Regulatory Story

Jubilee Platinum PLC - JLP
Notice of AGM & Audited results for the year
Released 07:00 10-Nov-2017

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Jubilee Platinum PLC
10 November 2017

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

Notice of Annual General Meeting

Audited results for the year ended 30 June 2017

The directors of AIM traded Jubilee, the Mine-to-Metals company, are pleased to release its audited results for the year ended 30 June 2017.

Notice of Annual General Meeting

The Company also hereby gives notice of the Company's 2017 Annual General Meeting, which will be held on 4 December 2017 at 11:00 am UK time at Fladgate LLP, 16 Great Queen Street, London, WC2B 5DG to transact the business as stated in the notice of Annual General Meeting. The Group's Annual Report for the year ended 30 June 2017 has been posted to the website, www.jubileeplatinum.com, with the notice of the Company's 2017 Annual General Meeting. Shareholders are advised that the Notice of Annual General Meeting, including a Form of Proxy, for the year ended 30 June 2017 has been posted to Jubilee shareholders today, 10 November 2017.

Highlights for period under review

Financial Highlights

Group revenue up to GBP 9.81 million (ZAR 169.59 million)(1) ((2016: GBP 1.47 million (ZAR 25.41 million))

Group loss for the year from continuing operations, excluding once off non-cash items (2), decreased by 61.87 % to GBP 2.10 million (ZAR 36.42 million) ((2016: loss of GBP 3.41 million (ZAR 58.97 million))

Group loss per share from operations, excluding once off non-cash items(2) is 0.25 pence (ZAR 4.27 cents) ((2016: 0.38 pence) (2016: ZAR 8.07 cents))

Operating expenses from continuing operations down 26.69 % to GBP 3.44 million (ZAR 59.46 million) ((2016: GBP 4.69 million) (ZAR 81.06 million))

(1)= for income statement purposes conversions are at the average £: ZAR rate for the period under review and for balance sheet purposes conversions are at the closing rate as at the period end. All other conversions are at rates as at the time announced.
(2)= Impairment of intangible assets totaled GBP8.47 million, net of tax, which if included equates to a group loss per share of 1.07 pence (ZAR 18.55 cents)

Operational Highlights

The DCM Operations deliver first full year of production with total chrome concentrate produced of 78 588 tonnes, resulting in revenue of GBP 9.37 million (ZAR 161.94 million)

The Hernic PGM and chrome project is bought into operation and delivers its first saleable PGM concentrate in April 2017 producing 808 PGM(1) ounces by end June 2017 and resulting in revenue of GBP 0.43 million (ZAR 7.43 million)

Jubilee acquires the rights to the PGMs contained in the PlatCro material estimated at 1 400 000 tonnes of PGM containing surface material

The Tjate Platinum project is awarded its mining right in March 2017

(1)= Precious Group Metals (platinum, palladium, rhodium, iridium, ruthenium and gold)

Highlights post the period under review

DCM chrome and PGM processing agreement replaced with a 50/50 partnership agreement on all chrome concentrate produced at DCM while reaffirming its exclusive PGM right

3rd Party chrome ore processing agreement executed with DCM targeting the of up to 40 000 tonnes per month of chrome ore to supplement the DCM material

Joint Venture agreement executed with BMR Group PLC for the Kabwe lead, zinc and vanadium surface processing project estimated to contain 6 400 000 tonnes of lead, zinc and vanadium rich material at surface

Jubilee executes a USD 50 million funding agreement to support the Company’s targeted project build program

Overview

Jubilee has delivered a remarkable operational performance during the period under review with continued strong growth post the period under review. The period has seen Jubilee being awarded the mining licence for the Tjate platinum project and ramping-up the DCM chrome operation to reach 78 588 tonnes of saleable chrome concentrate, while delivering the Hernic chrome and platinum recovery plant targeting 660 000 feed tonnes per annum.

Post the period under review, Jubilee continued acquiring further access to valuable surface resources which included the acquisition of the PGMs contained in the surface material at PlatCro Minerals (“PlatCro”) in South Africa as well as entering into a joint venture agreement with BMR Group PLC to execute the Kabwe surface processing project targeting the recovery of lead, zinc and vanadium from surface material in Zambia. These transactions extended Jubilee’s reach beyond the borders of South Africa into both PGMs and base metals leveraging off its in-house metallurgical skill, project execution track record and operational performance.

Jubilee now holds a project portfolio containing low risk, high return, short term projects which includes:

Platinum project to recover PGMs from the estimated 1 400 000 tonnes surface stock at PlatCro in South Africa
Platinum project to recover PGMs from the estimated 800 000 tonnes at surface at DCM in South Africa
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

The Company continues to actively pursue further projects consistent with its stated mission to grow the Company’s processing capacity of at or near-surface material.

Jubilee has responded well to challenges in the global PGM markets as reflected in PGM prices by diversifying its earnings generation to include chrome and PGMs and expanding its project portfolio into base metals such as lead, zinc and vanadium. Jubilee’s surface projects remain robust at these metal prices as reflected in Jubilee’s Q3 2017 update, recording a unit cost per PGM ounce produced of USD 476, which is set to reduce further as the project continues to increase its production. Jubilee’s surface projects has the benefit of not being exposed to mining cost or associated mining risk.

Jubilee’s operations

Hernic – South Africa

The Hernic project is the second of the Company’s operating PGM-bearing surface tailings projects and targets processing in excess of 660 000 feed tonnes tailings per year. The project has access to an estimated 3 000 000 tonnes of PGM material, to which Hernic continues to add further current arisings material. The project, which is estimated to contain in excess of 224 000 (3PGM + Au) ounces, is the largest PGM beneficiation plant in South Africa to process surface chrome tailings.

