Jubilee Metals Group

ANNUAL REPORT 2021

Inyoni Operations

Contents

Abbreviations

"Kendrick"	Kendrick Resources Plc (formerly BMR Group Plc)
"BPS"	Braemore Platinum Smelters (Pty) Ltd, a wholly-owned subsidiary of Jubilee
"BPMR"	Braemore Precious Metals Refiners (Pty) Ltd, a subsidiary of Jubilee and operator of the Group's PGM and chrome operations
"Braemore Plant"	the PGM concentrate processing plant owned by Braemore Platinum Smelters at Inyoni Operations, together with all equipment, components, machinery, parts and spares associated with that plant and the tailings recovery and chrome beneficiation plant at Inyoni Operations, owned by Braemore Platinum Smelters
"Company" or **"JMG"** or **"Jubilee" or "the Company"**	Jubilee Metals Group PLC
"CGU"	Cash-generating unit
"CY"	Calendar year
"DCM"	Dilokong Chrome Mine
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"EML"	Enviro Mining Limited, a company incorporated in Mauritius, a subsidiary of Jubilee and the company that owns the Integrated Kabwe Project through Jubilee's Zambian based Enviro Processing Limited
"EPL"	Enviro Processing Limited, a company incorporated in Zambia and a subsidiary of Jubilee
"FY"	Financial year
"GBP"	Great British Pound or Pound Sterling
"Group"	Jubilee Metals Group and all of its subsidiaries and associated companies
"H1 CY"	six months to June
"H2 CY"	six months to December
"IFRS"	International Financial Reporting Standards
"Income Tax Act"	the South African Income Tax Act no. 58 of 1962, as amended from time to time
"Integrated Kabwe Project"	Kabwe Surface zinc, lead and vanadium project in Zambia
"Inyoni Chrome Operations"	the Group's chrome processing plant adjacent to the Inyoni PGM operations
"Inyoni PGM Operations"	the Group's PGM recovery plant located in the western limb of South Africa's PGM bushveld complex

Abbreviations

continued

"IP"	oral or written information, data or material in relation to the Group's operations and projects which is deemed proprietary, or confidential and not generally known by the public and includes discoveries, ideas, concepts, research, development, processes, procedures, maps, diagrams, technical information, "know-how," pricing policies and financial information, methods of production, use, operation and application, invented, owned or developed by the Group, proprietary data regarding mineral anomalies and exploration results, business practices, pricing, product philosophy and position relative to competitors
"JTTC"	Jubilee Tailings Treatment Company (Pty) Ltd, a wholly-owned subsidiary of Jubilee and operator of the DCM Project
"JP"	Jubilee Processing (Pty) Ltd, a wholly-owned subsidiary of Jubilee and operator of the Windsor Plant
"Kabwe Operations" or **"KOL"**	Kabwe Operations Limited, a company incorporated in Mauritius and established for the purpose of executing the Integrated Kabwe Project
"Notes"	notes to the financial statements
"PGE"	Platinum Group Elements
"PGM" or **"PGMs"**	Platinum Group Metals (platinum, palladium, rhodium, ruthenium, iridium)
"Windsor Chrome Operations" or **"Windsor Chrome"**	the Group's chrome operations at Windsor Chrome Plant and Windsor 8
"Windsor Chrome Plant"	the Group's chrome processing plant at Windsor SA
"Windsor SA"	Windsor SA, a wholly-owned subsidiary of the Company
"Windsor 8"	the Group's joint venture chrome processing plant
"ROM"	Run-of-mine
"Sable Refinery"	the multi-metal refinery acquired in Zambia, owned by Sable Zinc Kabwe Limited, a subsidiary of Jubilee acquired in August 2019
"SAMREC"	the South African code for the reporting of exploration results, mineral resources and mineral reserves
"SLP"	Social and labour programme
"Tjate Platinum Project"	the Tjate Platinum Project situated on the Eastern Limb of the Bushveld Complex. The Project is located down-dip of Anglo Platinum's Twickenham and Impala Platinum's Marula mines. Its Merensky and UG2 platinum reefs (Reefs) targeted for initial mining lie between 600 meters and 1,000 meters below surface. The Project is independently judged to contain arguably the world's largest undeveloped defined block of platinum ore. The property covers 5,140 hectares on three farms and the area has been independently appraised to contain a potential net 65 million ounces of platinum group elements (PGEs) and gold
"USD"	the United States Dollar
"ZAR"	the South African Rand
"ZMK"	the Zambian Kwacha
"Sterling"	British Pound

