

Audited results for the year ended 30 June 2014

3 December 2014

The directors of AIM traded Jubilee, the Mine-to-Metals company, are pleased to announce its audited results for the year ended 30 June 2014. Shareholders are also advised that these results have been audited by the Group auditors Saffery Champness as required by the JSE Listings Requirements. Their audit report is attached to this announcement as annexure 1.

The Company also announces that the Group's Annual Report and Accounts for the year ended 30 June 2014 has been posted to the website with notice of the Company's 2014 Annual General Meeting, which will be held at 11:00 am on 24 December 2014 at Daniel Stewart & Company, Becket House, 36 Old Jewry, London, EC2R 8DD.

Highlights

Year under review

Revenue as measured in GBP is down 15% (mainly due to an 18% strengthening of GDP to the ZAR for the year under review) but increased by 4% as measured in ZAR over the comparative 2013 and 2014 reporting periods

Revenue recorded of GBP4 million (ZAR 68.1 million) for 2014 compared to GBP 4.8 million (ZAR 65.4 million) for 2013

Gross profit margin increased by 0.4 % to 39.4%, for 2014 compared to 2013 period, recording a gross profit of GBP 1.6 million (ZAR 26.8 million up 5% as measured in ZAR)

Operating expenses are down 21.2% to GBP 7.1 million (ZAR 120 million) from GBP 9.1 million (ZAR 125 million) in 2013

The Group reported a loss for the year ended 30 June 2014 of 1.27 pence per ordinary share compared with a loss of 2.41 pence per ordinary share for 2013

Middelburg Smelter expansion and renewal programme successfully concluded with Middelburg operations setting new records for production and revenues.

The National Electricity Provider of South Africa extended the Private Power Purchase Agreement with the Company's subsidiary Power Alt Pty Ltd, driven by the continued pressure on the National Provider to meet supply of electricity to the national grid.

Revenue for Middelburg Operation in ZAR up 13% over previous reporting period.

Gross profit for Middelburg Operation exceeded the targeted 38% by Q2 2014.

Sale of Rights Agreement for Quartzhill farm portion of Tjate Platinum executed with Anglo American's subsidiary Rustenburg Platinum Mines Ltd ("RPL").

Environmental Impact Assessment and Management Programme for the Tjate Platinum Mine project submitted to the Department of Mineral Resource ("DMR").

Access Agreement executed with ASA Metals Pty Ltd ("ASA") and Dilokong Chrome Mines ("DCM") for the recovery of platinum group metals ("PGM") and chrome from DCM's tailings ("Tailings"), including the option to construct a dedicated PGM processing plant on the DCM site.

Farm-in partner Indian Pacific Resources Ltd ("IPR") completed seven-hole drilling programme on the Samelaha iron ore property within Jubilee's Ambodilafa tenement in Madagascar and by year-end earned an 81% interest in the property, having expended in excess of US\$2 million.

Post year-end

Middelburg Smelter Production up 47% in Q3 of 2014.

Jubilee commenced with processing of platinum containing material at its smelters..

Chief Executive Officer of Jubilee, Leon Coetzer says:

“We are pleased to announce results that continue to demonstrate the Company’s consistent improvement in its operations while also growing our existing asset base by securing access an estimated 950 000 tons of platinum containing material at surface.

“The growth in our revenue in South African Rands compared to the previous reporting period illustrates the successful implementation of the Middelburg smelter renewal and expansion program concluded in the last quarter of the financial period under review. This increase in revenue was despite the lower revenues achieved during the construction and commissioning phase of the renewal program for Q4 of 2013 and Q1 of 2014. This growth in revenue was underpinned by a decrease in operating expenditure supporting our targeted gross profit margins. Both revenue and gross profit margins continued to grow post the reporting period with the Middelburg operations achieving record production during Q3 of 2014.

“The Company’s focus is firmly set on sustaining the production levels at the Middelburg operations while bringing into operation the processing of the platinum containing surface material at the Dilokong Chrome Mine. The Company further expects to conclude the sale of the Quartzhill property for an estimated GBP 4.3 million (ZAR 75 million) within the first quarter of 2015.”

Overview

In the period under review Jubilee continued to make significant progress in the implementation of its Mine-to-Metals strategy to form a fully integrated mining company while continuing to grow its revenue and gross profit margin from the previous reporting period. Several significant milestones were achieved by the Company during this period to advance its strategy.

