

# Processing of Tailings Dam Agreement Concluded

## Issue of Equity

## Appointment of Broker

09 June 2014

Jubilee, the AIM-quoted and AltX-listed Mine-to-Metals specialist, is pleased to announce that the Company has executed a Tailings Access Agreement (“Access Agreement”) with ASA Metals Proprietary Limited (“ASA”) and its subsidiary Dilokong Chrome Mines Proprietary Limited (“DCM”). Under the Access Agreement, Jubilee is, inter alia, awarded the exclusive right to access the PGM - bearing tailings (“Surface Stock”) on the DCM mine area (the “Mining Area”), and the right to construct, a dedicated chrome and PGM processing plant (“New Processing Plant”) on the Mining Area to process the Tailings. In addition, ASA has agreed to give Jubilee access to sufficient power and water for the construction and operation of the New Processing Plant.

## Highlights

Jubilee executed the Access Agreement with ASA and DCM for the recovery of platinum group metals (“PGM”) and Chrome from the surface tailings dam estimated at 800 000 tons of material containing an estimate of 74 000 4E PGM ounces;

The Access Agreement offers Jubilee the option to construct in partnership with ASA a dedicated chrome and PGM processing plant for the treatment of the Tailings on ASA’s DCM property (“New Plant”);

The Access Agreement paves the way for establishing an independent processing facility for the processing of platinum containing chrome ore in the Eastern Limb of South Africa’s platinum and chrome belt;

In terms of the Access Agreement, ASA has agreed to provide access to adequate power and water and other auxiliary services for the operation of the New Plant;

Jubilee could process a minimum of 180 000 tonnes Surface Stock per year or such other amounts as may be agreed between the Parties, taking into account the capacity of the New Plant;

DCM continues to deposit further tailings onto the surface tailings dam at an estimated rate of 8,000 to 12,000 tons per month further increasing the estimated 800 000 tons of material available for processing.

The Access Agreement paves the way for the establishment of an independent PGM and Chrome processing facility for the treatment of platinum containing chrome ores along the Eastern Limb of the South African platinum belt. The Company has secured the exclusive right to construct a purpose-built PGM and chromite processing plant adjacent to the surface Tailings and the ASA smelting operation. The targeted area is well served with appropriate infrastructure and is environmentally fully permitted. The Company continues negotiations with PhokaThaba Platinum Proprietary Limited, a subsidiary of Platinum Australia Limited (“PLA”), to process the DCM tailings at their processing facility in the interim.

Jubilee has furthermore entered into advanced discussions with ASA for the further expansion of the proposed New Plant to target the processing of 3rd party chrome and platinum containing ore in the region. Numerous chrome mining opportunities are being explored in the region that requires access to a purpose designed PGM and chrome processing facility which offers a partnership with a FerroChrome producer. Jubilee is also in the process of discussing, with a number of financial institutions, the funding of the New Plant.

Leon Coetzer, CEO of Jubilee, says: “This agreement is a significant target milestone for the Company in order to bring to production our acquired rights to platinum containing surface material while simultaneously progressing its PGM processing strategy serving the larger Eastern Limb of South Africa’s platinum belt.

“ASA has been very supportive through this process and we are working together towards implementing a processing solution in the shortest possible time line. We are jointly reviewing the time-lines and cost to accelerate the implementation of the New Plant.

“A purpose built PGM and Chrome processing plant, adjacent to the surface tailings, eliminates the significant transport cost associated with the haulage of the tailings to a toll processor and the environmental considerations associated with the use of local community roads. We have continued discussions with PLA to toll process the tailings material in the interim period while the New Processing Plant is executed.

“Our focus is now to fast track the implementation of the best process plant options to realise the Company’s strategy of bringing into production its acquired surface platinum-bearing material and ultimately to migrate its Smelter operation onto the processing of platinum concentrates.”

As previously announced on 2 October 2013, Jubilee’s subsidiary Pollux Investment Holdings Proprietary Limited (“Pollux”) acquired the sole right to process the PGMs from CMR for the Tailings (“Treatment of Tailings Agreement”). Further to the acquisition of the rights and the successful conclusion of the Access Agreement, a payment of ZAR 5 million (GBP 0.18 million) is payable to Sapila Capital in lieu of corporate advisory services rendered in relation to the project. A balance of ZAR 2 million (GBP 0.09 million) is also due to AVACAP Proprietary Limited upon successful conclusion of the Access agreement. The above payments will be settled through the issue of 18 034 104 new Jubilee ordinary shares (“Shares”) at a price of 1.73 pence per share being the 30 day Volume Weighted Average price of Jubilee on 5 June 2014, the date that the Access Agreement was concluded.

Application is being made for the Shares to be listed on AltX and admitted to trading on AIM (“Admission”) which is expected to occur on or around 17 June 2014.

The total issued share capital of the Company will be 542,349,046 shares following the Listing and Admission of the Shares. The Shares will, from the date of allotment and issue, rank pari passu in all respects with the existing ordinary shares in the issued share capital of Jubilee. The Company holds no ordinary shares in treasury.

Jubilee is further pleased to announce the appointment of Daniel Stewart and Company PLC as its Broker with immediate effect.

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