

Regulatory Story



[Jubilee Platinum PLC](#) - JLP

Market Update

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Jubilee Platinum Plc

(“Jubilee” or “the Company”)

Market Update

Highlights

HERNIC

- First commercial platinum concentrate production in March 2017 with production ramp-up continuing
- Platinum concentrate achieving 100g/t 4E PGMs (platinum, palladium, rhodium and gold)- 20% above contractual grade
- Targeting steady state production of 1100 tonnes of platinum concentrate per month
- Full design throughput expected to be reached during June 2017 on completion of the hydraulic-mining process to reclaim the feed material from the surface platinum stocks

DILOKONG CHROME MINE

- Earnings attributable to Jubilee for Q1 2017 from chromite concentrate production up 10.87% to GBP 0.408 million (ZAR 6.66 million) compared with Q4 2016

- Chromite concentrate production reached 14 973 tonnes and production rates have been restored to previous levels following successful expansion of the new tailings facility

PLATCRO

- Jubilee executes the first payment of GBP 1.16 million (ZAR 22.8 million) as an upfront payment of all related future royalties to the PGMs. The payment was funded from the proceeds of a placing recently concluded by Jubilee as announced on 17 March 2017. The existing surface material at PlatCro is estimated at 1.25 million t with an estimated grade of 2.7 g/t 4E PGMs. The payment secures Jubilee the sole right to future earnings from the platinum-bearing material.

LEIGH CREEK COPPER MINE PROJECT

- Jubilee is finalising its due diligence (“DD”) on the Leigh Creek Copper Mine (“LCCM”) project
- Completion of the DD is expected by the end of May 2017.

TJATE DEVELOPING MINE PROJECT

- Tjate notarially executes the granting of its Mining Right
- Commenced review of the project’s mine works program and associated technical design criteria

Leon Coetzer, Chief Executive commented:

“I am very pleased with the progress being made in all aspects of the company’s performance including project build, operations and new business development.

I am particularly gratified with the way our team tackled the Heric project, which was delivered on time and budget. The scale of the Heric Project represents a real challenge as a small developing company and the outcome demonstrates our readiness to embark on other similar size or larger projects. The commissioning and ramp-up of the Heric chromite and platinum recovery plant has shown great progress reaching 74% of designed throughput. We look forward to ramping up production to full capacity over the coming weeks as we bring on-line the final processing unit which is the hydraulic mining of the feed material. Already the platinum and chrome processing plants have met the commercial specifications for both the platinum and chrome concentrates produced.

The DCM project is again producing back at its previous levels following the commissioning of the expanded tailings storage facility for the enriched platinum material. Our new PlatCro PGM project has advanced with the first upfront payment being made for the PGM’ related royalties. The payment secures Jubilee the sole right to future earnings from the platinum-bearing material. The final payment will fall due once regulatory approval is received to commence processing of the platinum-bearing material.

Our due diligence of the Australian-based surface copper project is concluding soon with final review of the schedule bulk trials underway. The project offers the potential of a rapid project start-up to commence producing copper from at and near surface resources, leveraging off Jubilee’s processing expertise.

The significant milestone reached with the Tjate platinum project continues to demonstrate our aggressive pursuit to continuously advance the Company's mission of a Mines to Metals Company while growing shareholder value. The project scope and linked mine work program for the Tjate project is being updated which will define the development strategy for the project.

Our new business development is advancing at an encouraging pace and we are confident that we can make further acquisitions to complement our existing projects and extend our brand and capabilities into other global surface projects."

Hernic Ferrochrome Platinum and Chrome Tailings Operation ("HERNIC")

The Hernic project continues successfully to ramp-up its production. The project is expected to reach full design capacity of 45 000 tonnes per month of feed material by June 2017. The project produced its first commercial platinum concentrate in March 2017. The project targets a steady state production of 1100 tons of platinum concentrate per month containing 100 g/t 4E PGMs, which is being achieved and exceeds the contracted grade by 20%.

The remaining project item still to be commissioned is the hydraulic mining of the tailings feed material to the chromite and PGM recovery plant ("Plant"). The Hydraulic-mining step is expected to be commissioned over the next 10 days. This mining techniques entails reclaiming the Plant feed-material from the existing tailings dams using high pressure water guns instead of the current mechanical (excavator) reclamation operation. Jubilee expects to conclude the ramp-up of the production to the Plant on the back of the commissioning of the hydraulic-mining step.

