|  |               |
|--|---------------|
| To the Sale Shares in respect of 65% of the share capital of JSR:      | US\$6 801 021 |
| To the Sale Shares in respect of 40% of the share capital of PowerAlt: | US\$2 265 475 |

The purchase price for the Disposal includes the value of the Class A Loans.

The purchase price shall be paid by GRE to Jubilee as follows:

- A non-refundable deposit payment of US\$200 000 payable on or before 27 May 2013, which payment shall comprise *rouwkoop* (a non-refundable payment) and will be forfeited in full should this Agreement not be proceeded with or implemented by GRE for whatsoever reason; and
- The balance, comprising US\$8 866 496 shall be paid in full to Jubilee on or before 14 June 2013 ("Completion Date").

##### 4.2 In respect of the Option

|  |               |
|--|---------------|
| To the Sale Shares in respect of 35% of the share capital of JSR:      | US\$1 232 750 |
| To the Sale Shares in respect of 30% of the share capital of PowerAlt: | US\$3 700 754 |

The purchase price in respect of the Sale Shares in PowerAlt includes the value of the Class B claims on loan account against PowerAlt.

The aggregate purchase price of US\$4 933 504 for the Option, shall be paid in full to Jubilee within ten business days from the date that Jubilee notifies GRE in writing of its intention to exercise the put option referred to above.

#### **5. Categorisation**

The Disposal is a Category 2 transaction in terms of the JSE Limited Listings Requirements and accordingly the approval of Jubilee shareholders is not required.

The Disposal is treated as a substantial transaction under AIM rule 12. The unaudited net loss attributable to the assets being disposed of (net to Jubilee) for the 6 months to 31 December 2012 was US\$2 438 515.

#### **6. Cautionary Announcement**

Shareholders are advised that the pro forma financial effects of the Disposal are currently being determined and may have a material effect on the price of the securities of the Company. Accordingly, shareholders are advised to exercise caution when dealing in the securities of the Company until the pro forma financial effects of the Disposal have been announced on SENS.

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