The Hernic project commenced construction in June 2016 with commissioning starting in January 2017 and delivering its first PGM ounces to market in April 2017. Total project capital spent on the targeted 660 000 tonnes per annum chrome and PGM processing facility reached GBP 12.97 million (ZAR 220 million) of which the total debt burden of the project was reduced to GBP 2.98 million (ZAR 50.54 million) as at the date of this report.

The data below in table 1 captures the commissioning and ramp-up phases of the project with the data for Q3 2017 illustrating the continued increase in production and earnings growth following the period under review. The unit cost per PGM ounce produced has reduced to USD 476 during Q3 2017 and is set to reduce further in-line with the expected continued increase in production for Q4 2017.

Table 1 below presents the operational performance of the Hernic operations for the period under review (Q2 2017) and the following quarter Q3 2017:

	Tailings processed tonnes	PGM ounces delivered	Project revenue 1 (GBP'000)	Project revenue2 (ZAR'000)	Project earnings3 (GBP'000)	Project earnings (ZAR'000)	Jubilee attributable earnings (GBP'000)	Jubilee attributable earnings (ZAR'000)	Unit cost / PGM ounce (USD)
Q2 2017	**80 828**	**808**	**459(4)**	**7.604**	**(110)**	**(1.928)**	**(110)**	**(1.928)**	**901**
Total Q3 2017	**105 673**	**2 874**	**1.539**	**26.581**	**496**	**8.592**	**496**	**8.592**	**476**

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
(4) = Figures as per quarterly updates announced. The annual total can differ from the annual audited result due to different conversion rates used.

Dilokong Chrome Mine (DCM) – South Africa

Jubilee's subsidiary, Jubilee Tailings and Treatment Company Proprietary Limited ("JTTC"), holds the exclusive rights to beneficiate the PGMs and chrome from the platinum and chrome-containing surface material at Dilokong Chrome Mine Proprietary Limited ("DCM") a subsidiary of ASA Metals Proprietary Limited ("DCM Platinum Project, Processing Agreement").

The Processing Agreement gives Jubilee access to more than 800 000 tonnes (Sept 2012) of surface material containing 74 000 ounces 4E PGM (platinum, palladium, rhodium and gold). JTTC achieved stable project target design operations during Q4 2016. In February 2016 Jubilee executed a further processing agreement (“the Processing Agreement”) to expand and operate on DCM’s behalf the chrome beneficiation plant.

Immediately following the period under review, and in an ongoing co-operation with DCM, Jubilee executed a new framework treatment of tailings and chrome ore agreement (“New Agreement”) with DCM, thereby cancelling and superseding all existing agreements in respect of chrome processing and PGM recovery at DCM. The New Agreement transforms Jubilee’s DCM operations as an equal joint venture with DCM, on all chrome ore including 3rd party chrome ore. This New Agreement now affords Jubilee the right to 50 % of all chromite earnings generated from the processing of third party or other Chromite Ore. This New Agreement captures the growth of the DCM project from initially Jubilee holding no rights to earnings from chromite ore at the outset of the DCM project. The New Agreement further secures Jubilee’s unencumbered PGM rights from all material processed at DCM irrespective of source.

Jubilee further executed an ore processing agreement (“Ore Agreement”) in addition to the New Agreement, in terms of which Jubilee is contracted to toll process up to 40 000 tonnes per month of 3rd party Chrome Ore for an initial three year term period – mutually extendable. Under the terms of the Ore Agreement Jubilee also secured the rights to the PGMs in the 3rd party Chrome Ore which further supplements the existing PGMs already contained in the surface material at DCM. DCM plant’s spare capacity will be utilized for this processing, which has the potential to more than double current DCM’s operational throughput. The additional PGMs secured provides Jubilee the opportunity to expand its PGM recovery strategy at DCM and materially add to the Company’s earnings, since the fixed cost element of DCM’s operation would remain relatively unchanged. This Ore Agreement continues Jubilee’s organic growth in this field and is a step in its stated intent to consolidate chrome and platinum retreatment in the region.

During the period under review the DCM operations performed well with its first full year of operation under the terms of the Processing Agreement. The New Agreement as announced on 5 September 2017, between DCM and Jubilee became effective on 1 September 2017. The effect of this New Agreement together with the ramp-up of processing 3rd party ore at the DCM operations will reflect in the 2018 financial period.

The table below presents the operational performance of the DCM operations for the period under review and the following quarter Q3 2017:

	Chromite concentrate produced tonnes	Project revenue (GBP'000)	Project revenue 1 (ZAR'000)	Project earnings2 (GBP’000)	Project earnings (ZAR’000)	Jubilee attributable earnings (GBP’000)	Jubilee attributable earnings (ZAR’000)
Total Q3 2016	26 848	2.141	38.368	1.581	28.320	587	10.505
Total Q4 2016	19 108	2.642	45.714	1.714	29.668	368	6.367

Total Q1 2017	14 973	3.372	55.224	2.407	38.862	408	6.664
Total Q2 2017	17 659	1.348	22.731	386	6.504	399	6.727
Total for period under review	**78 588**	**9.503(3)**	**162.037**	**6.088**	**103.354**	**1.762**	**30.263**
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
(3) = Figures as per quarterly updates announced. The annual total can differ from the annual audited result due to different conversion rates used.

Chairman's statement

Dear Shareholder,

The year under review has been an exceptional period of growth for Jubilee. Jubilee established itself as a diversified producer of metals entering both the chrome and platinum industry through the ramp-up of its DCM operations and commissioning of the Hernic project while the Tjate platinum project was awarded its mining license. Jubilee continued its drive to grow post the period under review with the acquisition of the surface PGMs at PlatCro and joint venture agreement with BMR Group PLC to execute the Kabwe surface project in Zambia.

At the commencement of the year, the Hernic plant was approximately 50 % built with the Company gaining significant financial contribution from Dilokong enjoying the benefits of increasing chrome prices and our participation in chrome benefits.

