



[Jubilee Platinum PLC](#) - JLP

## Jubilee Executes Surface Tailings Transaction

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

#### Jubilee Executes Surface Tailings Transaction in Australia

##### Highlights

- Jubilee has secured a copper surface tailings project with RMA in Australia consistent with its stated surface processing mission
- Project production forecast of 12,000 tones (t) of copper (Cu) at production cost AUD3,381/t Cu (USD2,569/t Cu) - Current Cu price USD6,000/ t Cu
- Near surface resources of 35,000t Cu in combination of JORC compliant category and mineral inventory
- Project Tenements comprise seven copper mining leases and two Exploration licences in South Australia
- Several of the Project Tenements targeted to be production -ready within four months of the Transaction and able to produce cash flow within 6 month of acquisition
- Project Tenements offer significant Cu exploration upside potential

Mine-to-Metals specialist Jubilee Platinum plc (AIM: JLP, AltX: JBL) is pleased to announce, that it has executed a binding and exclusive Term Sheet to enter into a transaction ("the Transaction") with Resilience Mining Australia Limited ("RMA") to explore and develop ("the Project") RMA's Leigh Copper Mine ("LCCM") and other copper Mining Tenements ("the Project Tenements"), collectively owned or held by Leigh Copper Mine Proprietary Limited (the "Project Company"), subject to conditions precedent including satisfactory due diligence and/or to entering into the transactional agreement ("the Proposed Transaction Agreement" or "the Proposed Commercial Transaction"). Leon Coetzer, Chief Executive of Jubilee, said: "*The execution of this Term Sheet demonstrates Jubilee's ability to apply its processing success and expertise in the recovery of platinum and chrome to associated base metals such as copper. The expertise that Jubilee holds in the processing of near surface materials and tailings is easily transferred to minerals that fall within the PGM and Base Metals grouping.*"

*Having said this our first international project has been carefully selected based on risk and reward by avoiding undue execution and financing risk. This targeted copper project located in South Australia demonstrates Jubilee's ability and focus to drive its growth not only bound by country or specific metal but also offers an exciting opportunity to build upon in Australia. We have selected the copper arena on the back of the strong underlying fundamentals for copper in the short and mid-term. We are looking forward to executing this project and building on our established Australian presence by seeking further such opportunities.*

Discussions are progressing favourably to secure further opportunities in both the platinum and associated base metals arena and we remain confident to secure further such opportunities in the short term."

#### Execution of Project

Preparatory Phase- Due diligence and execution of Proposed Transaction Agreement

On entering into Proposed Transaction, the phased execution and objectives of the Project are as follows:

**Phase 1** - Reaching commercial production of first copper tonnes from processing of existing surface material;

**Phase 2**- Target commercial production to 3,000 t Cu sales and then to 9,000 t Cu sales, triggering respective target deferred consideration payments.

#### Salient Terms of the Proposed Commercial Transaction

Under the terms and conditions of the Proposed Commercial Transaction, the Company will have the right to acquire up to 100 % of the issued shares in the Project Company for staged considerations totalling AUD 4,500,000 by way of cash for the acquisition of shares, AUD 2,500,000 in secured loans and AUD 1,000,000 subscription payments. The staged considerations are linked to key project and copper production milestones.

On the Company electing to proceed following the exclusive due diligence, which is estimated to conclude on or before the end of April 2017, and the execution of the Proposed Commercial Transaction, the Company will offer the Project Company a 3-year-term interest bearing securitised loan of AUD\$500,000 towards accelerating the production time lines. First commercial copper production is expected within 4 months of Project Commercial Transaction.

On entering into the Proposed Transaction Jubilee will acquire 20% of the issued shares of the Project Company for a purchase price of AUD 500,000.

After the 20% acquisition, the Company will subscribe for a further 20% shareholding in the Project Company for a subscription price of AUD1, 000,000 towards achieving commercial production thereby giving Jubilee a 40% shareholding in the Project.

Following completion of Phase 1, Jubilee will have the option to acquire a further 11% of the issued shares in the Project Company for a purchase price of AUD 500,000 thereby increasing Jubilee's total shareholding to 51% in the Project Company.

On Jubilee electing to commence with Phase 2 and objectives, the Company will provide a further 3-year-term interest bearing securitised loan to the Project Company of AUD2, 000,000 if the parties deem further capital is required for the Project.

At any time after having acquired a 51% shareholding in the Project Company and electing to proceed with Phase 2 objectives, Jubilee will have the option of acquiring a further 29% of the issued shares in the Project Company for AUD500, 000 taking its shareholding in the Project Company to 80%.

On the Project achieving the target 3000 t Cu sold in terms of Phase 3 Jubilee agrees to make a deferred consideration payment to RMA of AUD1, 000,000 in cash.

On the Project achieving the target of 9,000 t Cu sold Jubilee agrees to make a further deferred cash consideration payment to RMA of AUD1, 000,000.

Jubilee shall offer to RMA an option, valid for a period of five years from execution of the Term Sheet to convert its remaining shareholding in the Project Company at Phase 4 in exchange for Jubilee shares valued at AUD1, 000,000; priced at the minimum of the Jubilee VWAP on the trading day immediately preceding the date of last signature of this Term Sheet or the following thirty (30) trading days' Jubilee VWAP.

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

Contacts

Jubilee Platinum plc

Colin Bird/Leon Coetzer

Tel +44 (0) 20 7584 2155 / Tel +27 (0) 11 465 1913

Andrew Sarosi

Tel +44 (0)1752 221937

JSE Sponsor

Sasfin Capital, a division of Sasfin Bank Limited

Sharon Owens

Tel +27 (0)11 809 7500

Nominated Adviser

SPARK Advisory Partners Limited

Sean Wyndham-Quin/Mark Brady

Tel: +44 (0)203 368 3555

Broker

Beaufort Securities Limited

Jon Belliss

Tel: +44 (0) 20 7382 8300

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