



Jubilee Metals Group PLC - JLP

## UNAUDITED INTERIM RESULTS 31 DECEMBER 2017

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Jubilee Metals Group PLC

07 March 2018

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

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**7 March 2018**

### **UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**

Jubilee announces its unaudited interim results of the Group for the six months ended 31 December 2017.

#### **HIGHLIGHTS**

##### **Financial highlights**

- Jubilee Group delivers increased positive earnings before non-cash operating expenses and interest for the period of GBP 1.54 million (ZAR 27.20 million)<sup>(i)</sup> (2016: loss of GBP 0.23 million (ZAR 4.06 million))
- Gross profit up 161.53% to GBP 2.37 million (ZAR 41.85 million) (2016: GBP 0.91 million (ZAR 16.20 million))
- Revenue up 23.51% to GBP 5.99 million (ZAR 105.80 million) (2016: GBP 4.85 million (ZAR 86.80 million))
- Capital investment in surface processing projects totals GBP 14.07 million (ZAR 248.50 million) (2016: GBP 11.18 million (ZAR 190.02 million))
- Loss (including non-cash expenses and interest) per share for the period reduced by 51.92% to 0.025 pence (ZAR 44.15 cents) (2016: loss 0.052 pence (ZAR 95 cents))

- (i) Conversion rates used for revenue and earnings are at the average conversion rate for the period and for conversion rates used for capital expenditure are at the spot rate at period end and current spot rate for capital expenditure post the period end

## Operations and Projects highlights

### Hernic Ferro Chrome Platinum and Chrome Tailings Operation (“Hernic operations”)

- PGM<sup>(i)</sup> production of 6 629 ounces<sup>(ii)</sup> following commissioning in March 2017, for the period under review
- Unit cost per PGM ounce produced achieving record low of USD382 in Q4, one of the lowest cost platinum producers in the industry
- Hernic project revenue for the period under review GBP 3.59 million (ZAR 63.59 million)
- Operational earnings for the period under review GBP 1.46 million (ZAR 26.06 million)
- Total capital expenditure on the Hernic project to 31 December 2017 totalled GBP 12.94 million (ZAR 228.53 million)
- PGM production of 2 949 ounces for the first two months of Q1 2018

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

(ii) = No comparative information available as the plant was commissioned 29 March 2017.

### Dilokong Chrome Mine Platinum and Chrome Tailings Operation (“DCM operation”)

- 26 922 tonnes (2016: 45 956 tonnes) of saleable chromite concentrate for the period under review
- DCM operational earnings attributable to Jubilee for the period under review GBP 0.61 million (ZAR 10.79 million) (2016: GBP 0.96 million (ZAR 16.87 million))
- Jubilee announces decision to construct dedicated PGM recovery plant at DCM operation

Chief Executive Leon Coetzer commented:

*“It is with great pride that I present these results for the 6 months ended December 2017. It reflects a period during which Jubilee can proudly claim its position as one of the lowest cost producers of platinum and chrome in the industry, while the Jubilee Group delivers positive cash earnings.*

*The Jubilee team has demonstrated their commitment to excellence by delivering the Hernic project in time and on-budget and ramping up the project to already achieve a unit cost per PGM ounce produced of only USD 382. These numbers demonstrate the return on investment offered by Jubilee’s strategy for metals recovery from surface waste and stockpiles.*

*Jubilee’s project pipe-line includes further surface projects containing platinum and chrome and we have expanded our reach into Zambia by securing a position in the surface lead, zinc and vanadium project at Kabwe. We are actively pursuing further potential projects to include further metals such as cobalt and copper into our pipeline.*

*I look forward to continuing to build on our current performance in the year and simultaneously executing our exciting surface project pipeline.”*

## INTERIM PERIOD OVERVIEW

The objectives of Jubilee's metals recovery strategy are three-fold:

- Secure low risk, low capital intensive, long-term commodity production at an attractive point on the global cost curve from mine waste by using advanced environmentally sustainable metal recovery techniques. This ensures a much lower cost entry point to produce metals compared to traditional mining;
- Diversify across multiple commodities and in different countries including platinum, chrome, cobalt, copper, zinc, lead, vanadium and gold to hedge income risk and to align with global trends; and
- Rehabilitate the adverse footprint left by legacy mining in accordance with acceptable International Environmental Standards.

### Hernic – South Africa

Jubilee operates a chrome and platinum recovery plant at Hernic's ferrochrome mine in South Africa.

