

Third quarter 2014 operations and financial update – correction

Correction:

The following amendments have been made to the 'Third Quarter 2014 operations and financial update' announcement released earlier today.

All South African Rand (ZAR) values and % movements between quarters as quoted are correct. The unaudited net profit reported in Pound Sterling in brackets within the text of the announcement was incorrectly stated as GBP0.73 million and GBP0.7 instead of GBP0.073 million and GBP0.07 million for Q3 and Q2 respectively and the gross profit in Q3 was GBP0.47 million as opposed to the reported figure in brackets of GBP0.47. Furthermore, the unaudited net profit in Pounds Sterling in the summarised table of results for Q2 and Q3 was reflected in the incorrect column.

All other details remain unchanged. The full amended text is shown below.

Third quarter 2014 operations and financial update – correction

17 October 2014

Jubilee, the AIM quoted and AltX quoted Mine-to-Metals company, is pleased to announce an operations and financial update for its Middelburg smelter and power operations ("Middelburg Operations") for the third quarter of 2014 ("Q3"). The Company is also updating shareholders regarding the sale of the Quartzhill property, owned by its subsidiary - Tjate Platinum Corporation Proprietary Limited ("Tjate").

Highlights

Unaudited revenue for the Middelburg Operations up 21.16% Q3 on Q2

Unaudited gross profit for the Middelburg Operations up 15.36% Q3 on Q2 to 38.72% sustaining the Middelburg Operations' targeted gross margin of 38%

Unaudited net profit for the Middelburg Operations for Q3 was up 4.6% to ZAR 1.31 million (GBP0.073million) from ZAR1.25 million in Q2 (GBP0.070 million) despite the labour strike action during the month of July and production ramp-up post the national labour strike in the metal industry by NUMSA in August

Record production (840 tons of metal) and revenues achieved for September reaching design capacity post the labour strike

Processing of first batch of platinum containing material scheduled to commence in Q4

Funding secured towards upgrading the power line infrastructure connecting the Company's power plant to the national grid, in order to increase electricity power sales to the South African National Energy Provider and the local municipality

Tjate submitted its final specialist reports in regard to its Environmental Impact Assessment ("EIA") and the Environmental Management Programme ("EMP") to the Department of Mineral Resources ("DMR") thus meeting the final hurdle in its application for a Mining Right

Leon Coetzer, CEO of Jubilee, says:

"The Company illustrated the robustness of its business model during Q3 as it was able to maintain the continued growth in earnings from the Middelburg Operations despite the challenges faced due to a nationwide labour strike by the National Union of Metal Workers of South Africa ("NUMSA") during the month of July. The impact of the strike was partly offset by the increased sales of electricity to the South African National Energy Provider by the Company's private power plant during this time but, revenues and earnings were negatively impacted for both July

and August months due to the production interruptions. The Company was able to return to normal operations during the month of September.

“We were especially encouraged by the record production achieved during September delivering 840 tons of metal for the month resulting in record revenue and earnings for the Middelburg Operation.

“The Company continues to make significant progress in all of its current and projected activities. The project for the surface processing of platinum containing material from the ASA Metals surface material (estimated to be 800 000 tons) is progressing well as we drive towards bringing the project into operation. Jubilee is currently pursuing a number of further surface platinum opportunities to grow its surface asset portfolio.

“All specialist studies and reports related to the Tjate mining right application have now been submitted to the DMR. Tjate continues working closely together with Anglo Platinum to expedite the conclusion of the sale of Quartzhill, linked to the grant of the mining right to Tjate.

"The Company is currently meeting all the challenges presented by the current operating environment and remains fully confident in development of its business model and the opportunities it presents."

Middelburg Operations

The Middelburg Operations managed to sustain earnings despite the strike during July and the ramp following the strike in August. Operations in September returned to targeted production levels delivering record metal production of 840 tons.

Unaudited revenue increased by 21.16 % to ZAR21.62 million (GBP1.2million) from ZAR17.8 million in Q2 (GBP 1 million). (Please refer to tables below)

Unaudited gross profit increased by 15.36% to ZAR8.4 million (GBP0.47 million) from ZAR 7.3 million in Q2 (GBP 0.4 million). The Middelburg Operations achieved its targeted gross profit margin of 38.00% by reporting a gross profit of 38.72% for Q3. The growth in gross profit margins were negatively impacted by a disproportionate increase in the cost of sales for Q3 mainly caused by labour strike action and the operational strategy deployed to counter this impact.