These events included several financing and refinancing transactions, culminating in the successful implementation of its smelter renewal and expansion programme at its Middelburg Operations in May 2014, meeting both its operational and financial targets. The Company’s private power plant concluded the procurement of further electricity sale agreements with the National Electricity Provider of South Africa. Increased production on the back of the completion of the third ARC furnace and ramp up of smelter throughput began to contribute positively to the smelter’s cash flow by year-end and post year-end. The smelter achieved record production during Q3 2014.

Jubilee’s Tjate Platinum Project concluded the signing of the Sale of Rights Agreement for the acquisition of the Quartzhill property by Anglo American Platinum. The development of the Tjate Platinum Project advanced significantly with the DMR’s acceptance of Tjate’s Mining Right Application and Tjate’s submission of the Project’s Environmental Impact Assessment and Management Programme.

Jubilee’s access to platinum containing surface material for further processing was bolstered by the conclusion of an access agreement between Jubilee’s subsidiary Pollux Investment Holdings Pty Ltd (“Pollux”) and ASA in June 2014. This agreement offers Jubilee access to utilities such as water and power as well as property for the construction of the PGM processing plant to upgrade the platinum containing surface material prior to smelting of the concentrate. Jubilee is fully focused on bringing this project into operation within the near term to significantly bolster Jubilee’s projected revenue growth.

The Company moved its listing on the main board of the JSE Limited (“JSE”) to the Alternative Exchange (“AltX”) of the JSE. As a result the AIM exchange, on which the Company’s shares are traded, became the primary listing for exchange regulatory purposes being a more accurate reflection of our shareholder base.

On the corporate front, Jubilee was unable to conclude the targeted acquisition of Platinum Australia Ltd (“PLA”). While the Jubilee Board acknowledges and believes that the combination of the assets of the two companies offered

value to Jubilee shareholders by allowing the Company to fast track its Mine-to-Metals strategy, the increased debt owed by PLA to its senior creditor against a significantly lower than expected platinum metal price challenged the viability of the financial structure of the transaction and no longer offered the shareholder value in accordance with the mandate given to the Jubilee Board by its shareholders.

Conditions in global markets improved marginally with sustained demand for platinum group metals. The South African platinum industry was again dogged by labour strikes affecting all the major producers and putting further pressure on the supply of PGM metals.

Mining and exploration

The Company's subsidiary Tjate Platinum Corporation Pty Ltd ("Tjate") received a letter of acceptance from the DMR in February 2014 of Tjate's Mining Right Application ("MRA") for its targeted 70 million PGM ounces mine project. Following discussions with the DMR on the timing for submission of the Scoping Report, Environmental Impact Assessment and Management Programme ("EIA/EMP") in this regard, Tjate formally engaged environmental consultants to undertake a Scoping Report and EIA/EMP.

Tjate submitted the Scoping Report on 14 April 2014 and by the end of the financial year had finalised the EIA/EMP including a Public Participation Process Report for submission. Post year-end Tjate submitted the full EIA/EMP on 4 October 2014 to the DMR and continued public consultations with the interested and affected parties.

In regard to the Sale of Rights Agreement (executed 8 October 2013) with RPL, in terms of which RPL agreed to purchase Tjate's non-core Quartzhill farm portion of the Tjate Platinum project for ZAR75 million (approximately £4.2 million cash) (the "Sale"), the DMR acknowledged the executed sale agreement and to this end Tjate and the Company engaged with the DMR's Director of Legal Services and the DMR's Limpopo Regional Office for guidance on the process to expedite the review of the Sale and the transfer of the Quartzhill rights to RPL. The Sale is subject to the approval of the DMR and the grant of a Mining Right to Tjate, decisions for both of which had not yet been made by year-end and at the date of this report. Tjate continued to work with the DMR's office and RPL to expedite the approval of the Sale and the grant of Mining Right.

The Quartzhill farm is considered non-core and has no impact on Tjate's mining plan.

Occupational Health and Safety

Jubilee is dedicated to minimising the environmental impact of its operations as far as is practicable. The Directors educate all employees in sustainable business practices and the Company conducts its business in accordance with recognised industry standards and applicable environmental laws and regulations. Energy, water, greenhouse gases, biodiversity and land are the main environmental areas affected by our operations. The Company uses a number of metrics to measure its environmental impact across these areas. As part of overall environmental controls, it also monitors its management processes for handling and disposing of waste and hazardous materials used at its operations. The Steering Committee assesses the Company's environmental performance through several tools including visual inspection, auditing, data collection, measurements and systematic observations. The Company also uses these results to implement corrective measures and as inspiration for ways we can improve our performance in the future.