We announced on 6 February 2017 that the Hernic plant commenced production and that the first chromite concentrate had been produced. In the same announcement shareholders were advised, that focus had now moved to the commissioning of the PGM recovery plant. The commissioning of the PGM circuit was completed towards the end of March 2017 and we announced PGM production on 29 March 2017. Thereafter we saw increased production of chromite and PGMs as the various circuits underwent troubleshooting and optimisation. Throughout the period under review the Hernic contribution improved month on month and at the time of writing this report, we had reached a total of 3 682 ounces of PGM production. A significant financial performance was the PGM production cost of USD 476 per ounce for the third quarter 2017. This demonstrates that the operation is extremely resilient to the volatile and depressed PGM prices experienced during the year. We continue to optimise at Hernic and are confident of reduced cost throughout the operation, improving productivity and significant financial contribution to the group.

The Dilokong operation continued to grow its earnings with upgraded platinum concentrate stockpiles being accumulated at the operation. During the early part of this year, we advised shareholders that Dilokong financial results would be considerably advanced by the acquisition of third party ore to be processed at Dilokong and towards the end of the first quarter of 2017 we processed our first third party ore.

Post the closing of this review period, we announced a significant new partnership agreement for third party ore which will provide for an additional 40 000 tonnes of ore per month for a minimum three year period. The financial effect of this contract will be very positive to the Dilokong operation and to the attributable income for Jubilee.

In terms of the Middelburg smelter and power station disposal, final proceeds were received mid-March 2017 after full and final settlement post arbitration.

A major milestone for the Company was achieved on 2 March 2017 when we announced that the Tjate Platinum project had been awarded its mining right. The project represents an extremely, large PGM metal resource and in terms of the fourth generation of new platinum mines is favourably positioned in terms of depth, grade continuity and is relatively geologically untroubled compared to its peers. We are now busy carrying out all things necessary to maintain compliance with the terms and conditions of the mining right order. The board are fully aware that new mine development in the platinum industry is not immediately evident, but remain convinced that Tjate will play a significant role in the future growth of South Africa's platinum industry in general and this Company in particular.

Our new business development in the past has been proactive and responsive and once projects have been acquired, financing structures were sought to achieve the acquisition or earn-in requirements. The board considered this to be a less than satisfactory arrangement and commenced a search for a funding partner who knew our business and shared our aspirations for its growth.

Post balance sheet in August 2017, we announced an agreement with Riverfort Capital Group Limited for a project funding agreement of USD 50 million. We have not yet used this agreement for any new projects but are highly encouraged that we have the arrangement in place as we enter more and more discussions for new projects.

A further major post balance sheet announcement was made on 23 October 2017, which involved the joint venture with BMR Group PLC ("BMR"). This joint venture is based in Zambia and relates to the Kabwe lead, zinc and vanadium historical surface deposits. This project involves Jubilee investigating, developing flow sheets and if appropriate building a treatment plant in joint venture with BMR. The surface deposits are large and entail at least 6 400 000 tonnes of material of which 50 % is JORC compliant. The joint venture entails that Jubilee, stage advances up to GBP 2.30 million and thereafter shares some 40 % of the beneficial earning arising from the project. This agreement is very important on the basis that the Company is now involved in a different company, country and in different commodities thus providing a hedge to the Bushveld complex and South Africa.

In terms of PGM metal prices we remain somewhat disappointed as to their volatility and low top range. This being despite more cars being built and a prosperous new global economy with good signs for emerging markets. There is much talk about the electric car being the answer and therefore displacing the need for fuel cell powered motor cars. The Jubilee board believes that the electric car is an interim step and the emergence of the fuel cell will significantly enhance the fortunes of the platinum producing industry.

In any event we are seeing the normal supply demand attrition and supply response which is a cycle common to all commodities.

Jubilee has emerged, at the time of writing this report as a diversified producer with many significant opportunities currently being investigated and negotiated at an advanced level. A number of these opportunities, if brought to completion, could change the short-term prospects for Jubilee and make the mid-cap space, to which I often allude, a reachable target.

Jubilee, having completed two projects, is now at a very important stage in its evolution and the board has to consider the merits of organic growth against corporate acquisition growth or combination thereof. We are mindful that the resource world has not rebounded from the woes of the past and that major opportunities exist for companies committed to growth. Jubilee is one of those companies.

Although the board expects to realise the value of the Nickel Tailings Project, the board felt it prudent to impair the asset until the legal impasse with BHP is resolved. The Group reported a loss per share from continuing operations for the period under review, excluding impairments of intangible assets, of 0.25 pence (ZAR 4.27 cents) compared to a loss of 0.38 pence (ZAR 8.07 cents) for the comparative period. Impairment of intangible assets totaled GBP 8.47 million, net of tax, which if included equates to a group loss per share of 1.07 pence (ZAR 18.55 cents).

Finally I would like to thank everyone concerned at whatever level in Jubilee who have assisted in taking the Company to its current position. In particular I would like to thank the Chief Executive Officer Leon Coetzer and his immediate team for their commercial prowess and intellectual and managerial contribution to our projects. Their efforts have been instrumental in creating the Jubilee brand, which is now exportable, credible and achieving global recognition.