Unaudited net profit increased by 4.6% to ZAR 1.31 million (GBP 0.073 million) in Q3 from ZAR 1.25 million in Q2 (GBP0.07million). The net profit margin was below the target of 12% due to costs incurred as a result of the labour strike.

The Company concluded smelter-recipe optimisation test work on platinum-containing waste material secured for possible smelting at its Middelburg Operations. A trial smelt of a bulk 30-ton lot is scheduled to take place in the short term to define more precisely the material's PGM content and recovery. The data from the trial will be used to assess the degree of variability of the material in order to optimise the process controls and if warranted to move forward to commence processing of the estimated 85 000 tons of platinum containing material at its Middelburg Operations.

The targeted processing of this platinum-containing material is in line with the Company's stated strategy to migrate the Middelburg Operations onto the processing of higher value material on the back of the successful renewal program.

The Company secured funding through an investor equity placing, the proceeds of which will be used towards upgrading the power line and infrastructure (“Infrastructure”) connecting the Company's power plant, Power Alt, to the national grid. This upgrade will enable increased electricity sales to the South African National Energy Provider and the local municipality. The installation of the electrical hardware is expected to be executed over a period of approximately 8 weeks following approval from the local municipality. The increase in capacity equates to a potential monthly increase in power exports of approximately 3.6 million kWhs equating to an increase in revenue from power exports to the South African National Power Grid of approximately GBP 195 000 (ZAR 3 500 000) per month at current contracted unit rates.

Middelburg Operations unaudited financial results

Below is a table of unaudited external revenues (excluding any intercompany revenues), gross profits and net profits of the Middelburg Operations achieved for Q3 compared to Q2. These figures represent the operational performance of the Middelburg Operations only and not the overall consolidated financial performance of the Group for the quarter ended 30 September 2014.

	Q3 2014 ZAR	Q3 2014 GBP*	Q3 2013 ZAR	Q3 2013 GBP*	% change ZAR
Total revenue	21 615 804	1 204 022	17 839 980	993 705	21.16%
Total cost of sales	(13 246 128)	(737 823)	(10 584 902)	(589 590)	25.14%
Gross Profit	8 369 676	466 199	7 255 078	404 115	15.36%
Gross Profit %	38.72%		40.67%		
Net profit	1 304 617	69 467	1 247 138	72 669	4.60%
Net profit %	6.04%		6.99%		

* Average conversion rate is used for the relevant quarter

Below is a table of unaudited external combined revenues (excluding any intercompany revenues) for the Middelburg Operations, cost of sales and gross profits achieved for Q3 2014 compared to Q3 2013. These figures represent the operational performance of the Middelburg Operations only and should not be taken as an indication of the overall consolidated financial performance of the Group for the quarter ended 30 September 2014.

	Q3 2014 ZAR	Q3 2014 GBP*	Q3 2013 ZAR	Q3 2013 GBP*	% change ZAR
Total revenue	21 615 804	1 204 022	16 727 333	1 080 586	29.22%
Total cost of sales	(13 246 128)	(737 823)	(9 599 305)	(620 115)	37.99%
Gross Profit	8 369 676	466 199	7 128 028	460 471	17.42%
Gross Profit %	38.72%		42.61%		

* Average conversion rate is used for the relevant quarter

Mining & Exploration and ConRoast process

It was announced on 21 July 2014, that a current platinum producer had appointed an engineering and project management firm to conclude a definitive feasibility study for the implementation of a 10MW furnace at their property. This study is now expected to be concluded during Q4

The Company and Tjate, progressed to submitting the final specialist reports for the EIA and the EMP to the DMR in respect of the Tjate Platinum Mine Project. The Company and Tjate, together with the Tjate Community and Anglo Platinum have had positive on-going consultations on the immediate social and labour benefits that would be expected to flow to the community on conclusion of the sale of Quartzhill.

Shareholders should note that the financial information contained in this announcement has not been reviewed or audited by the Company's auditors.

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