Chairperson's statement

Colin Bird
Non-executive Chairperson

Dear Shareholder,

As we have done over recent years, our company has experienced another year of significant progress across all aspects of the business. Jubilee has delivered a strong financial performance with growth in all aspects of the business, both in South Africa and in Zambia, during a phase of new build, extension to existing facilities and feed and new project acquisitions.

As a rapidly developing company, the board have exercised considerable attention to ESG matters to ensure that there is no disconnect between operational and financial performance, against our environmental, social and governance obligations. ESG has always been at the heart of what Jubilee does and is captured in *the Jubilee Way* of doing business. I am pleased to say that the word "obligations", whilst being a modern requirement, has always been at the forefront of the Board's mind and as such further formalisation of our protocols has not been unduly onerous. We continue to progress formalisation to ensure that all aspects of our business remain synchronised, with a common mission of responsible, efficient and strongly commercial growth.

The effects and uncertainty of the COVID-19 pandemic remains to be felt by the world. Jubilee continues to navigate these effects with our operations being able to, in the most part, avoid any direct impact. While our construction projects in Zambia were impacted for a time by the disruptions in supply chains and freight logistics, I am pleased that, despite these impacts, we will shortly commence with the commissioning of our new copper concentrator at Project Roan in Zambia with delivery of copper concentrates to our Sable Refinery on track for Q1 CY2022 next year. At the outset of the pandemic, we put in stringent testing and reporting measures to protect our staff. I do thank everyone involved in the Company for the responsible approach to this pandemic, which we remain incredibly vigilant of.

The year under review was about successfully extending and consolidating our chrome and PGM operations in South Africa as we aimed to serve a wider client base to de-risk the business from any one source, especially following the financial collapse of Hernic Ferrochrome, while also establishing and expanding our copper presence in Zambia. We successfully completed a major upgrade programme at Inyoni which has significantly enhanced our processing capabilities with us now able to process a wide variety of third-party materials leaving us in a unique position to further capitalise on the materials in the market.

In terms of our Zambian operations, we announced during the year the acquisition of several tailings projects in Luanshya and Kitwe, which amounted to gaining the rights to some 300 million tonnes of tailings of varying grades of copper, and in some cases cobalt. The period saw the ramping up of production at the Sable Refinery as they prepare for the commissioning of Project Roan which targets an annual 10 000 tonnes of copper, which may increase to 14 000 tonnes per annum.

Post the period under review, we announced a binding MOU for the Mopani Refining Facility and peripheral hardware which will significantly accelerate our production plans for the Luanshya and Kitwe tailings as part of our Northern Copper and Cobalt refining strategy. The acquisition of these redundant facilities and refurbishing, together with localised tailings dams, will greatly reduce our capital requirements and bring forward processing availability timing by at least 2 years. In general, our achievements in the Zambian copper arena are advancing to plan and we fully expect to attain our target of 25 000 tonnes of annualised copper production to be achieved.

Chairperson's statement

continued

The copper potential of Zambia remains and as such we maintain an aggressive programme to advance our position and annual production in country.

At the beginning of May 2021, we announced our option with Caerus Mineral Resources Plc to research and test dumps in Cyprus left by many mining operations over many years. The dumps are likely to be copper and gold containing, and a number of cases could be quite sizable. We are currently carrying out test work on a number of samples derived from various sites, with a view to assessing likely processing results. The dumps are thought to be high grade, both in copper and gold. This option represents our first venture out of Africa and commences the role out of our brand, which we call *The Jubilee Way*, since the way of doing business in the tailings space is unique to our company.