Colin Bird

Non-Executive Chairman

Financial statements for the year ended 30 June 2017

Consolidated statement of comprehensive income for the year ended 30 June 2017

Figures in Sterling	2017	2016

Continuing operations	9 805 701	1 473 921
Revenue Cost of sales	(8 038 731)	(608 309)
Gross profit	1 766 970	865 612
Other income	348	10 725
Operating expenses	(3 439 040)	(4 690 862)
Operating loss	(1 671 722)	(3 814 525)
Investment revenue	18 673	144 077
Gain on non-current assets held for sale or disposal groups	-	84 680
Impairment of intangible assets	(18 570 584)	-
Finance costs	(198 565)	(13 418)
Loss before taxation	(20 422 198)	(3 599 186)
Taxation	9 849 606	201 901
Loss from continuing operations	(10 572 592)	(3 397 285)
Discontinued operations		
Loss from discontinued operations	-	(276 660)
Loss for the year	(10 572 592)	(3 673 945)
Other comprehensive income:		
Exchange differences on translating foreign operations	6 104 352	2 653 926
Total comprehensive loss	(4 468 240)	(1 020 019)
Attributable to:		
Owners of the parent:		
Loss for the year from continuing operations	(10 570 058)	(3 412 174)
Loss for the year from discontinuing operations	-	(283 749)
Loss for the year attributable to owners of the parent	(10 570 058)	(3 695 923)
Non-controlling interest:		
(Loss)/profit for the year from continuing operations	(2 534)	14 889
Profit for the year from discontinuing operations	-	7 089

Profit for the year attributable to non-controlling interest	(2 534)	21 978
Total comprehensive loss attributable to:		
Owners of the parent	(4 878 961)	(1 009 610)
Non-controlling interest	410 721	(10 409)
	(4 468 240)	(1 020 019)
Basic and diluted loss per share (pence) – continuing operations	(1.07)	(0.38)
Basic and diluted loss per share (pence) – discontinued operations	-	(0.03)
Loss per share	(1.07)	(0.41)

Consolidated statement of financial position as at 30 June 2017

Figures in Sterling	**2017**	**2016**
Assets		
Non-current assets		
Property, plant and equipment	13 161 021	4 977 784
Intangible assets	48 166 942	61 838 764
Deferred tax	-	218 345
	61 327 963	67 034 893
Current assets		
Inventories	44 789	–
Other financial assets	-	555 159
Current tax receivable	15 870	15 870
Trade and other receivables	3 222 150	1 074 509
Cash and cash equivalents	4 635 636	4 414 908
	7 918 445	6 060 446

Total assets	69 246 408	73 095 339
Equity and liabilities		
Equity attributable to equity holders of parent		
Share capital	87 674 940	82 515 169
Reserves	23 078 043	17 997 713
Accumulated loss	(57 261 760)	(46 799 127)
	53 491 223	53 713 755
Non-controlling interest	2 867 039	2 456 318
	56 358 262	56 170 073
Liabilities		
Non-current liabilities		
Other financial liabilities	688 000	-
Deferred tax	5 362 500	14 677 152
	6 050 500	14 677 152
Current liabilities		
Other financial liabilities	3 083 581	–
Trade and other payables	3 754 065	2 248 114
	6 837 646	2 248 114
Total liabilities	12 888 146	16 925 266
Total equity and liabilities	69 246 408	73 095 339

The financial statements were authorised for issue and approved by the Board on 9 November 2017 and signed on its behalf by:

Leon Coetzer
Chief Executive Officer
Company number 04459850

Consolidated statement of changes in equity for the year ended 30 June 2017

Figures in Sterling	Share capital	Foreign currency translation reserve	Merger reserve	Share-based Payment reserve	Total reserves	Accumulated loss	Total attributable to equity holders of the Group	Non-controlling interest	Total equity
Balance at 1 July 2015	75 896 582	(11 640 768)	23 184 000	5 199 026	16 742 258	(43 495 910)	49 142 930	365 071	49 508 001
Changes in equity									
Total comprehensive income for the year	–	2 686 313	–	–	2 686 313	(3 695 923)	(1 009 616)	(10 409)	(1 020 019)
Issue of share capital net of costs	6 618 587	–	–	–	–	–	6 618 587	–	6 618 587
Disposal of subsidiaries	–	1 820 818	–	–	1 820 818	(1 820 818)	–	(397 268)	(397 268)
Warrants issued	–	–	–	304 925	304 925	–	304 925	–	304 925
Options issued under new scheme	–	–	–	1 155 847	1 155 847	–	1 155 847	–	1 155 847
Option cancelled under old scheme	–	–	–	(4 450 210)	(4 450 210)	4 450 210	–	–	–
Warrants exercised	–	–	–	(258 306)	(258 306)	258 306	–	–	–
Warrants lapsed	–	–	–	(3 932)	(3 932)	3 932	–	–	–
Adjustment to NCI	-	-	-	-	-	(2 498 923)	(2 498 923)	2 498 923	-
Total changes	6 618 587	4 507 131	–	(3 251 676)	1 255 455	(3 303 216)	4 570 826	2 091 246	6 662 072
Balance at 1 July 2016	82 515 169	(7 133 637)	23 184 000	1 947 350	17 997 713	(46 799 126)	53 713 756	2 456 317	56 170 073
Total comprehensive income for the year	-	5 691 097	-	-	5 691 097	(10 572 592)	(4 878 961)	410 721	(4 468 239)

Issue of share capital net of costs	5,159,771	-	-	-	-	-	-	-	-
Warrants issued	-	-	-	22,025	22,025	-	22,025	-	22,025
Warrants exercised	-	-	-	(632,792)	(632,792)	632,792	-	-	-
Increase in investment	-	-	-	-	-	(525,367)	(525,367)	-	(525,367)
Total changes	5,159,771	5 691 097	-	(610,767)	5 080 330	(13,374,298)	(255 066)	410 721	188,190
Balance at 30 June 2017	87 674 940	(1 442 540)	23 184 000	1 336 583	23 078 043	(57 261 760)	53 491 223	2 867 039	56 358 262

