



[Jubilee Platinum PLC](#) - JLP

Execution of Platinum Tailings Agreement

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Registration number (4459850)
AltX share code: JBL
AIM share code: JLP
ISIN: GB0031852162
("Jubilee" or "Company")

Execution of Platinum Tailings Agreement Equity Financing

Highlights

- Jubilee acquires rights to 1.25 million tonnes of new platinum-bearing surface material at estimated grade of 2.7 g/t 4E PGMs (platinum, palladium, rhodium and gold) as well as all future platinum bearing material processed
- The acquisition is targeted to add 14 000 oz PGMs annually to Jubilee's existing PGM production from tailings and 3rd ore
- The acquisition places the Company's production trajectory at stable operations at 50 000 oz PGMs per annum with no exposure to deep level mining
- New material processing rate targeted at 25 000 t/m
- Projected PGM grade of new tailings is exceptional compared with other similar material
- New tailings location within near trucking distance of Heric Project's PGM processing plant but option is available to Jubilee to construct dedicated PGM plant adjacent to new material
- Acquisition cost of £3.13 (ZAR 50) per tonne of upgraded platinum surface material remaining after the on-going further recovery of chromite
- Financing for the acquisition secured via Placing.

Mine-to-Metals specialist Jubilee Platinum plc (AIM: JLP, AltX: JBL) is pleased to announce that it has executed a Framework and Processing of Tailings Agreement ("the Agreement") with PlatCro Proprietary Limited ("PlatCro"). The Agreement provides for the acquisition of the platinum, palladium, rhodium and gold ("4E" or "PGMs") contained in the existing surface material as well as all future material at the PlatCro. Existing surface material is estimated to be 1.25 million tonnes at an estimated grade of 2.7 g/t 4E PGMs.

Leon Coetzer, Chief Executive Officer, says: "I am particularly pleased with this acquisition which together with our existing platinum and chrome projects demonstrates that our long-term efforts are accruing credibility within our industry and adding to shareholder value.

At stable operations the combined projected output from our projects is now targeting 50 000 oz PGMs per year from tailings resources, which do not attract the burden and risk of hard rock mining.

Our object is to process the material in the short-term and utilise the cash flow from these operations to further advance our mission. We continue to aggressively pursue further similar opportunities."

Jubilee will conclude its option study on the processing of the material post-chromite removal over the next few months to determine whether to process the material through our existing Herculite plant or to fast track the construction of a dedicated platinum processing plant.

Jubilee is targeting a processing rate of 25 000 tonnes per month to complement our platinum production by a further 14,000 oz of PGMs per annum. This projects a total production target of approximately 50 000 oz of PGMs per annum for Jubilee from all its surface tailings and 3rd party ore projects.

Simultaneously with signature of the Agreement we have secured finance through an equity placing to enable Jubilee to execute this value-adding platinum bearing tailings transaction, while ramping-up production at Herculite and increasing production levels at Dilokong Chrome Mine ("DCM") with the acquisition of 3rd party chrome and platinum ore."

Under the Agreement Jubilee will acquire PlatCro's existing surface material for a total consideration of £3.13 (ZAR 50) per tonne of surface material remaining after the on-going further recovery of chromite from the surface material by PlatCro.

Approximately 79% of the surface material is estimated to remain following chromite removal, which equates to a 4E PGM acquisition value of £3 million (ZAR 49.4 million). The Agreement allows for a two-stage payment over an estimated three month period following the conclusion of the Agreement.

The surface material is located within trucking distance of Jubilee's Herculite operation, thereby offering the opportunity to process the additional material at the Company's existing Herculite plant for PGM recovery. Jubilee also holds the option to acquire property located adjacent to the surface material for the construction of a dedicated platinum processing plant, if deemed appropriate, and at Jubilee's election.

The Agreement is subject to conditions precedent normal for transactions of this nature, including the completion of a due diligence investigation to the satisfaction of Jubilee.

Placing

The Company also announces that it has successfully completed a placing of 66 000 000 new ordinary shares of 1 pence each ("Ordinary Shares") in Jubilee (the "Placing Shares") at a price of 5.0 pence (ZAR 78.70 cents) per share to raise approximately GBP 3.3 million before expenses (ZAR 51.9 million at current conversion rates).

The Placing Shares have been issued, conditional on Admission (as defined below), as fully paid and rank pari passu in all respects with the existing ordinary shares, including the right to receive all dividends and other distributions declared on or after the date on which they are issued. Application will be made for the Placing Shares to be admitted to trading on AIM and to be listed on the AltX of the JSE Limited, which is expected to take place on or about 31 March 2017 ("Admission").

Following Admission, the Company's total issued share capital will comprise 1 118 360 942 Ordinary Shares. As the Company does not hold any Ordinary Shares in treasury, this figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company following Admission.

Andrew Sarosi, Director of Jubilee, who holds a B.Sc. Metallurgy and M.Sc. Engineering, University of Witwatersrand and is a member of the Institute of Materials, Minerals and Mining, is a "qualified person" as defined under the AIM Rules for Companies and a competent person under the reporting standards. The technical parts of this announcement have been prepared under Andrew's supervision and he has approved the release of this announcement.

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