



[Jubilee Platinum PLC](#) - JLP  
Q4 2014 Operations and Financial Update  
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Jubilee Platinum PLC  
("Jubilee" or "Company")

Fourth quarter 2014 operations and financial update

Jubilee, the AIM quoted and AltX listed Mine-to-Metals company, is pleased to announce an operations and financial update for its Middelburg smelter operations and power plant ("Middelburg Operations") for the fourth quarter of 2014 (Q4). The Company is also updating shareholders regarding the sale of its Quartzhill property, owned by its subsidiary - Tjate Platinum Corporation Proprietary Limited (Tjate) and the Company's two platinum surface projects at Hernic Ferrochrome Pty Ltd (Hernic) and ASA Metals Pty Ltd (ASA).

Highlights

- Unaudited revenue for the Middelburg Operations up 10.12% Q4 on Q3
- Metal production increased to 2 282 tonnes for Q4 up from 2 031 tonnes in Q3
- Unaudited gross profit for the Middelburg Operations up 25.22% Q4 on Q3 to 44% exceeding the Middelburg Operations' targeted gross margin of 38%
- Unaudited net profit for the Middelburg Operations for Q4 up to ZAR 2.53 million (GBP0.143million) from ZAR1.31 million (GBP0.074 million) in Q3
- The Department of Mineral Resources (DMR) requested Tjate to support its mining right application with an operational rehabilitation guarantee. This requested is expected to be the final step prior to the issuance of a Mining Right
- Entering into the PGM (Platinum Group Metals) heads of agreement (HOA) with Hernic for the processing of its PGM-containing surface chrome tailings
- Both the Hernic and ASA platinum processing projects placed on accelerated project schedules targeting to be fully operational during 2016

Leon Coetzer, CEO of Jubilee, says:

"The Middelburg Operations have maintained its performance meeting the targeted throughput and gross profit margins. We will continue to strive to further optimise the operations by reducing the variable cost per metal ton produced while containing the operations overhead. We look forward to concluding a 5 year extended power purchase agreement with the national energy provider of South Africa while simultaneously increasing the power supplied to the national grid. The targeted increased power sales, together with the further improved smelter operations, are targeted areas to further enhance the operations earnings.

"Jubilee continues to invest into the two platinum surface processing projects at ASA and Herculite as it accelerates these projects to bring them into production. The platinum surface processing projects will allow Jubilee to produce low cost platinum concentrates for further processing at the smelters in the near term. The two projects will target a combined throughput of approximately 80 000 tonnes per month of platinum containing surface material.

'These projects have the potential of significantly transforming Jubilee into a low cost platinum producer from surface operations underpinned by the Tjate platinum exploration project.'

Middelburg Operations

The Middelburg Operations sustained its earnings despite a shortened production period in December due to the early closure of its key clients over this period.

Unaudited revenue is up 10.12 % to ZAR23.80 million (GBP1.34 million) from ZAR21.62 million in Q3 (GBP 1.20 million) supporting an increase in unaudited gross profit in Q4 to reach 44% thus achieving its targeted gross profit margin of 38% (Please refer to tables below).

The increase in the gross profit margin was achieved by the implementation of a process review and optimisation strategy focussing on a reduction in the power used per tonne of metal produced. This successful strategy has led to a reduction in power used per tonne of metal produced, of approximately 16% thereby making more power available for export from the power plant to the national power grid of South Africa (Power Utility).

Total ferroalloy metal produced increased to 2282 tonnes in Q4 compared to 2031 tonnes for the previous quarter. This increase was attainable mainly due to improved processing stability from uninterrupted power supply from the Company's. This is in sharp contrast to the more general increase in power interruptions experienced nationwide due to scheduled load shedding from the Power Utility.

Unaudited net profit improved to ZAR 2.53 million (GBP 0.143 million) in Q4 from ZAR 1.31 million in Q3 (GBP0.074 million). The net profit margin for Q4, reaching 10.63% is in-line with the targeted 12%. The Jubilee board believes that this net profit target will be achieved as the process improvements flow through into Q1 of 2015.

The Company concluded extended smelter-recipe optimisation test work on platinum-containing waste material secured for possible smelting at its Middelburg Operations. A trial smelt of a bulk 30-ton lot has been concluded, which was used to define more precisely the material's PGM content and recovery potential. The data from the trial will be used to assess the degree of variability of the material in order to optimise the process controls and if warranted to move forward to commence processing of an estimated 85 000 tonnes of this platinum containing material, at its Middelburg Operations. A further smelter trial was completed in February 2015 to more accurately calculate the financial viability against test process improvements identified from the first trial. The Company expects the final results from this work to be concluded in March 2015.