In terms of PGM and chrome production, we increased our financial performance throughout the period despite a planned significant upgrading of our Inyoni Operations, which was disruptive to the current operation and completed post the period under review in October 2021. The new expanded Inyoni Operations are now able to process a variety of feed sources which was previously limited to the treatment of historical material provided by the then Hernic.

Towards year end we announced a substantial acquisition for the rights to 944 000 tonnes of PGM containing tailings in the Eastern Limb, which marks our entry into gaining position in the Eastern Limb of the South African Bushveld Complex. The move to PGM supply agreements in the Eastern Limb was a key strategic decision too, giving access to this area offering a platform to pursue further growth opportunities.

During the year we have seen with the pandemic biting into everyone's lives in various ways, showing no respite and reproducing itself in new forms and the uncertainty of pandemic management still exists. Against this uncertain environment stock markets have advanced to all time highs and commodity prices have seen unprecedented growth.

Any and all metals which will be required for future clean energy generation or storage has seen significant price increases. The outlook for copper in particular remains buoyant, with many predictions that the year CY2030 will see a doubling in demand for copper. I for one, see the supply side being severely challenged, with Chile as a major contributor to the copper supply, being challenged technically and socially. The large copper systems that are now in favour are few and far between and have a gestation period of some twelve years. The lack of big projects being developed will, to me, facilitate smaller copper production from both surface and underground mines. The reason being simply that the period to bring into production is much less. The inability of supply to keep up the demand should keep the price of copper above US$ 8 500 per tonne. We do, however, anticipate that prices may exceed US$ 11 000 per tonne during CY2023 and beyond. The possession of copper secondaries, mined and on surface, gives Jubilee a very good position in tomorrow's copper production and promises superior returns to its shareholders.

Likewise, in the PGM space, we see the emergence of the fuel cell, particularly in China, which will underpin the PGM price and increase the price as demand for fuel cell energy increases over the coming years. Your company is well positioned in the new energy space and has a style of doing business which is both unique and transferable, ***The Jubilee Way***.

We look forward to continue to deliver to our shareholders, continued growth in the exciting space of waste retreatment. We most definitely have a first mover advantage.

Finally, I would like to thank everyone in our team for the tireless efforts in producing splendid results in challenging times. Upwards and onwards, and long may it continue.

Colin Bird
Non-executive Chairman

2 December 2021

Chief Executive Officer's report

"Jubilee's distinguishing value proposition is our net positive impact on all stakeholders and the environment. We create value for all stakeholders through the transformation of mining liabilities into profitable assets in a manner that addresses mining's historical footprint."

Leon Coetzer
Chief Executive Officer

Financial Highlights

- Total revenue for the year increased by a strong 143% to £ 133 million (ZAR 2.8 billion)[1] (2020: £ 54.8 million (ZAR 1.1 billion))
- Attributable operational earnings[2] growth of 183% to £ 71 million (ZAR 1.5 billion) (2020: £ 25 million (ZAR 494.5 million)) and a return on equity of 35.4%, compared with 21.2% in the previous year
- Adjusted[3] profit before tax up 324% to £ 52 million (ZAR 1.1 billion) (2020: £ 12.3 million (ZAR: 242 million))
- Profit after tax adjusted[3] for non-cash expenses including impairments, gain on bargain purchase and share based payments up 194% to £ 49 million (ZAR 1 billion) (2020: £ 17 million (ZAR: 331 million))
- Adjusted[3] earnings per share up 163% to 2.25 pence (ZAR 46.66 cents) (2020: 0.86 pence (ZAR 16.9 cents))
- Revenue and earnings growth was achieved during a period of substantial infrastructure investment, integration and planned operational downtime and has provided a tremendous platform for further future growth
- Jubilee delivered strong cash flows from operating activities of £ 23.8 million (ZAR 471 million) (2020: positive cash flow of £ 19.4 million (ZAR 415.4 million))
- During the year under review, a total of £ 19.8 million (ZAR 391.9 million) was invested in acquisitions and purchases of property, plant and equipment compared with the previous year's total investment of £ 26.1 million (ZAR 558 million), while a further £ 1.8 million (ZAR 35.5 million) (2020: £ 4.2 million (ZAR 89 million)) of external debt obligations were repaid
- Earnings per share up by 93%, to 1.81 pence (ZAR 37.50 cents) (2020: 0.94 pence (ZAR 18.47 cents))
- The Group boosted its operating profit by a strong 189%, to £ 46 million (ZAR 949 million) (2020: profit of £ 15.9 million (ZAR 313.2 million)), with an operating margin of 34% (2020: 29%)
- The Group's balance sheet strengthened substantially, with total assets increasing by 49 %, to £ 195 million (ZAR 3.9 billion) (2020: £ 130.6 million (ZAR 2.8 billion))
- Total equity increased to £ 136.5 million (ZAR 2.7 billion), from £ 94.2 million (ZAR 2 billion) the year earlier, maintaining a strong equity ratio of 70% (2020: 72%)
- The Group's gearing remains low, with the positive net debt position and current assets[4] covering 147% (2020: 92.7%) of total liabilities

