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# Jubilee progresses Kabwe Project

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**Jubilee Metals Group PLC**  
**Registration number (4459850)**  
**AltX share code: JBL**  
**AIM share code: JLP**  
**ISIN: GB0031852162**  
**("Jubilee" or "the Company")**

## Jubilee progresses Kabwe Project

Jubilee Metals Group Plc is pleased to announce that after comprehensive technical, financial and legal due diligence it has advised BMR Group PLC ("BMR") that it intends to exercise its option to earn a 40 % interest in its Kabwe project in Zambia ("Kabwe Project").

### Highlights:

- Jubilee has advised BMR that it wishes to take up its rights in regards to the Kabwe Project
- This will, conditionally, allow Jubilee to increase its effective interest in the Kabwe Project to 57.41% (comprising 40% direct and 17.41% indirectly as a shareholder in BMR)
- Comprehensive technical due diligence confirms grade predictions
- Further test work provides encouraging processing results for future optimisation
- Jubilee looks forward to fast track implementation along with its partner BMR
- This agreement is subject only to final documentation against previously agreed binding commercial and material terms

Leon Coetzer, Chief Executive said: "The Jubilee board has satisfied itself that the Kabwe Project is indeed a project worthy of development. Our test work has confirmed the quality of the base asset and has provided encouraging results for integration into our future metallurgical studies.

This joint venture with BMR takes Jubilee into the Kabwe Project in Zambia in alternative metals and countries and, we believe, has the potential to be significantly earnings enhancing once fully operational. This is consistent with our mission of commodity and country hedge. We intend to work with BMR to fast track this project into production."

### About the Kabwe Project

The Kabwe Project secures Jubilee a position in Zambia to recover, through its joint venture formed with BMR, lead, zinc and vanadium from historical surface mine tailings and discards. The Kabwe Project targets the recovery of lead, zinc and vanadium from an estimated 6.4 million tonnes (3.2 million JORC compliant) of surface assets.

The joint venture will finance and execute the approved works programme with commercial production expected towards the end of 2018. Jubilee has the option to provide staged financing for the project secured against the shareholding of the project. The arrangement pools the significant resources from both companies to bring the project to account.

## AIM Rules compliance

As per the announcement made on 23 October 2017, in the event that the increase in Jubilee's interest in Kabwe is deemed to be a fundamental change of BMR's business, in accordance with Rule 15 of the AIM Rules for Companies, the final agreements referred to above will be subject to approval by BMR's shareholders. If such approval is not given, Kabwe Operations (guaranteed by BMR) shall immediately repay £300,000 of debt finance already provided by Jubilee together with 100 per cent interest thereon, Jubilee shall retain its interest in 15% of Kabwe Operations' voting share capital and shall have a pre-emptive right to participate in any future equity issue or joint venture relating to BMR's Kabwe project and the right to realise its interest in Kabwe Operations at the future equity issue price or joint venture implied value, as appropriate. Furthermore, entering in to the final agreements referred to above will be a related party transaction for BMR under Rule 13 of the AIM Rules and will be conditional upon the directors of BMR reaching an opinion as to the fairness of the terms of the agreements for BMR's shareholders, in consultation with BMR's nominated adviser.

United Kingdom

6 February 2018

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About Kabwe Mine

**Information containing resource statements are based on the information as provided by BMR to Jubilee which is also referenced on the BMR website at [www.bmrplc.com](http://www.bmrplc.com)**

Mining History

The Kabwe mine was discovered during 1902 and commenced operations in 1904, reaching full-scale production in 1906. It officially closed down on 3 June 1994 due to its operations becoming uneconomic at that time. The site was placed under care and maintenance by the national mining company, The Zambian Consolidated Copper Mines ("ZCCM").

For 88 years of continuous operation until final closure in 1994, Kabwe was regarded as one of the famous mines in Africa and held a key position of national economic importance. During its life time the mine produced the following:

- Zinc (Zn) 1,800,000 tonnes
- Lead (Pb) 800,000 tonnes
- Vanadium Oxide (V<sub>2</sub>O) 7,816 tonnes
- Silver (Ag) 80,000kg
- Cadmium (Cd) 235,000kg

Over the years the complex expanded to include open cast and underground workings, mineral processing, smelting and refining facilities. By 1994, the Pb-Zn massive sulphide ore was exhausted but it was estimated that there was still between 1.1Mt and 1.6Mt of Pb/Zn-rich silicate ore in situ.

Importantly, the above-ground dumps of mineral-rich tailings, slag and waste left onsite during the mining years are still in place.

A large project conducted by the World Bank and the Nordic Development Fund commenced in 2005 for the environmental rehabilitation of the Kabwe mine area and is still ongoing.

On closure of the operations in 1994, much of the site area and plant infrastructure was sold in discrete lots to private investors, with the overall responsibility for decommissioning and rehabilitation of the sites retained by ZCCM. In recent years, the ownership of the Kabwe complex has been rationalised and since 2008 has been steadily acquired by BMR which now owns all the surface rights over the 705 hectares site.

#### The Kabwe Tailings Stockpiles

Enviro Processing Ltd holds the Small Scale Licence 7081-HQ-SML in respect of the Tailings Stockpiles on and the Large Scale Licence 6990-HQ-LML (applying to the whole 703 hectares of the BMR Kabwe site.

BMR has acquired all the stockpiles of tailings at the Kabwe mine complex. These assets are held by Enviro Mining Ltd, which is a wholly-owned subsidiary of BMR, and its two Zambian-registered subsidiaries, Enviro Processing Ltd and Enviro Props Ltd.

#### Stockpile 1 The Wash Plant Tailings Dump

The wash plant tailings dumps include process residue historically produced at Kabwe prior to its closure through the washing of newly mined and crushed ore. These have a high combined grade of Lead and Zinc at 17.87%.

JORC Mineral Resource estimates on Zinc (Zn) and Lead (Pb) for the Kabwe wash plant tailings are:

Mineral Resource Class	Volume (m3)	Dry Bulk Density (t/m3)	Zn (%)	Pb (%)	Dry Tonnage	Contained Tonnes of Metal - Zinc	Contained Tonnes of Metal - Lead
Measured	304,771	1.92	10.667	7.215	73,458	61,147	41,345

#### Stockpile 2 The Leach Plant Residue

JORC Mineral Resource estimates on Zinc (Zn) and Lead (Pb) for the central section of the leach plant tailings are:

Mineral Resource Classification	Zn (%)	Pb (%)	Dry Tonnage	Contained Tonnes of Metal - Zinc	Contained Tonnes of Metal - Lead
Measured	3.888	7.12	712,648,920	102,690	230,810

#### Metallurgical Testwork on the Tailings Stockpile

Following intensive and wide ranging metallurgical investigative testwork, BMR achieved the following extraction efficiencies;

Lead and Zinc extractions for **the Wash Plant Tailings** of 90% Pb and 79% Zn have been achieved. Recoveries for the **Leach Plant Residue** are in the region of 80% Pb and 50% Zn.

Further testwork will focus on finalising the flow sheet, the process design and establishing the quality of the products

#### Other Above Ground Dumps

In addition to the aforementioned stockpiles, further aggregate stockpiles from previous mine operations including all at the Kabwe site, totals an approximate 6,4 million tonnes containing an estimated 356 843 tonnes of zinc and 351 386 tonnes of lead.

#### JSE Sponsor

Sasfin Capital, (a member of the Sasfin group)

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This information is provided by RNS

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