In this regard and with the respect to the Company's flagship Tjate exploration and development asset Jubilee, through its subsidiary Tjate, has submitted an ENVIRONMENTAL IMPACT ASSESSMENT (EIA) AND ENVIRONMENTAL MANAGEMENT PROGRAMME (EMP) to the Department of Mineral Resources for an application for a MINING RIGHT in terms of SECTION 39 AND OF REGULATIONS 50 AND 51 OF THE MINERAL AND PETROLEUM RESOURCES DEVELOPMENT ACT, 2002, (ACT NO. 28 OF 2002) (the Act). As part of the EIA&EMP, Tjate commissioned a comprehensive PUBLIC PARTICIPATION PROCESS and reported thereon in the EIA&EMP submission.

The Company remains committed to delivering on its stated strategies for shareholders whilst at the same time ensuring that its economic targets are balanced alongside its environmental and social responsibilities. Through a proactive policy of self-regulation, legislative compliance and community involvement, Jubilee is working hard to deliver on its short- and long-term business objectives while ensuring that relevant social and environmental considerations are included as part of any decision-making process. Jubilee will continue with its policy of

sustainable development in the interests of meeting its business goals for its shareholders without compromising the health or vitality of both the natural and social environment.

Surface operations

Jubilee remains focused on the processing of surface tailings including the estimated 950,000 tonnes of DCM PGM-bearing Tailings. To this end the Company, during the year under review, actively pursued a strategy that included discussions with parties regarding options: a) the possibility of processing the DCM Tailings in a fit-for-purpose processing plant to be located adjacent to the DCM Tailings, with its potential to significantly reduce the costs associated with the transport of the material to a toll processing plant and b) to source additional 3rd party PGM-bearing surface material. ASA agreed to provide on-site power, water and other services for the former option.

In respect of option a), the Company's subsidiary Pollux executed a Tailings Access Agreement on 9 June 2014 ("Access Agreement") with ASA and its subsidiary DCM for the recovery of PGMs and chrome from DCM Tailings. In terms of the Agreement, Jubilee was awarded, inter alia the exclusive right to access the DCM Tailings on the DCM mine area ("Mining Area") and the right to construct a dedicated chrome and PGM processing plant ("New Processing Plant") on the Mining Area to process the DCM Tailings. In addition, ASA agreed to give Jubilee access to sufficient power and water for the construction and operation of the New Processing Plant.

The Company secured indicative terms for the provision of power, water and surface infrastructure for such a new processing plant and its initial investigations indicated that key processing equipment required for such a plant is readily available within the current market.

DCM continued, throughout the year under review, to deposit further tailings onto its surface tailings dam at an estimated rate of 8,000 to 12,000 tonnes per month and the DCM Tailings resource is now estimated at more than 950,000 tonnes.

Post the period under review, the Company entered into Sale of Shares Agreements with Pollux shareholders holding a 32.5% interest in Pollux, in terms of which the Company acquired their entire 32.5% interest to give the Company 100% interest in Pollux for a total consideration of ZAR14.2 million payable in Jubilee ordinary shares. This outright ownership of Pollux maximises the Company's beneficial interest in the DCM Tailings project.

Proposed Platinum Australia transaction

On the corporate front, Jubilee was unable to conclude the targeted acquisition of PLA. While the Jubilee Board acknowledges and believes that the combination of the assets of the two companies offered value to Jubilee shareholders by allowing the Company to fast track its Mine-to-Metals strategy, the escalating debt owed by PLA to its senior creditor against a significantly lower than expected platinum metal price challenged the viability of the financial structure of the transaction and no longer offered the shareholder value in accordance with the mandate given to the Jubilee Board by its shareholders.

The Company, announced in March 2014 that by mutual agreement with PLA, the parties concluded that the proposed transactional structure as described in the Implementation Deed ("ID"), entered into between the Company and PLA on 25 February 2013, no longer represented optimal value for the Jubilee's shareholders, given the market conditions that prevailed at the time. Consequently, the parties agreed to terminate the ID, which proposed the acquisition by Jubilee of 100% of the ordinary shares in PLA by way of a scheme of arrangement.

Middelburg Smelter operations

Jubilee secured a new ferroalloy smelting contract for ferrosilicon ("FeSi") on the back of the successful phase 3 upgrade of the Smelters. FeSi production under the new contract commenced 5 August 2013. The current smelter infrastructure was utilised to drive short-term revenue and earnings through ferroalloy smelting while PGM operations are being established. The new FeSi contract has facilitated the commencement of the final phase 4 of the smelter renewal programme; being the commissioning of the 3rd ARC furnace.