Operational Highlights

- Achieved stated target of 50 162 PGM[5] ounces for FY2021 (up 23% compared with 40 743 ounces for FY2020); this was achieved during a period which included the construction and commissioning of two new chrome beneficiation facilities and the commencement of the construction of the expanded and refocused Inyoni PGM operation

1. *For income statement purposes conversions are at the average £:ZAR rates for the period under review and for balance sheet purposes at the spot rate as at year end. All other conversions are at rates at the time announced*
2. *Attributable operational earnings represent Jubilee's net share of operational earnings after distributions to JV partners and before development costs*
3. *Adjusted for non-cash expenses including impairments, gain on bargain purchase and share based payments*
4. *Current assets include inventory, trade and other receivables and cash and cash equivalents*
5. *6 Element Platinum Group Metals (platinum, palladium, rhodium, ruthenium, iridium + gold)*

- Chrome Operations delivered 751 223 tonnes of chrome concentrate (2020: 377 883 tonnes), generating chrome revenue of £ 34.5 million (ZAR 714 million) (2020: £ 17.2 million (ZAR 339.1 million)) on the back of increased operational capacities; this is set to increase further with the commencement of commissioning of the new Chrome Beneficiation circuit completed during Q2 CY2021
- Secured the rights to a further approximately 150 million tonnes of copper containing surface tailings, targeted to be upgraded at site before refining at Jubilee's targeted Northern Refinery in Zambia. This will be done through a joint operation with the mining rights' holder. Project Elephant alone holds the potential to produce copper concentrates in excess of the total Sable Refinery capacity of 14 000 tonnes per annum of copper cathode
- Copper production reached 2 026 tonnes since commissioning as part of enabling operational readiness to accept first copper concentrate production from Project Roan. Project Roan's integrated copper concentrator is on track for commissioning by January 2022
- Sable Refinery achieved positive earnings as part of its operational readiness activities with attributable operational earnings of £ 3.7 million for FY2021 compared with £ 1.2 million for FY2020

Highlights post the period under review

- On 24 August 2021, Jubilee executed a binding Memorandum of Understanding with Mopani Copper Mines Plc, a subsidiary of ZCCM Investment Holdings Plc in Zambia, ("Mopani", "ZCCM" and collectively the "Parties") for the implementation of additional copper and cobalt refining capacity as part of the implementation of Jubilee's Northern Copper and Cobalt Refining Strategy (the "Agreement")
- The Northern Refining Strategy targets to establish an initial 17 000 tonnes of copper refining capacity in addition to the Sable Refinery's 14 000 tonnes per annum. In addition, a cobalt refining capacity is being targeted as part of the Northern Refining Strategy
- The Northern Refining Strategy targets the processing of the Kitwe and Luanshya copper and cobalt tailings project to fast track the implementation of the Project which has access to more than 275 million tonnes of tailings
- The Northern Refining Strategy offers the opportunity for accelerated investment into the region
- Jubilee is committed to prioritising local employment for the accelerated Project implementation
- Project Roan successfully navigated the challenges posed by Covid-19 restrictions and is set to commence commissioning targeting to reach commercial production by Q1 CY2022
- The expansion project of Inyoni PGM operations including an extended recovery circuit to target a variety of feed materials, was completed during October 2021
- On 15 September 2021, Jubilee successfully concluded the buy-out of the JV partner in Project Roan while also increasing its JV position at Project Elephant.

