



[Jubilee Platinum PLC](#) - JLP

Jubilee sells non-platinum assets and Notice of GM

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Jubilee Platinum PLC
("Jubilee" or the "Company")
Jubilee sells non-platinum assets
Notice of General Meeting

Highlights

- **Jubilee executes binding cash sale agreement, in aggregate of ZAR110.5 million (approximately GBP5.8 million), for its Middelburg operational assets ("Disposal"), subject to shareholder approval**
- **Jubilee retains right to 5MW platinum furnace at the Middelburg operations with secured power as well as all intellectual property relating to the development of the Platinum in Waste processing strategy valued at ZAR 100 million (approximately GBP 5.2 million)**
- **Proceeds from the Disposal capable of fully funding the capital required for the construction and commissioning of the Dilokong Chrome Mine platinum surface processing project**
- **Funding required for the construction and commissioning of both platinum surface processing projects has been offered by a number of large financial institutions**

Jubilee, the Mines-to-Metals company, is pleased to announce that it has executed a sale and purchase agreement ("SPA"), in terms of which Main Street 1347 Proprietary Limited, a special purpose vehicle ("SPV" or "the Purchaser") established for the purposes of the Disposal, will, subject to shareholder approval, acquire 100% of the issued shares of Jubilee Smelting and Refining Proprietary Limited ("JSR"), a subsidiary of Jubilee owning the Middelburg Smelter Complex, for ZAR72.0 million (approximately GBP3.8 million) and 70% of the issued shares in Power Alt Proprietary Limited ("Power Alt") owning the power plant, for ZAR38.5 million (approximately GBP2.0 million) collectively referred to as the Middelburg Operations.

SPV is a nominee company of Siyanda Resources Proprietary Limited, a respected mining and beneficiation specialist company registered in South Africa, as well as a global leader in many of the markets within which it operates, and the ultimate majority shareholder in SPV.

Leon Coetzer CEO says: "*The Disposal is in keeping with our stated mission of processing own PGM production. Jubilee retains the right to a 5MW ConRoast smelting facility at Middelburg and receives significant cash to assist in the financing of its future surface platinum processing operations. Terms for further funding, required to simultaneously execute both platinum surface processing projects, have been offered by a number of financial institutions. I am delighted with the outcome of the Disposal and remain committed to further growth of all of our platinum activities.*"

Jubilee retains the right to a furnace of up to 5 MW on the premises of JSR's subsidiary RST Special Metals, for the purpose of processing platinum bearing material while Jubilee also retains all intellectual property in relation to the development of the platinum recovery from waste and surface tailings developed at the Middelburg operations.

The Disposal is one indivisible transaction and is not capable of completion as separate transactions.

Salient terms of the Disposal

- The purchase consideration in respect of JSR will be ZAR 72.0 million (£3.8 million) which will, subject to the fulfilment of any conditions precedent in the SPA, be paid by the SPV to Jubilee in cash on the Closing Date.
- The purchase consideration in respect of Power Alt will be ZAR 38.5 million (£2.0 million), which will, subject to the fulfilment of any conditions precedent in the SPA, be paid by the SPV to Braemore in cash on the Closing Date.
- The Disposal is subject to, *inter alia*, obtaining all the regulatory approvals required to conclude the Disposal, including (without limitation) that of the South African Competition Commission and Jubilee shareholder approval.
- The SPA contains a set of warranties given by the Company, which are customary for a disposal of this nature. The warranties relate to, amongst other things, organisation of the Group, title, accounting and financial matters, material contracts, litigation and compliance with applicable laws.
- Upon the execution of the SPA until the Closing Date, the Seller shall, as far as it is reasonably able, procure that each Group Company operates its business and activities in its usual course and complies with certain enumerated undertakings. The SPA contains certain undertakings given by the Seller and the Purchaser, which are customary for a Disposal of this nature, including an undertaking by the Seller not to compete in the business of the type carried out by the Middelburg Operations nor to solicit any customer, or client, of Middelburg Operations for a period of 12 months following the Closing Date.
- If a party breaches any provision of the SPA and fails to remedy the breach, the party shall be in default. If a party is in default, the other party will be entitled, in addition to all other remedies at law, to cancel or uphold the SPA, with or without a claim for damages.
- The SPA is governed by South African Law.
- The Disposal is subject to the approval of shareholders of Jubilee at a General Meeting of the Company ("GM"), details of which are set out below.

The Middelburg Operations

The Middelburg Operations' key business areas are:-

1. Short-term toll processing agreements for the processing of ferroalloy and other non-platinum waste materials through JSR; and
2. Providing electricity to JSR and offering the excess electricity generated to the national power grid in South Africa through Power Alt.

The Disposal assets comprise the Middelburg Operations and are valued at GBP 5.5 million, which value includes the Middelburg Operations as well as all value ascribed to the process development of the platinum containing surface projects, and are being sold for an aggregate consideration of GBP 5.8 million. The profit attributable to the Middelburg Operations for the six months to 31 December 2014; being the last reported results for the Jubilee Group, was GBP0.3 million.

The effect of the Disposal to the Jubilee Group going forward is that it will release cash to support the Group's ongoing investment into platinum surface processing projects. The release of significant management time spent on the Middelburg Operations will also enable management to focus on bringing the current projects to production and to grow the Group's strategy of processing and producing its own platinum group metals (PGMs). In executing the Disposal the Group is exchanging limited growth medium cash generative assets with potentially high cash generative platinum assets, offering significant growth.

Notice of General Meeting

The Company announces that a circular convening a GM to approve of the Disposal will be posted to shareholders on Monday, 20 July 2015. The GM will be held on Friday, 7 August 2015 at the offices of Fasken Martineau LLP, 17 Hanover Square, London, W1S 1HU at 10am (GMT). A copy of the circular will also be available on the Company's website from the posting date, Monday, 20 July 2015.

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

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 8416

JSE Sponsor

Sasfin Capital, a division of Sasfin Bank Limited Sharon Owens
Tel +27 (0) 11 809 7500

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