The increased smelting capacity is further backed by the newly secured ferronickel ("FeNi") toll smelting contract. This new contract secured an increase in the revenue per tonne of metal produced of 17% at the targeted metal

production of 9,600 tonnes of FeNi per annum compared to current annual production level of 6,240 tonnes of FeNi. The Smelter's FeNi metal capacity remains fully contracted at a current operational capacity of 10,000 tonnes per annum.

Engineering work, which commenced mid December 2013 on upgrading of Middelburg's 3rd ARC furnace as part of the final phase 4 of the renewable programme, included the installation and commissioning of new furnace off-gas capturing and cleaning systems, the upgrade of both the crane in the hot metal isle and the main building support structure as well as the refurbishment and commissioning of the furnace bowl, roof and all auxiliary electrical and control equipment.

The Company fully commissioned this 3rd ARC furnace on 3 May 2014 and reached the targeted design ferroalloy metal production rate thereby concluding the smelter renewal programme.

The Smelter operation has established itself as a premier smelter of waste and ferroalloy material to produce ferroalloy metals based on its patented ConRoast and reductive smelter technologies with the capability of being rapidly migrated onto the processing of platinum containing concentrates.

Post the period under review the Company has commenced with the processing of platinum containing material in line with its strategy of migrating the smelter operations onto the processing of platinum containing concentrates.

Power Alt Plant operation

With effect from 20 February 2014, the national energy provider of South Africa reinstated the Power Purchase Agreement entered into with Power Alt in December 2012. The Company generated approximately 5MW of power to the national grid of South Africa, which equates to estimated revenue of GBP 195,000 (ZAR3.5 million) per month.

Jubilee received an unsolicited offer to purchase ("Sale Agreement") its holding in Power Alt from Global Renewable Energy Pty Ltd ("GRE"). In terms of this Sale Agreement GRE was due to pay Jubilee an amount of US\$8.9 million (£5.6 million (ZAR87.1 million)) ("Payment") for the acquisition of 40% of the issued shares in Power Alt as well as 65% of the issued shares in RST Special Metals Pty Ltd ("RST"). Despite the Company having received to date from GRE non-refundable deposits, totaling US\$883,000 (approximately ZAR8,700,000), GRE regrettably has not honoured its contractual Payment deadline and is currently in breach of the Sale Agreement. The Company initiated the necessary action to rectify the breach and reserved all its rights under the Sale Agreement.

The Company successfully secured project funding on the back of leveraging off its Power Alt asset for both the expansion of electricity sales to the South African national electricity public utility. This funding ensured that Jubilee was able to maintain its drive to grow its earnings in the short term through the implementation of its Mine-to-Metals strategy.

Madagascar

In the year under review the Company's subsidiary Mineral Resources of Madagascar Sarl ("MRM") undertook no exploration in Madagascar. The Company continues to review its staff presence in Madagascar, with a view to reducing the Madagascar overheads, which currently are being funded by non-listed iron-ore focused IPR in terms of its farm-in agreement with MRM.

With respect to the farm-in agreement, IPR in the year under review completed a seven-diamond-hole drilling programme (Stage 1) at Samelahy, a property within MRM's Ambodilafa tenement. IPR reported all holes intersected magnetite iron mineralisation and analytical results for the drill core highlighted that higher grade (33% – 40% Fe) zones of mineralisation occur within wider mineralized zones typically grading 27% – 32% Fe. IPR's interpretation of this drilling is that the mineralisation consists of 600 – 700 west dipping interbedded magnetite rich layers within a package dominated by amphibolites and quartzites. The mineralised layers are weathered near surface and there is potential for a component of near-surface saprolitic and enriched mineralisation, which may be upgradeable. IPR's preliminary processing testwork has indicated that the primary mineralisation can be upgraded to a +66% Fe, <5% SiO₂ concentrate at a relatively coarse 65 – 75 micron grind size. IPR concluded that further drilling, processing testwork and studies would be required to seek to outline a JORC compliant resource. The Stage 2

programme of further drilling is on hold pending IPR's review and prioritisation of its iron ore project portfolio and the current market conditions.

In terms of the Agreement, IPR has earned by year-end an 81% interest in Ambodilafa for an expenditure of at least US\$2 million and the Company anticipates that IPR will have spent in total US\$3 million by Q4, 2014 to earn in a 90% interest, whereafter, should MRM elect not to contribute pro rata to funding further work, IPR will have the right to acquire MRM's 10% interest for either cash, IPR equity, or grant of a Net Smelter royalty to MRM, at IPR's election.

