



[Jubilee Platinum PLC](#) - JLP

Joint venture with BMR Group PLC

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

Jubilee forms joint venture with BMR Group PLC ("BMR") to recover zinc, lead and vanadium at the Kabwe Project in Zambia

Highlights

- Jubilee expands its surface processing footprint into Zambia to recover lead, zinc and vanadium from historical surface deposits
- Jubilee partners with BMR to target the recovery of lead, zinc and vanadium from an estimated 6,4 million tonnes (3,2 million JORC compliant) of surface assets at Kabwe located in Zambia
- All historical mine activities have been suspended offering the project unencumbered access to existing infrastructure
- The partnership pools resources of both companies to bring the project to account
- The joint venture formed between Jubilee and BMR will finance and execute the approved works programme with commercial production expected of lead and zinc in 2018
- Jubilee has the option to provide staged financing towards the execution of the project secured against the shareholding of the Kabwe project as well as preferred income from the project

Leon Coetzer, Chief Executive Officer, says:

"I am delighted to announce that we have successfully secured access to this exciting surface project that extends our reach beyond the South African bushveld complex and into other commodities. This transaction is in line with our mission to take our brand and expertise across country borders and commodities.

This project is meaningful in scope, diversity and potential contribution to the Company's earnings. The Kabwe project offers immediate unencumbered access to a large surface stock rich in lead, zinc and vanadium created from historical mining and processing activities. The project benefits from existing infrastructure including power, water and building infrastructure, which significantly reduces the required project capital and shortens the implementation time line.

The Jubilee team's expertise and ability is perfectly suited to the project and strongly complements the existing BMR project team to extract maximum value from the metals contained in the various surface discards and I look forward to working with the BMR team to bring this project into being.

In entering into this agreement, we are acutely aware of the significant further opportunities presented within Zambia and will be actively exploring these opportunities."

Transaction Overview

Jubilee has executed a binding agreement (the "Transaction") to form a joint venture with AIM-quoted BMR to target the recovery of lead, zinc and vanadium from historical surface mine tailings and discards ("the Project").

Under the Transaction, a joint venture company will be established ("Kabwe Operations") which will be assigned all intellectual property developed for the execution of the Project as well as the right to fund and execute the Project on behalf of BMR.

Kabwe Operations will be appointed operator of the Project, with responsibility for commissioning, funding, construction and operations of the Project. Kabwe Operations will sub-contract operator responsibilities to Jubilee.

In terms of the Transaction Jubilee is offered the right to earn into Kabwe Operations through staged debt funding ("Debt Finance") as set out below. Jubilee's earn-in interest in Kabwe Operations will be through preferred shares issued in Kabwe Operations ("Preferred Shares"), which will have equal voting rights to ordinary shares of Kabwe Operations and will have the preferred right to receive 100% of distributed profits from Kabwe Operations until the preferred Debt Finance plus a 30% interest component is fully paid, where after the Preferred Shares will convert into ordinary shares of Kabwe Operations.

Jubilee Key Earn-in Terms for Kabwe Operations

(a) Phase 1 - Jubilee will provide access to funding for Kabwe Operations to the value of £300,000 to secure a 15% equity interest in Kabwe Operations held as a Preferred Share. The funding will be towards the confirmation by Jubilee of the initial design, work programme and budget for construction of the Project ("Approved Works Programme") to be prepared by Jubilee by 28 February 2018. At the completion of Phase 1 Jubilee will confirm its decision at its full discretion to proceed with the Project and further farm-in of Kabwe Operations ("Approval Notice").

(b) Phase 2 - Jubilee will provide access to a further £1,000,000 funding towards the implementation of the Approved Works Programme to secure a further 15% equity interest in Kabwe Operations taking the aggregate interest of Jubilee to 30% held as a Preferred Share. As security for the Jubilee Debt Finance, the BMR Group would grant security over the whole of its shareholding in the Kabwe project through its subsidiary Enviro Processing Limited.

(c) Phase 3 - Jubilee will provide access to a further £1,000,000 funding towards the implementation of the Approved Works Programme and targeting commercial production to secure a further 10% equity interest in Kabwe Operations taking the aggregate interest of Jubilee to 40% held as a Preferred Share.

