

Regulatory Story



[Jubilee Platinum PLC](#) - JLP

Quarterly Operations Update

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Jubilee Platinum Plc
("Registration number: 4459850")
AIM share code: JLP
AltX share code: JBL
ISIN: GB0031852162
("Jubilee" or "the Company")

Quarterly Operations Update

Jubilee is pleased to announce its metals recovery division, Jubilee Processing Pty Limited's quarterly operations update for Q3 2017.

Highlights

- Operations revenue up 48 % to **GBP 2.67 million** (ZAR 46.11 million) (Q2 2017: **GBP 1.81 million** (ZAR 30.34 million))
- Operations earnings up 193 % of **GBP 0.85 million** (ZAR 14.73 million) (Q2 2017: **GBP 0.29 million** (ZAR 4.80 million))
- Heric operational earnings increased fivefold to **GBP 0.50 million** (ZAR 8.59 million) (Q2 2017: **GBP - 0.11 million** (ZAR - 1.93 million))
- Heric unit cost per PGM ounce produced reduced to USD 476 (Q2 2017: USD 901)

Leon Coetzer, Chief Executive commented:

"Our Q3 2017 results demonstrate the benefits of increased operations stability and throughput.

I expect Q4 2017 to show continued improvement with the October 2017 results so far already outperforming the month of September 2017.

At Heric our focus is now on circuit optimisation following the completion of the commissioning phase and improved operational stability.

Our DCM operation continued to deliver good results and I continue to seek and expand on the opportunities presented by this investment. Our 3rd party ore processing has commenced and this ramp-up will reflect in the Q4 2017 results.

We announced our Kabwe transaction on 23 October, which further strengthens Jubilee's short term (2 years) processing project pipe-line. I look forward to leveraging Jubilee's technical and project execution strength to fast track the Kabwe project. We continue to pursue further opportunities of a similar and potentially larger nature."

HERNIC OPERATIONS

- Operational throughput increased by 31 % to 105 673 tonnes (Q2 2017: 80 828 tonnes)
- PGM¹ production more than trebled to 2 874 ounces (Q2 2017: 808 ounces)
- Project revenue more than trebled to GBP 1.54 million (ZAR 26.58 million) (Q2 2017: GBP 0.46 million (ZAR 7.60 million))
- Operational earnings increased fivefold to GBP 0.50 million (ZAR 8.59 million) (Q2 2017: GBP - 0.11 million (ZAR - 1.93 million))
- Unit cost per PGM ounce produced reduced to USD 476 (Q2 2017: USD 901)

1 = Platinum Group Metals (6E platinum, palladium, rhodium, iridium, osmium, and gold)

DILOKONG CHROME MINE (DCM) OPERATIONS

- Operational earnings attributable to Jubilee of GBP 0.36 million (ZAR 6.14 million) (Q2: 2017 GBP 0.40 million (ZAR 6.73 million))
- 3rd Party ore processing at DCM commenced end of September 2017 and is expected to ramp-up during October and November 2017

HERNIC OVERVIEW

The Hernic operations performance improved significantly quarter on quarter, which is in-line with the current focus on process optimisation as part of the final phase of the project execution. The Q3 2017 data shows a sharp increase in project earnings coupled with a drop in unit cost measured as cost (USD) per PGM ounce produced. The average unit cost for Q3 2017 of USD 476 demonstrates the robustness of the project. We expect a further step increase in operational performance during Q4 2017 with the increase in feed material to the PGM processing plant.

Our overall debt incurred towards the construction and commissioning of the Hernic project has been reduced to GBP 3.23 million (54.13 % reduction).

The table below presents the comparative performance of the Herculic operation for Q2 and Q3 2017:

	Tailings processed tonnes	PGM ounces delivered	Project revenue ¹ (GBP'000)	Project revenue ² (ZAR'000)	Project earnings ³ (GBP'000)	Project earnings (ZAR'000)	Jubilee attributable earnings (GBP'000)	Jubilee attributable earnings (ZAR'000)	Unit cost / PGM oz (USD)
Total Q2 2017	80 828	808	459	7.604	-110	-1.928	-110	-1.928	901
Jul-17	34 823	792	365	6.226	50	868	50	868	516
Aug-17	33 057	911	528	9.055	195	3.340	195	3.340	474
Sep-17	37 793	1 171	646	11.300	251	4.384	251	4.384	449
Total Q3 2017	105 673	2 874	1.539	26.581	496	8.592	496	8.592	476

Project Summary	Revenue / PGM oz (USD)	Unit cost / PGM oz (USD)	Earnings / PGM oz (USD)
Q3 2017	703	476	227

1= Revenue from the current project phase - 100% attributable to Jubilee until full capital recovery. Revenue is projected based on latest average PGM market prices and USD exchange rates and results are only final once final Quotational Period has passed

2= Average monthly conversion rates used

3= Project Earnings include all incurred operational costs including management services and mineral royalties

DCM overview

The DCM operations delivered a solid performance. The new contractual relationship as announced on 5 September 2017, between DCM and Jubilee, whereby Jubilee and DCM entered into a 50/50 partnership on the processing of chrome ore which replaces the previous toll agreement, was effective from 1 September 2017. The Q4 2017 results will reflect more of this new partnership agreement together with the ramp-up of processing 3rd party ore at the DCM operations.

Project earnings for Q3 2017 include project expenditure of approximately GBP 0.14 million to both upgrade the DCM operation to facilitate the processing of the increased 3rd party ore and target the recovery of fine chrome currently lost to tailings. This expenditure is expensed against the project and not allocated to capital expenditure, which is in-line with the DCM ore processing agreement between Jubilee and DCM.

The table below presents the operational performance of the DCM operation for Q2 and Q3 2017:

	Chromite concentrate produced tonnes	Project revenue (GBP'000)	Project revenue ¹ (ZAR'000)	Project earnings ² (GBP'000)	Project earnings (ZAR'000)	Jubilee attributable earnings (GBP'000)	Jubilee attributable earnings (ZAR'000)	Jubilee working capital loan repayments received (GBP'000)	Jubilee working capital loan repayments received (ZAR'000)
Total Q2 2017	17 659	1.348	22.731	386	6.504	399	6.727	175	3.334
Total Q3 2017	15 134	1.129	19.526	184	3.173	356	6.139	-	-

1= Average monthly conversion rates used

2 = Project earnings include project expenditure on plant and equipment

Project Pipe-Line

Jubilee is currently updating its project execution plan for the various pipe-line surface processing projects. These pipe-line projects offer significant growth potential in the short term (2 years) and we continue to actively pursue further opportunities.

Jubilee's project pipe-line currently includes:

1. Platinum project to recovery PGMs from the estimated 1 250 000 tonnes surface stock at PlatCro Minerals in South Africa
2. Platinum project to recover PGMs from the estimated 800 000 tonnes at surface at DCM in South Africa
3. Kabwe project to recover lead, zinc and vanadium from the estimated 6 400 000 tonnes (3 200 000 tonnes JORC compliant) surface tailings at the Kabwe operations in Zambia

Jubilee looks forward to updating its shareholders on the execution time-lines for these exciting projects.

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.

The financial information in this announcement is unaudited.

United Kingdom

26 October 2017

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