The Hernic project continued to deliver significant operational improvements quarter-on-quarter following the commissioning and first production in March 2017. The improvements are in line with the ramp-up and operational optimisation phase on the project. The project achieved a unit cost per PGM ounce produced of USD 382, which makes the operation one of the lowest cost platinum producers in the industry.

Capital expenditure on the Hernic project totalled GBP 12.94 million (ZAR 228.53 million). Overall debt incurred towards the construction and commissioning of the project has to date reduced to GBP 1.83 million (72.50% reduction).

The table below presents the performance of the Hernic operation for the period under review. The project has already produced 2 949 PGM ounces for the months of January and February 2018 despite the down time during January 2018 caused by the tailings dam spillage as previously announced.

No comparative information is available as the project was commissioned in March 2017:

	Tailings processed tonnes	PGM ounces delivered	Project revenue <sup>(i)</sup> (GBP'000)	Project revenue <sup>(ii)</sup> (ZAR'000)	Project earnings <sup>(iii)</sup> (GBP'000)	Project earnings (ZAR'000)	Jubilee attributable earnings (GBP'000)	Jubilee attributable earnings (ZAR'000)	Unit cost / PGM oz (USD)
<b>Total Q3 2017</b>	<b>105 673</b>	<b>2 874</b>	<b>1.539</b>	<b>26.581</b>	<b>496</b>	<b>8.592</b>	<b>496</b>	<b>8.592</b>	<b>476</b>
<b>Total Q4 2017</b>	<b>121 644</b>	<b>3 755</b>	<b>2.047</b>	<b>37.011</b>	<b>965</b>	<b>17.466</b>	<b>965</b>	<b>17.466</b>	<b>382</b>
<b>Total 2017</b>	<b>227 317</b>	<b>6 629</b>	<b>3.586</b>	<b>63.592</b>	<b>1 461</b>	<b>26.058</b>	<b>1 461</b>	<b>26.058</b>	<b>423</b>

Project Summary	Revenue / PGM oz (USD)	Unit cost / PGM oz (USD)	Earnings / PGM oz (USD)
<b>Q4 2017</b>	<b>724</b>	<b>382</b>	<b>342</b>

(i)= 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

(ii)= Average monthly conversion rates used

(iii)= Project Earnings include all incurred operational costs including management services and mineral royalties

## DCM – South Africa

Further to previous announcements, completion of the necessary process upgrades at DCM allowed for a more flexible operation to expand the processing of 3<sup>rd</sup> party material. Operational efficiency enhancements developed by the Company's in-house technical teams, were also implemented during the period under review. The DCM operational performance was affected in Q4 by a significant plant upgrade of the chrome recovery circuit. The plant upgrade was to further increase both the operational flexibility of the chrome recovery circuit as well as the crushing capacity for the processing of 3<sup>rd</sup> party run-of-mine material ("ROM"). The improved processing flexibility was required to compensate for the increased feed variance introduced by the processing of 3<sup>rd</sup> party ROM.

During the period under review, and in an ongoing co-operation with DCM, the Company executed a framework treatment of tailings and chrome ore agreement with DCM ("Framework Agreement") and a 3<sup>rd</sup> party ore agreement for the toll-refining of ROM chrome ore ("ROM Ore Agreement").

The Framework Agreement cancelled and superseded all existing agreements in respect of chrome processing and PGM recovery at DCM. The Framework Agreement transformed Jubilee's DCM operations as an equal joint venture with DCM, on all chrome ore including 3<sup>rd</sup> party chrome ore. The Framework Agreement now affords Jubilee the right to 50% of all earnings generated from the processing of chrome ore. This compares with the Company previously holding no rights to chrome earnings at the outset of the DCM project. The Framework Agreement further secured Jubilee's unencumbered PGM rights from all material processed at DCM irrespective of source.

The platinum processing options for the PGM material after the chromite recovery were reviewed following a detailed test programme and the preferred option now is an owner-build/operate stand-alone PGM-recovery plant at DCM. Construction of the PGM-recovery plant is expected to commence in 2018.