Consolidated statement of cash flow for the year ended 30 June 2017

Figures in Sterling	2017	2016
Cash flows from operating activities	(160 100)	(688 883)
Cash used in operations	18 673	144 077
Interest income Finance costs	(384 935)	(13 418)
Net cash from operating activities	526 362	(558 224)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7 161 323)	(4 548 858)
Sale of property, plant and equipment	19 145	–
Purchase of other intangible assets	(37 685)	(4 239)
Net cash flow from disposal of discontinued operations	-	3 986 126
Decrease/(increase) in loans	555 159	(555 159)
Payments in advance for tailings	(1 179 220)	–
Net cash from investing activities	(7 803 924)	(1 122 130)
Cash flows from financing activities		
Net proceeds on share issues	5 159 771	5 865 560
Proceeds from other financial liabilities	(2 986 434)	(102 490)
Repayment of other financial liabilities	6 135 647	-
Net cash from financing activities	8 308 984	5 763 070
Total cash movement for the year	21 302	4 082 716
Total cash at the beginning of the year	4 414 908	360 829
Effect of exchange rate movement on cash balances	242 030	(28 637)
Total cash at end of the year	4 635 636	4 414 908

NOTES TO THE AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2017

1. Statement of accounting policies

The Group and Company results for the year ended 30 June 2017 have been prepared using the accounting policies applied by the Company in its 30 June 2016 annual report which are in accordance with International Financial Reporting Standards (IFRS and IFRC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU (IFRS, including the SAICA financial reporting guides as issued by the Accounting Practices Committee and the Companies Act 2006 (UK). They are presented in Pound Sterling.

This financial report does not include all notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements by Jubilee Platinum PLC after that date to the date of publication of these results.

All monetary information is presented in the functional currency of the Company being Great British Pound. The Group's principal accounting policies and assumptions have been applied consistently over the current and prior comparative financial period. The financial information for the year ended 30 June 2016 contained in this report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

2. Financial review

The Group reported a loss per share from continuing operations for the period under review, excluding impairments of intangible assets, of 0.25 pence (ZAR 4.27 cents) compared to a loss of 0.38 pence (ZAR 8.07 cents) for the comparative period. Impairment of intangible assets totaled GBP 8.47 million, net of tax, which if included equates to a group loss per share of 1.07 pence (ZAR 18.55 cents). The impairment relates to the Group's interest in its Nickel Tailings Project in Australia. Although the board expects to realise the value of the Nickel Tailings Project, the board felt it prudent to impair the asset until the legal impasse with BHP is resolved.

The Group managed to continue to tightly control costs. Total operating expenses from continued operations is down 26.69 % to GBP 3.44 million (ZAR 59.46 million) ((2016: GBP 4.69 million) (ZAR 81.06 million)).

Earnings per share for the year ended 30 June 2017 were as follows:	**2017**	**2016**
Basic loss for the year – continuing operations (£'000)	(10 570)	(3 412)
Basic loss for the year – discontinuing operations (£'000)	-	(283)
Total loss for the year (£'000)	(10 570)	(3 695)
Weighted average number of shares in issue ('000)	984 780	906 241
Loss per share – continuing operations (pence)	(1.07)	(0.38)
Loss per share – discontinuing operations (pence)	-	(0.03)
	(1.07)	(0.41)

Loss per share – continuing operations (ZAR cents)	(18.55)	(8.07)
Loss per share – discontinuing operations (ZAR cents)	-	(0.67)
	(18.55)	(8.74)

The Group reported a net asset value of 5.04 pence (ZAR 85.54 cents) (2016: 5.65 pence (ZAR 112.38 cents) per ordinary share. The total shares in issue as at 30 June 2017 were 1 118 360 942 (2016: 991 087 994). Refer to note 6 below for details of shares issued during the period under review.

3. Dividends

The Board did not declare any dividends for the period under review. (2016: Nil)

4. Auditor's review opinion

These results have been audited by the Group's auditors, Saffery Champness LLP and their report is available for inspection at the Company's registered office. A copy of the report is also attached to the back of this announcement as annexure 1.

5. Board

There were no changes to the board during the period under review and up to the date of this announcement.

6. Share capital

	30 June 2017	**30 June 2016**
Authorised		
The share capital of the Company is divided into an unlimited number of ordinary shares of 1 pence each.		
Issued		
Ordinary shares of 1 pence each (£)	11 183 609	9 910 872
Share premium (£)	76 491 331	72 604 297
Total issued capital (£)	87 674 940	82 515 169
Number of shares in issue		
Ordinary shares	1 118 360 942	991 087 194

The Company issued the following shares during the period and up to the date of this annual report:

Date	Number of shares	Issue price – Pence	Purpose of the issue
Opening balance	**991 087 194**		
21 November 2016	25 000 000	3.55	Warrants
21 November 2016	1 848 167	2.44	Director remuneration
23 January 2017	2 300 000	3.16	Warrants
31 January 2017	2 500 000	3.15975	Warrants
03 February 2017	10 550 581	3.23	Warrants
09 February 2017	2 500 000	3.15975	Warrants
14 February 2017	2 000 000	3.15975	Warrants
17 February 2017	2 000 000	3.15975	Warrants
22 February 2017	1 450 000	3.15975	Warrants
27 February 2017	625 000	2.0	Warrants
27 February 2017	500 000	2.5	Warrants
10 March 2017	10 000 000	4.725	Warrants
23 March 2017	66 000 000	5.0	Issue for cash
Closing balance at year-end	1 118 360 942		
Balance as at the last practicable date	**1 118 360 942**		

The Company did not issue any shares after year-end to the date of this report.
During the year transaction costs accounted for as a deduction from equity amounted to GBP 314 050.

At year-end and at the last practicable date the Company had the following warrants outstanding:

Number of warrants	Issue date	Subscription price pence	End of exercise period	Volatility %	Spot at Issue date pence
3 591 742	2015-08-12	4.750	2018-08-12	77.49	4.48
8 244 825	2016-03-23	4.725	2019-03-23	83.81	2.94
11,836,567					

The fair value of these warrants was determined using the Black-Scholes Valuation Model with the inputs illustrated in the table above. A risk free rate of 0.5 % were applied in the valuation. The company recognised a share-based payment charge against the share-based payment reserve in the amount of £22 025 (2016: £304 925) in accordance with section 610 (2) of the United Kingdom Companies Act 2006. This charge relates to equity placings successfully completed.

