



[Jubilee Platinum PLC](#) - JLP

# Shareholder update

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Jubilee Platinum PLC  
("Jubilee" or "Company")

## Shareholder update

Jubilee, the AIM-quoted and AltX-listed Mine-to-Metal's specialist, is pleased to provide a Shareholder Update following previous announcements and the live webcast held on 19 January 2016.

### Highlights

- **Erection of ASA Metals processing plant ("Plant") completed**
- **Commissioning of the Plant targeted during February 2016**
- **Pre-site work programme for the Hernic Tailings project ("Project") on schedule and Project commissioning remains on track for Q4 2016**
- **Annualised processing capacity in excess of 900 000 tons from the two platinum surface tailings projects ("Platinum Projects") targeted for commissioning in 2016**
- **Company continues to explore potential acquisition of further platinum surface projects**

### ASA Tailings Project

Further to the announcement on 15 December 2015, Jubilee has progressed the construction and erection of its chrome plant at ASA Metals. The major plant process components, following the successful trial assembly at the manufacturer, were delivered to the ASA site in February 2016 and have been erected. The final tie-ins for piping, electrics and controls are being completed with commissioning slated before end February 2016 and ramping up to full production during March 2016. Jubilee has been able to remain on track despite rain delays during the construction phase. Shareholders are directed to the Company website for a picture library of the project.

### Hernic Tailings Project

The fast-tracked Hernic project is progressing to schedule with commissioning of the 55 000 tons per month processing plant remaining on track for Q4 2016.

Hernic's contractual activities in the Project, in terms of the Co-operation Agreement executed in 2015, including site preparation, the provision of services and the pre-commissioning of their on-site coarse chrome recovery plant are well on schedule: this includes the surface levelling, soil preparation and geo technical testing of the site foundation for the fine chrome recovery section and the PGM recovery plant to be provided by Jubilee.

The Company has, through its subsidiary Braemore Precious Metals Refiners Proprietary Limited together with its engineering consultant confirmed final offers for the long lead project process items including the vertical tower fine grind mill and the large flotation cells. These final quotes are under review and the selection and appointment of preferred contractors is to be completed over the next week.

#### Other Opportunities

The Company continues to actively pursue further surface platinum opportunities on the back of securing successfully both the ASA Metals and Hernic projects, and has in-line with this target commissioned a study to determine a process strategy for an identified further 500 000 tonnes of similar surface material. The Company seeks to further increase its current estimated 4 000 000 tonnes of platinum containing surface material at the Hernic and ASA tailings projects.

#### Disposal of Middelburg operations

The Company announced on 9 October 2015, the disposal of 100% of the issued shares in Jubilee Smelting and Refining Proprietary Limited ("JSR"), and 70% of the issued shares in Power Alt Proprietary Limited ("PA") ("Disposal"), to Siyanda Resources Proprietary Limited ("Siyanda") through its newly named nominated special purpose vehicle Hornbill Investments Proprietary Limited ("SPV") and receipt of 85% of the purchase consideration in cash ("First Payment"). 10% of the remaining 15% of the purchase consideration is held in escrow in an approximated amount of GBP0.390 million (ZAR8.9 million), net of closing adjustments including stock and supplier adjustments. This amount was due by the SPV to Jubilee following the expiry of the first warranty period on 31 December 2015 (90 days after the closing date of 30 September 2015). Payment has however not yet been made and Jubilee has taken the necessary steps to expedite payment. The remaining 5% is due for release 12 months after the closing date, being 30 September 2016.

#### Tjate mining right application

The Company has received formal confirmation from the Department of Mineral Resources ("DMR") that the mining right application has progressed. We remain in contact with the DMR to continue expediting the process.

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About ASA

Pollux Investment Holdings Pty Ltd ("Pollux"), a wholly owned subsidiary of Jubilee, holds the exclusive rights to beneficiate the platinum group metals ("PGM's") from the platinum-containing surface material at ASA Metals Proprietary Limited ("ASA") ("DCM Platinum Project, Processing Agreement").

The Company has targeted the construction of a New Processing Plant for the recovery of chrome and PGMs capable of processing up to 35 000 tons of surface material per month. The Company executed an addendum to the Processing Agreement ("Addendum"), whereby the Company is incentivised to accelerate the construction and commissioning of the New Processing Plant by targeting commencement of commissioning of the front end of the New Processing Plant early 2016. The Addendum significantly enhances and expedites the projected profitability of the project since both the chrome concentrate and platinum containing concentrate will now contribute to the overall profitability of the DCM Platinum Project. The Project is the first of the Company's Platinum Projects.

#### About Hernic

The Company was selected as the exclusive party to beneficiate the chromite and PGMs contained in the Hernic Surface Material and addresses the Project execution methodology as well as the operational and financial performance targets. Hernic is the world's 4th largest integrated ferrochrome producer with an estimated 3 million tons of platinum containing material at surface while Hernic continues to add further material to the surface stock. The Project is the second of the Company's Platinum Projects

The Hernic Surface Material has been independently fully drilled and assayed for chrome and PGM content. This has resulted in an independent resource statement of 1.7 million tons, of which approximately 90% of the resource is classified in the measured category under the internationally recognised SAMREC code. Hernic also has access to secondary surface stocks, which it has internally identified and could increase the surface stocks to in excess of 3million tons through further drilling programs. The total Project is estimated to contain PGM ounces in excess of 224 000 (3PGM + Au) oz.

The Project will be the largest PGM beneficiation plant of surface chrome tailings in South Africa capable of producing annual revenues of GBP18.2 million (ZAR400 million) at an average metal basket price of USD906 per (3PGM + Au) oz. The financial and operational risks of the Project are significantly mitigated since the material is already at surface and requires neither the cost nor the risk associated with mining.

An extensive prefeasibility study has been concluded on the Project, which included both pilot scale and full commercial scale trials to confirm the design and operational parameters.

The Project is to be undertaken in four phases over an 11 month period; namely

- Phase one- Bankable Feasibility Study and Engineering Design. Completed.
- Phase two- Construction of the chrome and platinum processing plant ("Processing Plant").
- Phase three - Commissioning and Ramp up of Processing Plant to design capacity of 55 000 tons per month.
- Phase Four- Stable operation of the Processing Plant.

The Company has targeted a combined processing of platinum containing surface material over the two projects in excess of 900 000 tons per annum.

As previously announced, the Company has received funding terms from a major financial institution which has received credit approval for the debt element of the project financing required to bring its Platinum Projects into operation. The size of the ZAR based debt funding for both surface projects equates to GBP11.5 million (ZAR255 million) before financing costs. The working capital required to bring the Platinum Surface Projects into operation and to achieve positive earnings is estimated at GBP3.4 million (ZAR75 million).

This information is provided by RNS

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