The table below presents the operational performance of the DCM operation for the period under review and below that the operational performance for the comparative period:

	Chromite concentrate produced Tonnes	Project revenue (GBP'000)	Project revenue <sup>(i)</sup> (ZAR'000)	Jubilee attributable earnings <sup>(ii)</sup> (GBP'000)	Jubilee attributable earnings (ZAR'000)
<b>Total Q3 2017</b>	<b>15 134</b>	<b>1.129</b>	<b>19.526</b>	<b>356</b>	<b>6.139</b>
<b>Total Q4 2017</b>	<b>11 788</b>	<b>1.254</b>	<b>22.858</b>	<b>254</b>	<b>4.654</b>
<b>Total 2017</b>	<b>26 922</b>	<b>2.383</b>	<b>42.384</b>	<b>610</b>	<b>10.793</b>

	Chromite concentrate produced Tonnes	Project revenue (GBP'000)	Project revenue <sup>(i)</sup> (ZAR'000)	Jubilee attributable earnings <sup>(ii)</sup> (GBP'000)	Jubilee attributable earnings (ZAR'000)
<b>Total Q3 2016</b>	<b>26 848</b>	<b>2.141</b>	<b>38.368</b>	<b>587</b>	<b>10.505</b>
<b>Total Q4 2016</b>	<b>19 108</b>	<b>2.642</b>	<b>45.714</b>	<b>368</b>	<b>6.367</b>
<b>Total 2016</b>	<b>45 956</b>	<b>4.783</b>	<b>84.082</b>	<b>955</b>	<b>16.872</b>

(i)= Average monthly conversion rates used

(ii) = Project earnings include project expenditure on plant and equipment

## **Kabwe Project - Zambia**

Jubilee entered into a joint venture agreement with BMR Group PLC (“BMR”) to execute its Kabwe surface processing project, which targets the recovery of lead, zinc and vanadium from historical surface mine tailings and discards in Zambia. This transaction extended Jubilee’s reach beyond the borders of South Africa into both PGMs and base metals, thus leveraging off its in-house metallurgical skill, project execution track record and operational performance.

The Kabwe Project comprises an estimated 6.4 million tonnes (3.2 million JORC compliant) of surface assets.

Jubilee's due diligence of the Kabwe Project has confirmed the Company's understanding on the quantity and quality of the surface stockpiles, tailings and underground resources. Initial test work by Jubilee has also confirmed that the material leaches in a satisfactory manner. The Company has also assisted in the determination and confirmation of the optimal metal extraction process.

The second round of leach tests were concluded the result, which confirmed the high recoverability of the lead, zinc and vanadium contained in the surface resource as well asset grade predictions. Following these results, Jubilee advised BMR of its intention to exercise its option to earn a 40% interest in the Kabwe Project. This will enable 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). Exercising of this option is subject only to final documentation against previously agreed binding commercial and material terms.

Jubilee and BMR have agreed under the joint venture agreement to extend the date for the fulfilment of all conditions precedent from the 28th of February 2018 to the 31st of March 2018 (“the Long Stop Date”). The extension of the Long Stop Date is to allow BMR and the Kabwe Project to remedy the revocation of its current small scale mining licence. BMR has submitted a notice of appeal against the revocation to the Zambian Mining Ministry and Jubilee will continue to engage with the Zambian Mining Ministry to assist BMR in resolving this matter.

## **PlatCro Platinum Project**

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.

The PlatCro project executed in March 2017, targets a processing rate of 25 000 tonnes per month to complement Jubilee’s surface tailings platinum production by a further 14 200 ounces of 4E PGMs per annum.

The Company commenced metallurgical test work on the PlatCro material in order to optimise the process flowsheet and incorporate a flexible design for processing either in a stand-alone plant or utilising processing capacity within an existing operation. This work is scheduled for completion during the second half of 2018.

## **Project Pipeline**

Jubilee has continued to develop both in-house and in-partnership successful proprietary processing solutions, which optimise metal recovery from waste in an environmentally friendly and sustainable manner, targeting both platinum group metals and base metals. These proprietary processes are at the core of Jubilee's processing successes.

On 9 August 2017, Jubilee secured a project funding structure of USD 50 million pre-approved debt funding, targeting multiple surface-based metal recovery projects based on established individual project criteria.

Jubilee now holds a project portfolio comprising 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

Jubilee is well positioned to secure a significant position in the global metals recovery market as it continues to refine its project execution schedule for various targeted pipeline surface processing projects. These pipe-line projects offer significant growth potential in the short term and we are actively in discussions to secure further such surface projects.

### **Change of Name**

At the Company's annual general meeting held on 4 December 2017, shareholders approved a change of the Company's name to Jubilee Metals Group PLC, with effect 15 December 2017. The change better reflects the Company's increasingly wider focus on metals other than PGMs and chrome.

### **Chairman's statement**

Dear Shareholder,

The period under review has been very active with the ramping up of the Herculite operation. The activity has included technical modification, optimisation and rationalisation of process routes. The outcome of this work has been month-on-month improvement in production, productivity and financial returns. PGM production at Herculite reached 6 629 ounces for the period under review, and 2 949 ounces to date for Q1 of 2018.