7. Business segments

In the opinion of the Directors, the continuing operations of the Group companies comprise of four reporting segments (including those reported on for the comparative period) being:

the beneficiation of Platinum Group Metals ("PGMs") and development of PGM smelters utilising exclusive commercialisation rights of the ConRoast smelting process, located in South Africa ("PGM beneficiation and development");

the evaluation of the reclamation and processing of sulphide nickel tailings at BHP Billiton's Leinster, Kambalda and Mount Keith properties in Australia (Nickel tailings);

the exploration and mining of Platinum Group Metals ("PGMs") (Exploration and mining);

the parent company operates a head office based in the United Kingdom, which incur certain administration and corporate costs.

The results of the discontinued operations comprise of two segments which have been combined into one segment referred to as Disposal Group being:

base metal smelting in South Africa; and

electricity generation in South Africa.

The Group's operations span five countries, South Africa, Australia, Madagascar, Mauritius and the United Kingdom. There is no difference between the accounting policies applied in the segment reporting and those applied in the Group financial statements. Mauritius and Madagascar do not meet the qualitative threshold under IFRS 8, consequently no separate reporting is provided.

Segment report for the year ended 30 June 2017

Figures in Sterling	**PGM beneficiation and development**	**Nickel tailings**	**Exploration and mining**	**Other operations**	**Total continuing operations**	**Disposal group**
Total revenues	(9 805 702)	-	-	-	(9 805 702)	-
Cost of sales	8 038 731	-	-	-	8 038 731	-
Forex losses	47 714	-	-	24 704	72 418	-
Loss before taxation	1 511 175	18 566 747	71 118	734 887	20 883 927	(461 728)
Taxation	250 303	(10 099 909)	-	-	(9 849 605)	-
Loss after taxation	1 761 478	8 466 838	71 118	734 887	11 034 322	(461 728)
Interest received	(11 609)	-	(760)	(6 304)	(18 673)	-
Interest paid	198 565	-	-	-	198 565	-
Depreciation, amortisation and impairments	1 108 866	18 554 683	15 901	-	19 679 451	
Total assets	24 149 529	15 131 292	26 524 677	3 440 910	69 246 408	
Total liabilities	(7 138 099)	(2 275 862)	(2 414 659)	(1 059 526)	(12 888 146)	

Segment report for the year ended 30 June 2016

Figures in Sterling	**PGM beneficiation and development**	**Nickel tailings**	**Exploration and mining**	**Other operations**	**Total continuing operations**	**Disposal group**
Total revenues	(1 127 880)	–	–	(346 041)	(1 473 921)	(1 420 145)
Cost of sales	589 290	–	–	19 019	608 309	682 365
Forex losses	(7 658)	–	–	77 571	69 913	–
Loss before taxation	787 554	10 711	16 174	2 784 748	3 599 187	276 660
Taxation	–	–	–	–	–	–
Loss after taxation	787 554	10 711	16 174	2 784 748	3 599 187	276 660
Interest received	(120 301)	–	(75)	(23 701)	(144 077)	(193)
Interest paid	5	–	–	13 413	13 417	–
Depreciation and amortisation	597 613	–	838	–	598 451	–
Total assets	14 004 569	31 666 391	23 626 458	3 797 622	73 095 339	–
Total liabilities	(2 904 304)	(9 656 474)	(3 885 972)	(478 516)	(16 925 267)	–

8. Going concern

The Directors have adopted the going-concern basis in preparing the financial statements.

The period under review was transformational for the Jubilee Group of companies and it has continued to successfully implement its Metals Recovery Strategy which is advancing at an encouraging pace and the Board is confident that the Group can make further acquisitions to complement its existing projects and extend its brand and capabilities into other global surface projects.

The objectives of Jubilee's Metals Recovery Strategy are threefold:
Secure low risk, low capital intensive, long-term commodity production from mine waste at an attractive point on the global cost curve by using advanced, environmentally sustainable metal recovery techniques;

Diversify across multiple commodities including platinum, cobalt, copper and gold to hedge income risk and to align with global trends; and

Rehabilitate the adverse footprint left by legacy mining in accordance with International Environmental Standards.

The field of extractive metallurgy has made substantial technological progress in the last 10 years increasing the ability to profitably re-process materials that contain metals and minerals missed by the initial recovery path. For several years now, Jubilee has developed successful proprietary processing techniques to optimise metal recovery in an environmentally friendly and sustainable manner for many companies including large blue-chip mining houses. Jubilee Processing is well positioned to capitalise on its in-house expertise to become a global leader in this field.

On 9 August 2017, Jubilee secured a project funding structure, provided by RiverFort Capital Group Limited ("RiverFort"), which is modelled on the successful Hernic platinum and chrome recovery project which was also financed through RiverFort.

The key features of the Agreement are:
Funding will be provided at project-level directly to the Jubilee project subsidiary by RiverFort

USD 50 million pre-approved debt funding targeting multiple surface based metal recovery projects based on established individual project criteria

The funding commitment is for an initial 33-month period with the flexibility for mutual extension

In recognition of the funding commitment, RiverFort has been granted the right to exercise a 2.5 % maximum preference equity stake in the subsidiary Jubilee Processing

As previously announced on 31 March 2016, the remaining purchase consideration of the Middelburg Disposal was calculated at approximately GBP 0.39 million (ZAR 8.90 million) net of closing adjustments including stock and supplier adjustments. The final settlement amount of GBP 0.46 million (ZAR 7.40 million) has been received by Jubilee in March 2017. These proceeds strengthened the Group's cash flow and its ability to fund its projects.

