



[Jubilee Metals Group PLC](#) - JLP

Jubilee acquires major Chrome Processing Operation

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

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

Jubilee acquires major Chrome Processing Operation

Highlights

- Jubilee acquires major chrome operation currently processing 75 000 tonnes per month for a consideration of £8.6 million
- Acquisition includes existing chrome and platinum containing surface material in excess of 1,8 million tonnes
- The acquisition provides Jubilee with a strategic position within South Africa's PGM and chrome rich western bushveld complex
- This acquisition consolidates the chrome and PGM operations at PlatCro and will significantly enhance future earnings from PGMs and chrome
- The current operation will more than double Jubilee's existing chrome processing capacity
- The acquisition of additional 3rd party ore together with enhanced processing efficiencies will further
- Jubilee intends to increase processing efficiencies and operational capacities and targeting further 3rd party material in the area

Leon Coetzer, Chief Executive Officer says: "This transaction repositions Jubilee in the chrome/platinum arena in South Africa. Our integrated processing hub offers leading processing access to the various independent mines free of the capital and regulatory burden associated with own build.

The acquisition comes along with intellectual property rights and rights to the existing surface material already exceeding 1, 8 million tonnes. With the integration of our PlatCro PGM project we anticipate the processing of 65 000 tonnes of PGM rich materials and 80 000 tonnes of chrome materials per month of processing capacity.

The operation currently achieves annual earnings from chrome alone in excess of USD5.5million before the contribution of PGMs. We see significant opportunity to increase earnings by increased throughput and improved operational efficiencies.

I am particularly pleased that this acquisition has been enabled by our current cash and project finance, with minimal dilution to our shareholders."

Salient features of the Acquisition

Jubilee announces that it has executed a sale and purchase agreement to acquire all of the chrome beneficiation assets including plant, equipment, intellectual property and all rights to the existing surface material estimated in excess of 1, 8 million tonnes ("Assets") owned by PlatCro Minerals (Pty) Ltd ("PlatCro") and associated companies ("the Target"), for a combined consideration of £8.26 million (USD10.5 million) ("the Acquisition"). The business is acquired free from any historic liabilities. The Target currently generates earnings of approximately £4.3 million (USD5.5 million).

The Assets acquired include:

- Plant and equipment offering processing capacity in excess of 75 000 tonnes per month
- All associated property including all rights to existing surface material
- All stock and materials accolated with operating the business

The aggregate purchase price for the Acquisition shall be payable by Jubilee to the Target on 7 January 2019, save for the amount of £0.67 million (USD0.85 million) which will become payable by Jubilee to the Target upon successful registration of the property into Jubilee or its nominee's name. Jubilee will take ownership and operational control of the Target on the 7th of January 2019.

The purchase price will be funded through:

- Secured project financing to the value of USD6 million;
- A cash payment of USD2.83 million; and
- The issue of 52,493,438 new Jubilee shares ("Acquisition Shares") at a price of 2.5 pence per share

Issue of equity

The Acquisition Shares have been issued, conditional on Admission (as defined below), as fully paid and rank pari passu in all respects with the existing ordinary shares, including the right to receive all dividends and other distributions declared on or after the date on which they are issued. Application will be made for the Acquisition Shares to be admitted to trading on AIM and to be listed on the AltX of the JSE Limited, which is expected to take place on or about 14 December 2018 ("Admission").

Following Admission, the Company's total issued share capital will comprise 1,363,486,229 Ordinary Shares. As the Company does not hold any Ordinary Shares in treasury, this figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company following Admission.

The information contained within this announcement is considered by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No.596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information will be considered to be in the public domain.

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