The Dilokong operation has advanced very satisfactorily and is a mature provider of operational cash flow.

The Company acquired an interest in the lead, zinc and vanadium tailings project from BMR Group PLC ("BMR"), which was announced on 23 October 2017. The project is in Kabwe, Zambia. During the period under review we have interrogated all raw data received on the project. Following this review period, on 6 February 2018, we advised BMR that we intend to exercise our option to earn a 40% interest in BMR's Kabwe project.

The Company is now moving towards developing the optimal flow sheet to extract the various metals. On 19 January 2018 the Company acquired a 29.01% interest in BMR.

Throughout the period under review and to date we have continued our new business activities and are at an advanced stage with a number of projects, any of which could substantially add to the income generating capacity of the Company and its overall value.

We are committed to our stated mission of taking our brand into other commodities and other countries and Kabwe is the first mover in this fast track mission.

Colin Bird  
Non-Executive Chairman

## **UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**

### **Consolidated Statement of Comprehensive Income for the six months ended 31 December 2017**

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>Group</i>	<i>Group</i>	<i>Group</i>
	<i>6 months</i>	<i>6 months</i>	<i>12 months</i>
	<i>ended 31</i>	<i>ended 31</i>	<i>ended 30</i>
	<i>December</i>	<i>December</i>	<i>June</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>
	<i>GBP '000</i>	<i>GBP '000</i>	<i>GBP '000</i>
Revenue – operations	5 992	4 851	9 806
Cost of sales – operations	(3 623)	(3 945)	(8 039)
<b>Gross profit - operations</b>	<b>2 369</b>	<b>906</b>	<b>1 767</b>
Operating costs – cash items	(834)	(1 137)	(2 308)
<b>Profit/(loss) before non-cash operating expenses and interest</b>	<b>1 535</b>	<b>(233)</b>	<b>(541)</b>
Operating costs – including depreciation and share based payments	(1 802)	(348)	(1 131)
<b>Loss before taxation and interest</b>	<b>(267)</b>	<b>(581)</b>	<b>(1 672)</b>
Other income	25	92	-
Impairment of intangible assets	-	-	(18 571)
Investment income	8	4	19
Finance costs	(204)	(42)	(199)
Loss before taxation	(438)	(527)	(20 423)
Taxation	-	-	9 850
<b>Loss for the period</b>	<b>(438)</b>	<b>(527)</b>	<b>(10 573)</b>
<b>Other comprehensive income</b>			
- Profit on translation of foreign subsidiaries	367	5 764	6 104
<b>Total comprehensive (loss)/profit</b>	<b>(71)</b>	<b>5 237</b>	<b>(4 468)</b>
<b>Attributable to:</b>			
<b>Owners of the parent:</b>			
Loss for the period attributable to owners of the parent	(283)	(515)	(10 570)
<b>Non-controlling interest</b>			
Loss for the period – non controlling interest	(155)	(12)	(3)
Loss for the period	(438)	(527)	(10 573)
<b>Total comprehensive loss attributable to:</b>			
Owners of the parent	50	5 244	(4 879)
Non-controlling interest	(121)	(7)	411
	(71)	5 237	(4 468)
Weighted average number of shares	1 118 361	994 765	984 780
Loss per share (pence)	(0.025)	(0.052)	(1.073)