In the event that the Joint Venture Agreement is deemed to be a fundamental change of business to BMR, in accordance with Rule 15 of the AIM Rules for Companies, and is not approved by shareholders of BMR at a General Meeting, Kabwe Operations (guaranteed by BMR) shall immediately repay the £300,000 of Jubilee Debt Finance together with 100 per cent interest thereon. Jubilee shall retain its interest in 15% of Kabwe Operations's voting share capital and shall have a pre-emptive right to participate in any future equity issue or joint venture relating to BMR's Kabwe project and the right to realise its interest in Kabwe Operations at the future equity issue price or joint venture implied value, as appropriate.

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.

About Kabwe Mine

Information containing resource statements are based on the information as provided by BMR to Jubilee which is also referenced on the BMR website at www.bmrplc.com.

Mining History

The Kabwe mine was discovered during 1902 and commenced operations in 1904, reaching full-scale production in 1906. It officially closed down on 3 June 1994 due to its operations becoming uneconomic at that time. The site was placed under care and maintenance by the national mining company, The Zambia Consolidated Copper Mines ("ZCCM").

For 88 years of continuous operation until final closure in 1994, Kabwe was regarded as one of the famous mines in Africa and held a key position of national economic importance. During its life time the mine produced the following:

- Zinc (Zn) 1,800,000 tonnes
- Lead (Pb) 800,000 tonnes
- Vanadium Oxide (V₂O) 7,816 tonnes
- Silver (Ag) 80,000kg
- Cadmium (Cd) 235,000kg

Importantly, the above-ground dumps of mineral-rich tailings, slag and waste left onsite during the mining years are still in place.

A large project conducted by the World Bank and the Nordic Development Fund commenced in 2005 for the environmental rehabilitation of the Kabwe mine area and is still ongoing.

On closure of the operations in 1994, much of the site area and plant infrastructure was sold in discrete lots to private investors, with the overall responsibility for decommissioning and rehabilitation of the sites retained by ZCCM. In recent years, the ownership of the Kabwe complex has been rationalised and since 2008 has been steadily acquired by BMR which now owns all the surface rights over the 705 hectares site.

The Kabwe Tailings Stockpiles

Enviro Processing Ltd holds the Small Scale Licence 7081-HQ-SML in respect of the Tailings Stockpiles on and the Large Scale Licence 6990-HQ-LML (applying to the whole 703 hectares of the BMR Kabwe site.

BMR has acquired all the stockpiles of tailings at the Kabwe mine complex. These assets are held by Enviro Mining Ltd, which is a wholly-owned subsidiary of BMR, and its two Zambia-registered subsidiaries, Enviro Processing Ltd and Enviro Props Ltd.

Stockpile 1 The Wash Plant Tailings Dump

The wash plant tailings dumps include process residue historically produced at Kabwe prior to its closure through the washing of newly mined and crushed ore. These have a high combined grade of Lead and Zinc at 17.87%.

JORC Mineral Resource estimates on Zinc (Zn) and Lead (Pb) for the Kabwe wash plant tailings are:

Mineral Resource Class	Volume (m ³)	Dry Bulk Density (t/m ³)	Zn (%)	Pb (%)	Dry Tonnage	Contained Tonnes of Metal - Zinc	Contained Tonnes of Metal - Lead
Measured	304,7711.92		10.667	2.1573	458	61,147	41,345

Stockpile 2 The Leach Plant Residue

JORC Mineral Resource estimates on Zinc (Zn) and Lead (Pb) for the central section of the leach plant tailings are:

Mineral Resource Classification	Zn (%)	Pb (%)	Dry Tonnage	Contained Tonnes of Metal - Zinc	Contained Tonnes of Metal - Lead
Measured	3.888	7.12	648,920	102,690	230,810

Metallurgical Testwork on the Tailings Stockpile

Following intensive and wide ranging metallurgical investigative testwork, BMR achieved the following extraction efficiencies;

Lead and Zinc extractions for **the Wash Plant Tailings** of 90% Pb and 79% Zn have been achieved. Recoveries for the **Leach Plant Residue** are in the region of 80% Pb and 50% Zn.

Further testwork will focus on finalising the flow sheet, the process design and establishing the quality of the products

Other Above Ground Dumps

In addition to the aforementioned stockpiles, further aggregate stockpiles from previous mine operations including all surface materials at the Kabwe site, totals an approximate 6,4 million tonnes containing an estimated 356 843 tonnes of zinc and 351 386 tonnes of lead.

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014

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