

Platinum Australia Limited Transaction and DCM tailings update

13 March 2014

Jubilee, the AIM-quoted and AltX-listed Mine-to-Metals specialist, announces that in mutual agreement with Platinum Australia Limited ("PLA") it was concluded that the proposed transactional structure as described in the current Implementation Deed ("ID"), entered into between the Company and PLA on 25 February 2013, no longer represents optimal value for the Jubilee's shareholders given current market conditions. Consequently, the parties have 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 (the "Transaction").

Both companies have however agreed to continue discussions with a view of targeting terms that are more mutually beneficial and are focused more towards the funding of the re-commissioning of the mining and processing operation - which includes the processing of Jubilee's platinum containing chrome tailings material as envisaged in the Company's operations update announced on 30 January 2014.

As stated in previous updates, the escalation in the PLA debt has hindered the Transaction since the majority of funding raised for the Transaction would not be utilised to re-commission the operations but instead was required for the settlement of increased debt against a lower than expected platinum metal price.

Dilokong Chrome Mine ("DCM") Tailings

Jubilee's subsidiary Pollux Investment Holdings Pty Ltd ("Pollux") was awarded the processing rights to recover the platinum group metals ("PGM") contained in the estimated 800,000 tonnes of DCM surface tailings. It concluded the PGM processing agreement with PhokaThaba Platinum Pty Ltd ("PhokaThaba" or "Smokey Hills") a subsidiary of PLA for the beneficiation of the PGM's and chrome contained in the DCM tailings in November 2012. As announced previously Jubilee has been frustrated by PLA's inability to commit to a commencement date for the toll processing of the DCM tailings.

DCM continues to deposit further tailings onto the surface tailings dam at an estimated rate of 8,000 to 12,000 tons per month and Jubilee is focused on processing the DCM tailings. As such, it is actively exploring an alternative strategy and has engaged in discussions with other parties that could provide plant and infrastructure with a view to commencing processing should the discussions with PLA not be concluded shortly.

The strategy includes the possibility of processing the DCM tailings in a fit-for-purpose processing plant to be located adjacent to the DCM surface tailings therefore avoiding the transport of the material to a toll processor.

Jubilee has secured indicative terms for the provision of power, water and surface infrastructure for such a processing plant and initial investigations have indicated that key processing equipment required for such a plant is readily available within the current market. Jubilee will keep shareholders updated on the outcome of these discussions as we remain committed to bringing the beneficiation of the platinum containing surface material into operation.

Leon Coetzer, CEO of Jubilee, commented: "The strategic fit of the combined assets between Jubilee and PLA has never been in question however, given current market conditions, the escalating debt position of PLA within the transactional structure as originally targeted in the ID impacted the value proposition to Jubilee shareholders. The termination of the ID is an important step towards progressing discussions aimed at achieving a mutually favourable outcome for both Jubilee and PLA shareholders.

"The processing of the DCM tailings could significantly enhance Jubilee's earnings capability to further enhance shareholder value. The material is at surface and therefore does not incur any mining cost and is suited for the further refining in the ConRoast process to which Jubilee holds the exclusive rights. The earnings capability of this project would further enhance the targeted earnings for the Middelburg smelter operation."

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