**Consolidated Statement of Financial Position as at 31 December 2017**

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>Group</i>	<i>Group</i>	<i>Group</i>
	<i>6 months</i>	<i>6 months</i>	<i>12 months</i>
	<i>as at 31</i>	<i>as at 31</i>	<i>as at 30</i>
	<i>December</i>	<i>December</i>	<i>June</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>
	<i>GBP '000</i>	<i>GBP '000</i>	<i>GBP '000</i>
<b>Assets</b>			
Non-current assets			
Property, plant and equipment	12 322	10 838	13 161
Intangible assets	47 890	66 793	48 167
Deferred tax	-	254	-
<b>Total non-current assets</b>	<b>60 212</b>	<b>77 885</b>	<b>61 328</b>
Current assets			
Inventories	193	-	44
Current tax receivable	16	16	16
Trade and other receivables	4 067	3 650	3 222
Other financial assets	-	588	-
Cash and cash equivalents	2 456	3 637	4 636
<b>Total current assets</b>	<b>6 732</b>	<b>7 891</b>	<b>7 918</b>
<b>Total assets</b>	<b>66 944</b>	<b>85 776</b>	<b>69 246</b>
<b>Equity and liabilities</b>			
Share capital	87 675	83 448	87 675
Reserves	23 794	23 586	23 078
Accumulated loss	(57 583)	(44 644)	(57 262)
<b>Total equity before non-controlling interest</b>	<b>53 886</b>	<b>62 390</b>	<b>53 491</b>
Non-controlling interest	2 784	(50)	2 867
<b>Total equity</b>	<b>56 670</b>	<b>62 340</b>	<b>56 358</b>
Non-current liabilities			
Other financial liabilities	-	-	688
Deferred tax liability	5 323	15 403	5 362
<b>Total non-current liabilities</b>	<b>5 323</b>	<b>15 403</b>	<b>6 050</b>
Current liabilities			
Other financial liabilities	2 145	6 459	3 084
Trade and other payables	2 806	1 574	3 754
<b>Total current liabilities</b>	<b>4 951</b>	<b>8 033</b>	<b>6 838</b>
<b>Total liabilities</b>	<b>10 274</b>	<b>23 436</b>	<b>12 888</b>
<b>Total equity and liabilities</b>	<b>66 944</b>	<b>85 776</b>	<b>69 246</b>



**Consolidated Statement of Changes in Equity as at 31 December 2017**

<i>Figures in pound sterling ('000)</i>	<i>Share capital</i>	<i>Merger reserve</i>	<i>Share based payment reserve</i>	<i>Currency translation reserve</i>	<i>Total reserves</i>	<i>Accumulated loss</i>	<i>Total attributable to parent of equity holders</i>	<i>Non-controlling interest</i>	<i>Total equity</i>
Balance at 30 June 2016	82 515	23 184	1 947	(7 134)	17 998	(46 799)	53 714	2 456	56 170
Changes in equity									
Total comprehensive income for the period	-	-	-	5 691	5 691	(10 570)	(4 879)	411	(4 468)
Issue of shares net of costs	5 160	-	-	-	-	-	5 160	-	5 160
Warrants issued	-	-	22	-	22	-	22	-	22
Warrants exercised	-	-	(633)	-	(633)	633	-	-	-
Increase in investments	-	-	-	-	-	(525)	(525)	-	(525)
Total changes	5 160	-	(611)	5 691	5 080	(10 463)	(223)	411	188
Balance at 30 June 2017	87 675	23 184	1 337	(1 443)	23 078	(57 262)	53 491	2 867	56 358
Changes in equity									
Total comprehensive income for the period				333	333	(283)	(50)	(121)	(71)
Options issued under new scheme			382		382		382		382
Adjustment to NCI						(38)	(38)	38	-
Total changes		-	382	326	716	(442)	394	(83)	311
Balance at 31 December 2017	87 675	23 184	1 719	(1 110)	23 794	(57 583)	53 885	2 784	56 670

## Consolidated Statement of Cash flow for the six months ended 31 December 2017

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>Group</i>	<i>Group</i>	<i>Group</i>
	<i>6 months</i>	<i>6 months</i>	<i>12 months</i>
	<i>to 31</i>	<i>to 31</i>	<i>to 30 June</i>
	<i>December</i>	<i>December</i>	<i>2017</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>
	<i>GBP '000</i>	<i>GBP '000</i>	<i>GBP '000</i>
Cash flows from operating activities			
Loss before taxation	(439)	(527)	(20 422)
<i>Adjustments for:</i>			
Depreciation and amortisation	1 420	348	1 000
Impairment of debtors	-	52	-
Impairment of intangible assets	-	-	18 571
Impairment of loans	-	-	51
Share based payments – Employee costs	382	45	-
Share based payments – Expenses	-	-	22
Investment income	(8)	(4)	(19)
Finance cost	204	42	198
Working capital changes			
Increase in inventories	(149)	-	(45)
Increase in receivables	(845)	(2 626)	(1 022)
(Decrease)/Increase in payables	(948)	(674)	1 506
Cash utilised in operations	(383)	(3 346)	(160)
Investment income	8	4	19
Finance cost	(204)	(42)	(385)
<b>Net cash from operating activities</b>	<b>(579)</b>	<b>(3 383)</b>	<b>(526)</b>
Cash flows from investing activities			
Purchase of property, plant and equipment	(99)	(4 234)	(7 161)
Sale of property, plant and equipment	-	-	19
Increase in other financial assets	-	(33)	-
Receipt of loan	-	-	555
Payment in advance for tailings	-	-	(1 179)
Purchase of intangible assets	(259)	(21)	(38)
<b>Net cash used from investing activities</b>	<b>(358)</b>	<b>(4 288)</b>	<b>(7 804)</b>
Cash flows from financing activities			
Proceeds from share issues net of costs	-	888	5 160
Proceeds from other financial liabilities	-	6 342	6 136
Repayment of other financial liabilities	(1 627)	-	(2 987)
<b>Net cash (utilised)/generated from financing activities</b>	<b>(1 627)</b>	<b>7 230</b>	<b>8 309</b>
Net decrease in cash and cash equivalents	(2 564)	(441)	(21)
Cash and cash equivalents at beginning of the period	4 636	4 415	4 415
Effects of foreign exchange on cash and cash equivalents	384	(337)	242
<b>Cash and cash equivalents at the end of the period<sup>(i)</sup></b>	<b>2 456</b>	<b>3 637</b>	<b>4 636</b>