Dilokong Chrome Mine Platinum and Chrome Tailings Operation ("DCM")

DCM has returned to its targeted operational output following the successful commissioning of the expanded upgraded chrome tailings storage facility for the enriched PGM material. Although the project revenue has been impacted by a declining chromite price, Jubilee's attributable earnings from chromite recovery has been buffered by the toll processing agreement of the material.

Below is a table presenting the operational performance of the DCM project for Q1 2017.

*= Converted at the monthly average GBP: ZAR conversion rate

	Chromite concentrate tonnes produced	Project revenue (GBP'000) *	Project revenue (ZAR'000)	Project earnings (GBP'000)	Project earnings (ZAR'000)	Jubilee attributable operational earnings (GBP'000)	Jubilee attributable operational earnings (ZAR'000)	Jubilee working capital loan repayments (GBP'000)	Jubilee working capital loan repayments (ZAR'000)
Total Q4 2016	19 108	2,754	47,662	1,837	31,792	368	6,367	97	1,667
Total Q1 2017	14 973	3,372	55,223	2,407	39,400	408	6,664	-	-
Total since project commencement in April 2016	77,828	9,214	159,382	6,535	113,097	2,120	39,295	375	6 667

PlatCro Platinum and Chrome Tailings Project

As announced on 30 March 2017, the Company executed a Framework and Processing of Tailings Agreement ("the Agreement") with PlatCro in March 2017 for the acquisition of new 4E PGM- bearing surface material existing at PlatCro as well as all future surface material at PlatCro.

Jubilee executed the first payment of GBP 1.16 million (ZAR 20 million) as part of the PlatCro project. The PlatCro project includes the upfront acquisition of all PGMs contained in surface material as well as future PGMs from further processing and mining operations. The existing surface material is estimated at 1.25 million tonnes with an estimated grade of 2.7 g/t 4E PGMs. The payment secured Jubilee the sole right to earnings from all PlatCro project's future platinum bearing material.

The surface material is located within trucking distance of the Hernic operation, thereby offering the opportunity to process the additional material at the Company's existing Hernic 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 final payment for the existing surface PGMs is subject to the completion of the surface drill program and receiving regulatory approval to commence with the processing of the PGMs.

Resilience Mining Australia Copper Tailings Project ("RMA")

As announced on 30 March 2017, Jubilee executed a binding and exclusive Term Sheet to enter into a transaction ("the Proposed Transaction") with RMA to explore and develop RMA's LCCM and other copper Mining Tenements, collectively owned or held by LCCM Proprietary Limited. The Proposed Transaction is subject to conditions precedent including satisfactory due diligence and/or to entering into the transactional agreement.

Jubilee has requested an extension of the DD period to the end of May 2017 to conclude the DD of the copper project. The DD includes completion of RMA's proposals for the design of a bulk sample trial on existing fresh surface copper-containing material to confirm the technical performance criteria of the selected process. Subject to the successful conclusion of the DD, Jubilee expects the bulk sample trial to commence in July 2017.

Tjate developing mine project

As announced on 30 March 2017, Tjate Platinum Corporation notarially executed a mining right ("Mining Right") granted by the Department of Mineral Resources in respect of the Project comprising the Farms Dsjate 249 KT, Fernkloof 539 KS and Quartzhill 542 KS, situated in the Magisterial District of Sekhukhune in the Limpopo Province of South Africa.

Tjate is reviewing the mine works program and associated technical design criteria in order to conclude the updated design criteria as soon as possible and initiate applications for utility licences as soon as possible.

The current project design includes the establishment of a mine targeting 132 million tonnes of ore containing 22.3 million oz 4E PGMs (indicated and inferred) and associated platinum concentrating facility targeting 310 000 oz 4E PGMs per annum. The design resource represents one third of Tjate's targetable exploration potential of 70 million oz 7E PGMs* before geological losses.

7E PGM = 4E PGM plus iridium, ruthenium and osmium

Technical Sign-Off

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.

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

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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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