24 August 2012

Jubilee, the AIM and JSE quoted mine to metal specialist, is pleased to report an operations update on its smelting operation (70% owned by Jubilee), its 51%-owned Power Alt’s award of tender to supply surplus power, the Dilokong chromite tailings project and the Farm-in Agreement for the iron-ore opportunity on its Ambodilafa concession in Madagascar.

**Highlights**

Middelburg Smelters (RST (Pty) Ltd) breaks its previous record by reaching a new high of 905 tonnes of metal alloy production in July

This record production generated unaudited sales for July of ZAR6.6 million (GBP519,000 at current exchange rates)

Jubilee’s 51% owned Power Alt (Pty) Ltd ("Power Alt") in Middelburg was awarded tender to supply 5.1MW of powerto a third party

Power Alt’s tender is worth an estimated ZAR12.4 million in revenue (GBP970,000 at current exchange rates) over an initial four-month trial period

Agreement was reached in principle for the processing of the platinum containing chrome tailings dump from ASA Metals (Pty) Ltd’s ("ASA") Dilokong Chrome Mine in the eastern Bushveld: Drilling is planned to commence shortly to confirm platinum content and grade distribution in these chrome tailings

Progress made on the Farm-in Agreement for the iron ore opportunity on Ambodilafa concession in Madagascar and execution is expected in the near future

Tjate Platinum Corporation’s Board approved acceptance of ZAR75M (GBP5.9 million) cash offer from a major mining company for Quartzhill farm of the Tjate Platinum project.

Leon Coetzer, CEO of Jubilee Platinum, commented: "In all aspects of the Group's business we are moving to or increasing revenues, while employing further cost cutting measures. We are making good progress in consolidating our mines to metals strategy. We are being afforded more opportunities to progress this strategy based on the general issues surrounding the South African platinum industry. Simplistically, our strategy takes full advantage of mid-term difficulties, since all our projects are short term to production, relatively less capital intensive and utilize the benefits of ConRoast and our small-scale mining capability."

**Jubilee Revenues**

Jubilee’s unaudited revenues since the start of 2012 calendar year continued to increase sharply mainly driven by the Middelburg smelting operations. Revenues have more than doubled to ZAR37 million (GBP2.9 million at current exchange rates) in the seven months this calendar year compared with the previous seven months. The Company expects that revenues will be boosted further by the sale of surplus power from Jubilee’s 51%-owned power generation plant to the national electricity grid.

**Middelburg Smelter and Power Alt (Pty) Ltd Power Plant**

Performance of the new No5 furnace at the Middelburg smelting facility continues to improve as it reached a new monthly high of 905 tonnes of ferroalloy produced in July 2012. Management is currently reviewing the operation of the older furnaces No3 and No4 in order to improve their profit margin achieved in line with the performance of the No5 furnace.
Jubilee’s 51%-owned Power Alt, the company that owns the on-site 11MW gas-fired electricity generation plant in Middelburg, has been awarded a tender to supply 5.1MW of power to a third party (worth an estimated ZAR12.4 million (GBP970 000 at current exchange rates) in sales to Power Alt for an initial trial period of four months). The 5.1MW is surplus to Middelburg’s current requirements and more may become available following the review of Nos 3 & 4 furnaces noted above.

Management anticipates that the sale of this surplus power generated by the on-site power plant coupled with the improved performance of the smelter operation will ensure that the Middelburg smelting facility returns positive cash flows to Jubilee.

**Chrome Tailings**

As announced on 13 June 2012, Jubilee was awarded the processing tender for the recovery of platinum group metals (“PGM”) from the tailings dam on the Dilokong Chrome Mine near Burgersfort in Mpumalanga. The Company is scheduled to drill the tailings dam this quarter in order to confirm the platinum content and grade profile. The data will be used to finalise the dam reclamation programme. This project is held through a subsidiary company Pollux Investments (Pty) Ltd, in which Jubilee holds a 67.5% interest.

**Tjate Platinum Project**

On 23 July 2012, Tjate Platinum Corporation (Pty) Ltd.’s (“Tjate”) board approved the acceptance of the ZAR75M cash offer (announced 4 October, 2011) from a major mining company for the Quartzhill farm portion of its Tjate Platinum Project. This approval clears the way for the Offeror to proceed with a binding agreement.

Separately, Tjate still awaits acceptance from the Department of Mineral Resources (“DMR”) of its application for a Mining Right.

**Maude Mining and Exploration (“Maude”)**

Maude awaits a decision from the Department of Mineral Resources on its application for a Mining Right on its Bokfontein and Elandsdrift properties farms.

**Madagascar Ambodilafa Project**

Progress has been made with the Farm-in Agreement (“Agreement”) formalising the heads of agreement announced 9 July 2012 with Australian based public unlisted Indian Pacific Resources Limited (IPR) for an iron ore opportunity, identified by IPR on the Company’s Ambodilafa concession. While the Company expected to have concluded the Agreement by 31 July 2012, conclusion is anticipated in the near future. The terms of the Agreement include for IPR to expend US$3 million over 3.5 years to earn in up to 90% in the iron ore commodity. In the event that IPR discovers non-iron ore commodities, the Company’s subsidiary, Mineral Resources of Madagascar Sarl (“MRM”) as the owner, will have the right to earn in up to 90% of the non-iron ore commodities on the same terms as IPR. IPR will cover the corporate and country costs of MRM for a minimum of six months from date of execution of the Agreement.

**Contacts**

Jubilee Platinum plc

Colin Bird/Leon Coetzer
Tel +44 (0) 20 7584 2155 / Tel +27 (0) 11 465 1913

Andrew Sarosi
Tel +44 (0) 1752 221937

finnCap Ltd

Matthew Robinson/Ben Thompson- corporate finance
Joanna Weaving - corporate broking
Tel +44 (0) 20 7600 1658

Shore Capital Stockbrokers Limited (Joint Broker)

Jerry Keen/Edward Mansfield
Tel: +44 (0) 20 7 408 4090

Sasfin Capital

Leonard Eiser/Sharon Owens
Tel +27 (0) 11 809 7500

Bishopsgate Communications Ltd

Nick Rome/Anna Michniewicz/Ivana Petkova
Tel +44 (0) 20 7562 3350

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