Australia Nickel Tailings project

The Company's Australian subsidiary, Braemore Nickel Pty Ltd commissioned Mintek (South Africa's national mineral and metallurgical research and development organisation) to undertake limited work in order to optimise the process flowsheet for the Nickel tailings project ("Project"). The scope of work – Phase1 – included pre-flotation concentration of nickel and preliminary pressure oxidation ("POX") tests on the flotation concentrate in order to assess the feasibility and viability of POX to generate sulphuric acid and thereby potentially reduce the projected the capital and operating costs of the Project. The Company believes the results obtained to date are encouraging: the POX tests generated sulphuric acid in excess of that required to extract the nickel, and that a final phase 2 programme would be justified towards completion of an Engineering Study and Economic Evaluation of the Project.

Looking Ahead

Jubilee's three main focus areas remain mining and exploration, surface PGM processing and smelting and refining. All three focus areas are in support of its Mine-to-Metals strategy and have shown significant progress during the current reporting period.

Jubilee looks forward to a year in which it aims to conclude the sale of its Quartzhill property, expand its access to platinum containing surface material while brining into operation its DCM surface PGM processing operation.

Jubilee will continue to review current opportunities within the platinum industry that can enhance its business strategy. Jubilee has distinguished itself from its peers as an emerging platinum focussed company with cash generative assets and the ability to in the short term bring to bear its surface based platinum assets all of which is underwritten by its longer term Tjate platinum project.

Leon Coetzer
Chief Executive Officer
2 December 2014

Chairman's statement

Dear Shareholder,

I concluded the last year's Chairman's report by expressing my hopes for a more stable platinum market and more improved global economics, which would, by default, positively affect the platinum industry fundamentals.

I am sad to say this has not been the case to date. The platinum industry remains in turmoil and the price has dropped significantly to around US\$1,200 per oz. Although global economies have shown real signs of improvement with the USA leading the way, the threat of deflation in Europe remains with financial leadership promising significant cash injections to buy up the economy.

All of the above is being further compromised by the geopolitical tensions in the Ukraine, Middle East and Hong Kong.

Against this backdrop, the Jubilee Board, however, sees overall improving conditions and remains convinced that their Mine-to-Metals strategy is the right approach to be operating in these challenging times. Our short- to medium-term strategy, anchored by our longer term cornerstone investment in Tjate, is based entirely on the recovery of materials contained in surface stocks and tailings from first pass recovery processes eliminating the high

risk of mining with its associated technical and financial risk. Any primary mining envisaged will also be near surface with low capital cost entry and small workforces.

Readers of this report will see some reiteration from previous years but followers of the Company will realise that major progress has been made in all aspects of our business, which are detailed in the operations review. I will make mention of specific progress, which I believe will change the face of the Company in 2015. Our ability to switch from smelting to electricity generation, thereby ensuring cash flow and continuity, is unique in the industry and the power plant represents a solid platform for profit growth and smelter complex reliability. Considerable trade interest continues to be expressed and the Board continues to assess how to optimise the contribution of the Middelburg smelters and the power plant; recognising that it is difficult to separate the two because of their interdependence. We continue to make positive progress with our ASA Metals Tailings project both in terms of technical fundamentals and ownership percentage. We expect to build a dedicated tailings processing plant during early 2015.

Our Middelburg smelting operation goes from strength to strength with smelter production being at an all-time record during Q3 2014. We do expect to improve on this record and anticipate further improved profits from our smelting activities. The smelters commenced processing platinum containing material just prior to the release of this annual report.

The Tjate Quartzhill sale is progressing favourably and we reasonably expect conclusion of the sale during Q1 2015. The only hurdle to overcome for completion is the grant of a mining licence, which we believe will be imminent. Certain near surface platinum initiatives, commenced post balance sheet, have the potential to be significant and the operations team is actively pursuing new proposed ventures with a view to completion and construction to commence early 2015. Work on peripheral activities included the Madagascar exploration with Indian Pacific Resources Ltd and Jubilee's technical investigation work on the Nickel Tailings Project continue to progress.

The Group reported a loss for the year ended 30 June 2014 of 1.27 pence (2013: loss of 2.41 pence) per ordinary share.

Generally, we do see optimism emerging from the platinum industry, with a major player undertaking the sale of marginal mines. This often leads to smaller companies developing the operations into small profitable units. The space in which Jubilee operates is laden with opportunities and we are pursuing them with vigour.

I would like to thank our frugal management team for their loyalty and outstanding efforts in these difficult times at the smaller end of the industry.

As always I look forward to an improved operating climate and assure our shareholders that all efforts are being made to procure opportunities, grow the company and enhance returns.

[Download full release: Audited results for the year ended 30 June 2014 \(PDF - 561KB\)](#)

Colin Bird
Non-executive Chairman
2 December 2014