(i)= Cash and cash equivalents excludes cash raised by the group during January 2018 in an amount of GBP 4.5 million.

### NOTES TO THE UNAUDITED INTERIM RESULTS

#### 1. Basis of preparation

The Group unaudited interim results for the 6 months ended 31 December 2017 have been prepared using the accounting policies applied by the company in its 30 June 2017 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, IAS 34 – Interim Financial Reporting, the Listings Requirements of the JSE Limited, the AIM rules of the London Stock Exchange and the Companies Act 2006 (UK)). This condensed consolidated interim 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 Metals Group PLC. All monetary information is presented in the presentation 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 2017 contained in this interim 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 and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

## 2. Financial review

Earnings per share for the six months ended 31 December 2017 are presented as follows:

	<i>Group</i>	<i>Group</i>	<i>Group</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>6 months</i>	<i>6 months</i>	<i>12 months</i>
	<i>to 31 December</i>	<i>to 31 December</i>	<i>to 30 June</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>
	<i>GBP '000</i>	<i>GBP '000</i>	<i>GBP '000</i>
Basic loss for the period	(283)	(527)	(10 570)
Weighted average number of shares in issue ('000)	1 118 361	994 765	984 780
Loss per share (pence)	(0.025)	(0.052)	(1.073)
Loss per share (ZAR cents)	(0.45)	(0.95)	(18.55)

The Group reported a net asset value of 5.07 (2016: 6.07) pence per share (ZAR 89.49 (2016: ZAR 103.30 cents per share)) and a net negative tangible asset value per share of 0.79 (2016: 0.49) pence per share (ZAR 13.87 (2016: ZAR 8.32 cents per share)).

The total shares in issue as at 31 December 2017 were 1 118 361 million (2016: 1 017 935 million). Other comprehensive income comprises foreign currency translation differences which can be reclassified to profit and loss in future.

The Group’s reported cash balance of GBP 2.5 million excludes proceeds from the placing concluded 19 January 2018 in an amount of GBP 4.5 million.

## 3. Operational performance

The table below sets out the results of the Group’s Operations for the period under review. These results include only the operating results for the Group’s projects.

	<i>Group</i> <i>Unaudited</i> <i>6 months</i> <i>31 December</i> <i>2017</i> <i>GBP'000</i>	<i>Group</i> <i>Unaudited</i> <i>6 months</i> <i>31 December</i> <i>2016</i> <i>GBP'000</i>	<i>Group</i> <i>Audited</i> <i>Year ended</i> <i>30 June</i> <i>2017</i> <i>GBP'000</i>
Revenue	5 992	4 851	9 806
Cost of sales	(3 598)	(3 945)	(8 039)
<b>Gross profit</b>	<b>2 394</b>	<b>906</b>	<b>1 767</b>
Operating expenses - cash			

Administration and running costs	(6)	(63)	(800)
Consulting and professional fees	(12)	(50)	(88)
Human resources	(195)	(35)	(207)
Other expenses	(6)	(54)	-
<b>Operating expenses - cash</b>	<b>(219)</b>	<b>(202)</b>	<b>(1 095)</b>
<b>Profit before non-cash operating expenses (depreciation and interest)</b>	<b>2 175</b>	<b>704</b>	<b>672</b>
<b>Operating expenses - non cash</b>	<b>(1 070)</b>	<b>(2)</b>	<b>(387)</b>
- Amortisation and depreciation	(1 070)	(2)	(387)
- Impairment of intangible assets	-	-	(18 571)
<b>Loss before interest</b>	<b>1 104</b>	<b>702</b>	<b>(18 286)</b>
- Net interest paid	(204)	(42)	(180)
<b>Profit/(loss) before taxation</b>	<b>900</b>	<b>660</b>	<b>(18 466)</b>