The targeted processing of this platinum-containing material is in line with the Company's stated strategy to migrate the Middelburg Operations onto the processing of higher value material on the back of the successful renewal program.

The Company has, post Q4, entered into discussions with the Power Utility, for both the increase in the power sales from the Company's power plant as well as extending its current short term power purchase agreement with the Utility to a minimum period of 3 years, with the option to extend this period to five years. The Company expects to conclude its discussions with the Power Utility by April 2015.

Middelburg Operations unaudited financial results

The table below reflects the unaudited external revenue (excluding any intercompany revenue), gross profit and net profit of the Middelburg Operations achieved for Q4 2014 compared to Q3 2014. These figures represent the operational performance of the Middelburg Operations only and not the overall consolidated financial performance of the Group for the quarter ended 31 December 2014.

	ZAR	GBP*	ZAR	GBP*	
Total revenue	23 802 946	1 341 011	21 615 804	1 204 022	10.12
Total cost of sales	(13 322 829)	(750 582)	(13 246 128)	(737 823)	0.58
Gross Profit	10 480 117	590 429	8 369 676	466 199	25.22
Gross Profit %	44.03		38.72		
Net profit	2 529 676	142 517	1 304 617	73 500	93.90
Net profit %	10.63		6.04		

Note - Average conversion rate is used for the relevant quarter

The table below reflects the unaudited external combined revenues (excluding any intercompany revenue) for the Middelburg Operations, cost of sales and gross profit achieved for Q4 2014 compared to Q4 2013. These figures represent the operational performance of the Middelburg Operations only and should not be taken as an indication of the overall consolidated financial performance of the Group for the quarter ended 31 December 2014.

	ZAR	GBP*	ZAR	GBP*
Total revenue	23 802 946	1 341 011	17 667 049	1 076 60334.73
Total cost of sales	(13 322 829)	(750 582)	(11 854 869)	(722 417)12.38
Gross Profit	10 480 117	590 429	5 812 180	354 185 80.31
Gross Profit %	44.03		32.90	

\* Average conversion rate is used for the relevant quarter

#### Surface projects

As previously announced, Jubilee has concluded a binding and exclusive agreement for the right to process the platinum and chrome containing surface material at ASA's Dilokong Chrome Mine (DCM). Jubilee has also concluded an access agreement with ASA Metals offering Jubilee access to the DCM property to construct a PGM processing plant.

As announced on 11 February 2015, the Company also concluded a heads of agreement with Herculite whereby it was appointed as the exclusive processor to beneficiate both Chrome and Platinum from the surface materials at Herculite's processing plants.

The surface materials have been drilled with 1.7 million tonnes being classified as a Measured Resource, under the SAMREC code, in a Resources Statement produced by SRK Consulting. A further estimated 2.5 million tonnes of material was drilled by Herculite.

The targeted PGM processing plant for the recovery of the chrome and platinum at Herculite will be the largest of its kind in South Africa.

Jubilee appointed an engineering & consulting firm for the vetting of the bankable feasibility study as well as the detail design and engineering drawings for construction of both the processing plants.

The key next deliverables are the delivery of a turnkey budgeted cost for the construction of the PGM processing plants to be presented to both ASA and Herculite.

The Company has made good progress in securing funding of the construction and commissioning of the projects expected to commence in H2 2015. The Company continues to engage with project funding institutions and will provide further updates once concluded. The combined projects will take Jubilee to a targeted processing of approximately 80 000 tonnes per month of platinum containing surface material.

#### Tjate Platinum Corporation

Tjate, the Company's targeted 70 million 4E PGM ounce platinum project, has received formal communication from the DMR requesting a financial guarantee in support of its operational rehabilitation, which is estimated at R27 million, as contained in Tjate's Environmental Management Programme (Guarantee). This, traditionally, is the final request by the DMR prior to issuing a Mining Right and brings Tjate closer to the concluding the R75 million (GBP 4.2 million) Quartzhill sale (a non-core portion of the Tjate project, which lies outside of Tjate's targeted mining activity areas) to a subsidiary of Anglo Platinum. The Company has engaged with a major insurance company for the provision of the Guarantee,

expected to be concluded by end of Q1 2015. Jubilee, together with Anglo Platinum, hosted a further community liaison meeting concluding the consultation required for the submission by Anglo Platinum of the application to the DMR for the ownership transfer of Quartzhill, in terms of Section 102 of the Mineral and Petroleum Resources Development Act 28 (2002).

Shareholders should note that the financial information contained in this announcement has not been reviewed or audited by the Company's auditors.

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