During March 2017 the Company successfully completed a placing of 66 000 000 new ordinary shares of 1 pence each ("Ordinary Shares") in Jubilee (the "Placing Shares") at a price of 5.0 pence (ZAR 78.70

cents) per share to raise approximately GBP 3.30 million before expenses (ZAR 51.90 million at current conversion rates).

The Directors are of the opinion that the Group and Company are funded sufficiently to enable it to continue with its operations as a going concern.

9. Events after the reporting period

9.1 PlatCro Platinum and Chrome Tailings Project (“PlatCro project”)

Post the period under review the Company executed a Framework and Processing of Tailings Agreement (“the Agreement”) with PlatCro in March 2017 for the acquisition of new platinum, palladium, rhodium and gold (“4E PGMs”) bearing surface material existing at PlatCro as well as all future surface material at PlatCro. The existing surface material is estimated at 1 250 000 tonnes with an estimated grade of 2.7 g/t 4E PGMs. This ensured Jubilee the sole right to future earnings from the platinum bearing material.

The PlatCro project will target a processing rate of 25 000 tonnes per month to complement Jubilee’s surface tailings platinum production by a further 14 200 ounces of PGMs per annum. This projects a total production target at stable operations of approximately 50 000 ounces of PGMs per annum for Jubilee from all its surface tailings and 3rd party ore projects.

Under the Agreement Jubilee will acquire the existing material for a total consideration of GBP 3.13 (ZAR 50.00) per tonne of surface material remaining after on-going further recovery of residual chromite by PlatCro. Approximately 79 % of the material is estimated to remain following chromite removal, which equates to a 4E PGM acquisition value of GBP 3.50 million (ZAR 55.40 million).

The Agreement allows for a two-stage payment over an estimated three month period following the conclusion of the Agreement. Future material will be acquired at a value of GBP 3.13 (ZAR 50.00) per tonne of material post chromite removal. The surface material is located within trucking distance of Jubilee’s 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.

On 9 May 2017 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 final payment for the existing surface PGMs is subject to the completion of the surface drill programme and receiving regulatory approval to commence with the processing of the PGMs. The first payment was recognised in the statement of financial position as a prepayment until such time as the necessary conditions have been met. On 31 July 2017 Jubilee notified PlatCro that it has undertaken and completed a survey of the dam as provided for in the Agreement.

9.2 Project funding secured

On 9 August 2017, Jubilee secured a USD50 million project funding structure, provided by RiverFort Capital Group Limited (“RiverFort”), which is modelled on the successful Hernic platinum and chrome recovery project which was also financed through RiverFort.

10. Contingencies and commitments

Other than disclosed below, there are no material contingent assets or liabilities as at 30 June 2017.

10.1 PlatCro Platinum and Chrome Tailings Project ("PlatCro project")

Jubilee executed a framework and processing of tailings agreement ("the Agreement") with PlatCro Proprietary Limited ("PlatCro"). The Agreement provides for the acquisition of the platinum, palladium, rhodium and gold ("4E"or "PGMs") contained in the existing surface material as well as all future material at the PlatCro. Existing surface material is estimated to be 1.25 million tonnes at an estimated grade of 2.7 g/t 4E PGMs. On 9 May 2017 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 of which the first payment equates to approximately 50 % of the acquisition value. The final payment for the existing surface PGMs is subject to the completion of the surface drill programme and receiving regulatory approval to commence with the processing of the PGMs. The first payment was recognised in the statement of financial position as a prepayment until such time as the necessary conditions have been met. On 31 July 2017 Jubilee notified PlatCro that it has undertaken and completed a survey of the dam as provided for in the Agreement. As at the period end Jubilee recognised the first payment of the acquisition value as a prepayment in an amount of GBP 1.16 million (ZAR 20 million).

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Annexure 1

Jubilee Platinum Plc

Independent auditors' report to the members

Opinion

We have audited the financial statements of Jubilee Platinum Plc for the year ended 30 June 2017 which comprise the Consolidated and Company Statements of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash flows and notes to the financial statements, including a summary of significant accounting policies set out on pages 30 to 71. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

In our opinion, the financial statements:

give a true and fair view of the state of affairs of the Group and of the parent company as at 30 June 2017 and of their losses for the period then ended;

have been properly prepared in accordance with IFRS as adopted by the European Union; and

have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Carrying value of intangible assets The carrying value of intangible assets included in the Group's balance sheet at 31 December 2017 was stated at £48.2m, contained within 3 cash generating units ("CGUs"). The Directors assess at each reporting period end whether there is any indication that an asset may be impaired and intangible assets with an indefinite life must be tested for impairment on an annual basis. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose, requires judgement on the part of management in both identifying and then valuing the relevant CGUs, especially for projects where the there is an uncertain timeframe. Deferred tax liabilities are recognised on certain intangible assets following business combinations and these liabilities are re-evaluated at each reporting period end. Any impairment in these CGUs could lead to subsequent impairments in the parent company investments in subsidiaries or intercompany loans to	Our audit procedures included the following: Assessing the methodology used by the Directors to calculate recoverable amounts and evaluated if it complies with the requirements of IAS 36; Assessing the viability of the platinum group elements ("PGE") exploration asset by analysing future projected cash flows used in the value in use calculations for the CGU to determine whether the assumptions used in projecting the cash flows are reasonable and supportable given the current macroeconomic climate; Performing sensitivity analysis on key assumptions and testing the mathematical accuracy of models; Comparing foreign exchange rates used in management's calculations against third party sources; Understanding the commercial prospects of the assets, and where possible comparison of assumptions with external data sources;