#### 4. Other financial liabilities

	<i>Group Unaudited 6 months 31 December 2017 GBP'000</i>	<i>Group Unaudited 6 months 31 December 2016 GBP'000</i>	<i>Group Audited Year ended 30 June 2017 GBP'000</i>
<hr/>			
Held at amortised cost			
Yorkville Advisors	943	-	1 997
Riverfort Capital	1 202	-	1 775
	<hr/> 2 145	<hr/> -	<hr/> 3 772
<hr/>			
Current liabilities			
Interest-bearing borrowings			
Repayment of borrowings:			
Not later than one year	2 145	-	3 084
Later than one year and not later than five years	-	-	688
	<hr/> 2 145	<hr/> -	<hr/> 3 772

Interest on these loans for the period under review in an amount of GBP 204 205 (ZAR: 3.61 million) ((2016: GBP 198 565 (ZAR: 3.55 million)) was recognized in profit and loss.

#### 5. Unaudited results

These interim results have not been reviewed or audited by the Group's auditors.

#### 6. Commitments and contingencies

There are no material contingent assets or liabilities as at 31 December 2017.

#### 7. Dividends

No dividends were declared during the period under review (2016: nil).

## 8. Business segments

In the opinion of the Directors, the operations of the Group companies comprise four reporting segments for the period under review, being:

- the recovery of metals from surface mine waste and tailings (“Operations”);
- the evaluation of various mine waste opportunities and the development of suitable metal recovery processes to diversify across multiple commodities and in different countries including platinum, chrome, cobalt, copper, zinc, lead, vanadium and gold to hedge income risk and to align with global trends (“Business Development”);
- the exploration and mining of PGE’s and associated metals (“Exploration and mining”); and
- the parent company operates a head office based in the United Kingdom which incurs administration and corporate overhead costs (“Corporate”).

### Segment report for the 6 months ended 31 December 2017

<b><i>Figures in pound sterling ('000)</i></b>	<b><u>Operations</u></b>	<b><u>Business Development</u></b>	<b><u>Exploration and mining</u></b>	<b><u>Corporate</u></b>	<b><u>Total Group</u></b>
Total revenues	5 992	-	-	-	5 992
Cost of sales	(3 623)	-	-	-	(3 623)
Forex losses	14	-	-	(17)	(3)
Loss before taxation	367	(7)	(24)	(775)	(439)
Taxation	-	-	-	-	-
Loss after taxation	367	(7)	(24)	(775)	(439)
Interest received	8	-	-	-	8
Interest paid	(204)	-	-	-	(204)
Depreciation and amortisation	(1 420)	-	-	-	(1 420)
Total assets	(24 374)	(14 814)	(26 880)	(876)	(66 944)
Total liabilities	4 409	2 226	2 425	1 214	10 274

### Segment report for the 6 months ended 31 December 2016

<b><i>Figures in pound sterling ('000)</i></b>	<b><u>Operations</u></b>	<b><u>Business Development</u></b>	<b><u>Exploration and mining</u></b>	<b><u>Corporate</u></b>	<b><u>Total Group</u></b>
Total revenues	4 851	-	-	-	4 851
Cost of sales	(3 945)	-	-	-	(3 945)
Forex losses/(profits)	(4)	-	-	82	79
Loss before taxation	695	(871)	(25)	(326)	(527)
Taxation	-	-	-	-	-
Loss after taxation	695	(871)	(25)	(326)	(527)
Interest received	-	-	-	4	4
Finance cost	-	-	-	(42)	(42)
Depreciation and Amortisation	(54)	(346)	-	-	(400)
Total assets	(18 942)	(36 399)	(26 471)	(3 964)	(85 776)
Total liabilities	6 036	10 579	4 130	2 691	23 436

## Segment report for the year ended 30 June 2017

<i>Figures in pound sterling (‘000)</i>	<i>Operations</i>	<i>Business Development</i>	<i>Exploration and mining</i>	<i>Corporate</i>	<i>Total Group</i>	<i>Disposal Group</i>
Total revenues	9 806	-	-	-	9 806	-
Cost of sales	(8 039)	-	-	-	(8 039)	-
Forex losses	(48)	-	-	(25)	(72)	-
Loss before taxation	(1 511)	(18 567)	(71)	(735)	(20 884)	462
Taxation	(250)	10 100	-	-	9 850	-
Loss after taxation	(1 761)	(8 467)	(71)	(735)	(11 034)	462
Interest received	12	-	1	6	19	-
Interest paid	(199)	-	-	-	(199)	-
Depreciation, amortisation and impairments	(1 108)	(18 555)	(16)	-	(19 679)	-
Total assets	(24 150)	(15 131)	(26 525)	(3 442)	(69 246)	-
Total liabilities	7 138	2 276	2 415	1 059	12 888	-

### 9. Share Capital and warrants

The Company did not issue any new ordinary shares during the period under review.

