



[Jubilee Platinum PLC](#) - JLP

Final Agreement for Surface platinum project

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Jubilee Platinum PLC
("Jubilee" or the "Company")

Jubilee executes Final Agreement to process the Heric surface platinum-bearing chrome tailings

Jubilee, the Mine-to-Metals company, is pleased to announce the execution, on 15 December 2015, of a Co-Operation Agreement (the "Final Agreement") with Heric Ferrochrome Proprietary Limited ("Heric") on the turning to account ("Processing") of the platinum containing surface chrome tailings ("Heric Surface Material") currently stockpiled and generated by Heric, to produce Chromite and Platinum Group Metals ("PGM") concentrate (the "Project").

Highlights

- **Jubilee and Heric conclude Final Agreement for the execution of the Project**
- **Jubilee's pre-work programme facilitates a fast track programme for early construction and commissioning**
- **The combined platinum surface projects ("Platinum Projects") targeting an annualised processing capacity in excess of 900 000 tons**
- **The Platinum Projects enter construction with ASA Metals chrome plant on-line for commissioning February 2016**
- **Finance offers for the Platinum Projects under agreement**
- **Company continues in discussions with the acquisition of similar projects and other opportunities currently being presented in the platinum arena**

Leon Coetzer says: "I am delighted that we have concluded this final agreement and we are honoured to be appointed as exclusive partner in what will be the largest PGM beneficiation plant of surface chrome tailings in South Africa. "The Jubilee team is looking forward to moving from design into implementation."

The Agreement replaces the heads of agreement, as announced on 19 January 2015, in terms of which the Company was selected as the exclusive party to beneficiate the chromite and PGMs contained in the Heric Surface Material. Heric is the world's 4th largest integrated ferrochrome producer with an estimated 3 million tons of platinum containing material at surface while Heric continues to add further material to the surface stock. The Project is the second of the Company's Platinum Projects, the first of which is to be commissioned in early Q1 2016. The Company has targeted a combined processing of platinum containing surface material over the two projects in excess of 900 000 tons per annum.

The Agreement appoints Jubilee as the exclusive party to beneficiate the chromite and PGMs contained in the Heric Surface Material and addresses the Project execution methodology as well as the operational and financial performance targets. The Heric Surface Material has been independently fully drilled and assayed for chrome and PGM content. This has resulted in an independent resource statement of 1.7 million tons, of which approximately 90% of the resource is

classified in the measured category under the internationally recognised SAMREC code. Heric also has access to secondary surface stocks, which it has internally identified and could increase the surface stocks to in excess of 3million tons through further drilling programs. The total Project is estimated to contain PGM ounces in excess of 224 000 (3PGM + Au) oz.

The Project will be the largest PGM beneficiation plant of surface chrome tailings in South Africa capable of producing annual revenues of GBP18.2 million (ZAR400 million) at an average metal basket price of USD906 per (3PGM + Au) oz. The financial and operational risks of the Project are significantly mitigated since the material is already at surface and requires neither the cost nor the risk associated with mining. An extensive prefeasibility study has been concluded on the Project, which included both pilot scale and full commercial scale trials to confirm the design and operational parameters.

The Project is to be undertaken in four phases over an 11 month period; namely

- Phase one - Bankable Feasibility Study and Engineering Design. Completed ^a;
- Phase two - Construction of the chrome and platinum processing plant ("Processing Plant").
- Phase three - Commissioning and Ramp up of Processing Plant to design capacity of 55 000 tons per month
- Phase Four - Stable operation of the Processing Plant.

^a Announced 11 February 2015.

As previously announced, the Company has received funding terms from a major financial institution which has received credit approval for the debt element of the project financing required to bring its Platinum Projects into operation. The size of the ZAR based debt funding for both surface projects equates to GBP11.5 million (ZAR255 million) before financing costs. The working capital required to bring the Platinum Surface Projects into operation and to achieve positive earnings is estimated at GBP3.4 million (ZAR75 million).

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