these subsidiaries. Due to the significance of the intangible assets to the consolidated financial statements, the significant judgements involved in these calculations and the potential impact to parent company investments and intercompany loans, the carrying value of intangible assets is a key audit matter.	Reviewing correspondence and other sources for evidence of impairment; Reviewing the recoverability of intercompany loans within the parent company and indicators of impairment in investments in subsidiaries; Assessing the appropriateness and completeness of the related disclosures in note 8, *intangible assets, of the group financial statements*; and Recalculating the deferred tax liability relating to specific intangible assets and assessing applicable tax rates. Based on our procedures, we noted no material exceptions and considered management's key assumptions to be within reasonable ranges.
Key audit matter	**How our audit addressed the key audit matter**
Revenue recognition Revenue for the year was £9.8m, representing a significant increase on 2016. Additionally, this is the first year of production at Hernic, leading to the recognition of revenue from platinum group metals ("PGM") concentrate sales as well as chromite concentrate. As required by IFRS as adopted by the European Union, an entity is required to recognise revenue at the fair value of the consideration received or receivable when the following conditions have been satisfied: the entity has transferred to the buyer the significant risks and rewards of ownership of the goods; the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the	Our audit procedures included the following: Evaluating the Group's revenue recognition policy and management's current year accounting assessment for the fair value of consideration receivable; Confirming the implementation of the Group's policy to both PGM concentrate sales at Hernic and chromite concentrate sales at DCM by performing tests to confirm our understanding of the process by which revenue is calculated; Confirming that fair value measurements are determined in accordance with IFRS 13; • Comparing foreign exchange rates used in management's calculations; Substantive tests agreeing concentrates to weighbridge tickets and underlying calculations to terms

transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably. For the sale of chromite concentrate and PGM concentrate, revenue is initially recognised at the fair value of the consideration receivable, which is an estimate of the final sales price (see note 1.11, *revenue recognition accounting policy*, for the full revenue recognition policy). Due to the significance of revenue to the consolidated financial statements, the judgement involved in estimating consideration receivable and this being the first year of revenue generated at the Hernic project, revenue recognition is a key audit matter.	stipulated in individual customer contracts ; and Assessing the appropriateness of the related disclosures in notes 1.1 and 3, *revenue recognition accounting policy* and *revenue split by commodity*, of the group financial statements. Based on our procedures, we noted no material exceptions and considered management's key assumptions to be within reasonable ranges. We consider that revenue recognition has been recognised appropriately and is in accordance with the Group's revenue recognition policy.

Key audit matter	How our audit addressed the key audit matter
Accounting for project finance raised in the year The carrying value of project finance liabilities at 30 June 2017 was £3.8m. Funding was raised in the year to finance the construction and working capital of the Hernic project. These borrowings are required to be held at amortised cost under IAS 39. Additionally, when the conditions for borrowing costs to be capitalised are met these are required to be capitalised in accordance with IAS 23. Due to the introduction of new, and significant, liabilities during the year, together with the requirement to capitalise certain elements of borrowing costs, accounting for project finance is a key audit matter.	Our audit procedures included the following: Reviewing loan agreements to determine all individual cash flows necessary to calculate the effective interest rate required to hold the loans at amortised cost; Recalculating the effective interest rate and the total liability as at 30 June 2017; Reviewing loan agreements and other third party evidence to determine when the conditions under IAS 23 where met to commence and cease capitalisation of borrowing costs; Recalculating the borrowing costs required to be capitalised during the year;

	Comparing foreign exchange rates used in management's calculations; and Assessing the appropriateness and completeness of the related disclosures in notes 19 and 21, *other financial liabilities and financial instruments*. Based on our procedures, we noted no material exceptions and considered that disclosures relating to project finance have been made appropriately.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider a misstatement to be material where it could reasonably be expected to influence the economic decisions of the users of the financial statements.

We have determined a materiality of £620,000 (2016: £500,000) for both the Group and Company financial statements. This is based on 1% of net assets prior to audit.

An overview of the scope of our audit

We tailored the scope of our audit to ensure that we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls and the industry in which the Group operates.

As Group auditors we carried out the audit of the Company financial statements and, in accordance with ISA 600, obtained sufficient evidence regarding the audit of seven subsidiaries undertaken by component auditors in South Africa and Australia. These seven subsidiaries were deemed to be significant to the Group financial statements either due to their size or their risk characteristics. The Group audit team directed, supervised and reviewed the work of the component auditors in South Africa and Australia, which involved issuing detailed instructions, holding regular discussions with component audit teams, performing detailed file reviews and visiting South Africa to attend local audit meetings with management. Audit work in South Africa and Australia was performed at materiality levels of £100,000, lower than Group materiality.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of Directors' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 20, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

…………………………………..

Andrew Gaskell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

9 November 2017

Annexure 2 - Headline earnings per share

Accounting policy

Headline earnings per share (HEPS) is calculated using the weighted average number of shares in issue during the period under review and is based on earnings attributable to ordinary shareholders, after excluding those items as required by Circular 2/2013 issued by the South African Institute of Chartered Accountants (SAICA).

	30 June 2017	30 June 2016
Headline loss per share comprises the following:		
Continuing operations		
Loss from continuing operations for the period attributable to ordinary shareholders	**(10 570)**	(3 412)
Impairment of other financial assets net of tax	**8 522**	856
Loss on sale of property plant and equipment	**-**	1
Loss on exchange differences	**72**	81

Headline loss from continuing operations	**(1 976)**	(2 474)
Weighted average number of shares in issue	**984 780**	906 241
Headline loss per share from continuing operations (pence)	**(1.07)**	(0.27)
Headline loss per share from continuing operations (ZAR cents)	**(18.55)**	(5.85)
Discontinued operations		
Loss from discontinued operations for the period attributable to ordinary	-	(283)
Headline loss from discontinued operations	-	(283)
Weighted average number of shares in issue	**984 780**	906 241
Headline loss per share from discontinued operations (pence)	-	(0.03)
Headline loss per share from discontinued operations (ZAR cents)	-	(0.67)
Average conversion rate used for the period under review £:ZAR	**0.05786**	0.04667

United Kingdom

10 November 2017

Sponsor: Sasfin Capital (a member of the Sasfin group)