At the period end 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
<u>11,836,567</u>					

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
27 777 780	2018-01-19	6.120	2023-01-19	83.90	3.83
29 166 665	2018-01-19	6.120	2023-01-19	83.90	3.83
5 555 555	2018-01-19	6.120	2023-01-19	83.90	3.83
2 777 778	2018-01-09	6.120	2019-01-09	83.90	3.83
<u>77 114 345</u>					

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% was applied in the valuation. The Company recognised a share-based payment charge against the share-based payment reserve in the amount of £ Nil (2016: £22 025) in accordance with section 610 (2) of the United Kingdom Companies Act 2006. This charge relates to equity placings successfully completed.

## **10. Going concern**

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

## **11. Events subsequent to reporting date**

### **11.1 Share Placement**

As announced on 9 January 2018, the Company successfully completed a placing of 125 000 000 new ordinary shares of 1 pence each at a price of 3.6 pence (ZAR 62.62 cents) per share to raise approximately GBP 4.5 million before expenses (ZAR 75.78 million at 9 January 2018 conversion rates). The placing includes the issuance of 62 500 000 warrants priced at a premium of 70% of the placing price or 6.12 pence per warrant share valid for a period of 5 years.

### **11.2 Kabwe Project – Zambia**

Jubilee has invested in a joint venture with BMR for the development of the Kabwe Project and acquired a 29.01% interest in the issued share capital of BMR on 19 January 2018.

Following satisfactory due diligence results, Jubilee advised BMR of its intention to exercise its option to earn a 40% interest in its Kabwe Project. This will enable 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). Conclusion of this is subject only to final documentation against previously agreed binding commercial and material terms.

As announced on 6 and 23 February 2018, BMR received notification from the Mining Cadastre Department of Zambia, dated 19 December 2017, terminating the small scale mining right in respect of BMR's Kabwe operation. Following meetings between BMR and directors of the Zambian Mining Ministry, BMR's appeal against the notice of cancellation was submitted on 2 March 2018.

Jubilee is actively supporting BMR during this process. Jubilee has also engaged directly with the Zambian Department of Mines to demonstrate Jubilee's commitment to providing its technical, operational and financial strength to the Kabwe Project. Jubilee's engagements were well received by the Zambian Department of Mines. The Zambian Department of Mines' representatives acknowledged the combined strength of the BMR and Jubilee team and recognised the significant progress made by the team towards the execution of the Kabwe Project.

## **12. Interim report**

Printed copies of the interim report are available to the public free of charge from the Company at 1st Floor 7/8 Kendrick Mews London SW7 3HG, United Kingdom Tel: +44 (0) 20 7584 2155 Fax: +44 (0) 20 7589 7806 and from Jigsaw Office Park, Ground Floor, Support Services Place, 7 Einstein Street, Highveld Techno Park, Centurion, 0157, Gauteng during normal office hours for 30 days from the date of this report and are also available for download from [www.jubileemetalsgroup.com](http://www.jubileemetalsgroup.com).

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

The financial information in this announcement is unaudited.

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### Annexure 1

<i>Reconciliation of Headline earnings per share</i>	<i>Group</i>	<i>Group</i>	<i>Group</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>6 months to</i>	<i>6 months to</i>	<i>12 months to</i>
	<i>31 December 2017</i>	<i>31 December 2016</i>	<i>30 June 2017</i>
	<i>GBP'000</i>	<i>GBP'000</i>	<i>GBP'000</i>
Headline loss per share comprises the following:			
Loss for the period attributable to ordinary shareholders	(283)	(527)	(10 570)
Impairment of intangible assets net of tax	-	-	8 522
Loss on sale of property plant and equipment	-	(1)	-
Loss on exchange differences	19	-	72



<b>Headline loss</b>	<b>(264)</b>	<b>(528)</b>	<b>(1 976)</b>
Weighted average number of shares in issue	1 118 361	994 765	984 780
Headline loss per share (pence)	(0.02)	(0.05)	(0.25)
Headline loss per share (cents)	(0.42)	(0.95)	(4.24)
Average conversion rate used for the period under review GBP:ZAR	0.0566	0.0559	0.0579