Chief Executive Officer's report

continued

Key financial and operational indicators

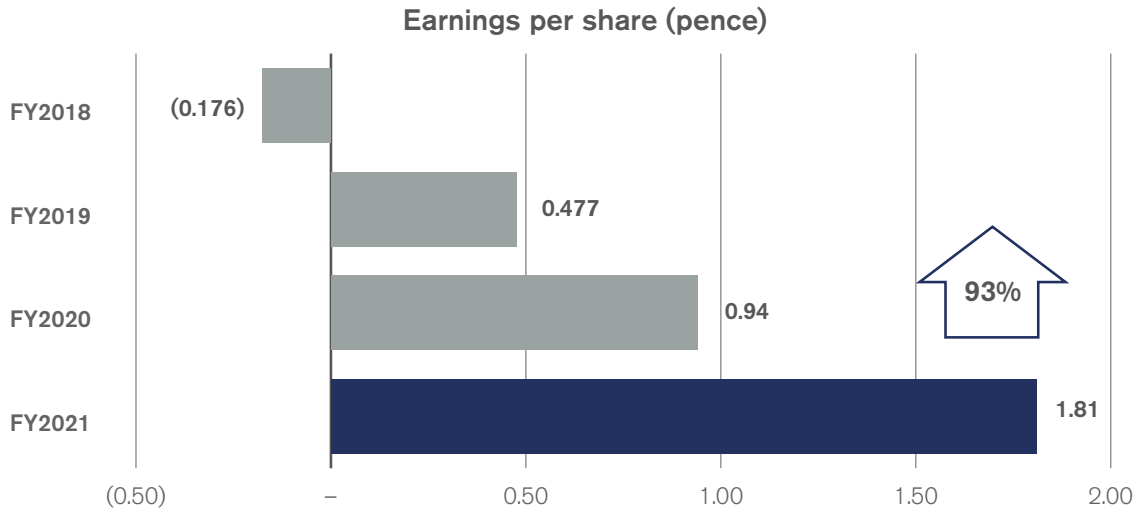
	Unit	12 months to 30 June 2021	12 months to 30 June 2020
Group			
Revenue	£'000	**132 845**	54 775
Attributable earnings[1]	£'000	**71 112**	25 088
Attributable earnings margin	%	**54**	46
EBITDA	£'000	**50 335**	22 210
Adjusted EBITDA[2]	£'000	**52 153**	22 643
Adjusted EBITDA margin	%	**39**	41
PGM			
PGM revenue	£'000	**88 754**	34 590
PGM revenue	$'000	**112 779**	43 594
Attributable PGM earnings	£'000	**62 847**	21 486
Attributable PGM earnings	$'000	**84 632**	27 079
Attributable PGM earnings margin	%	**75**	62
Attributable PGM ounces produced	oz	**50 162**	40 743
PGM revenue per ounce	$/oz	**2 248**	1 070
PGM attributable earnings per ounce	$/oz	**1 687**	665
Adjusted PGM production unit cost[3]	$/oz	**537**	541
Chrome			
Chrome revenue	£'000	**34 506**	17 158
Chrome revenue[4]	$'000	**47 004**	21 624
Attributable chrome earnings	£'000	**3 082**	803
Attributable chrome earnings	$'000	**4 150**	1 013
Attributable chrome earnings margin	%	**9**	5
Attributable chrome tonnes produced	tonnes	**751 223**	377 883
Chrome revenue per tonne	$/t	**63**	57
Chrome attributable earnings per tonne	$/t	**6**	3

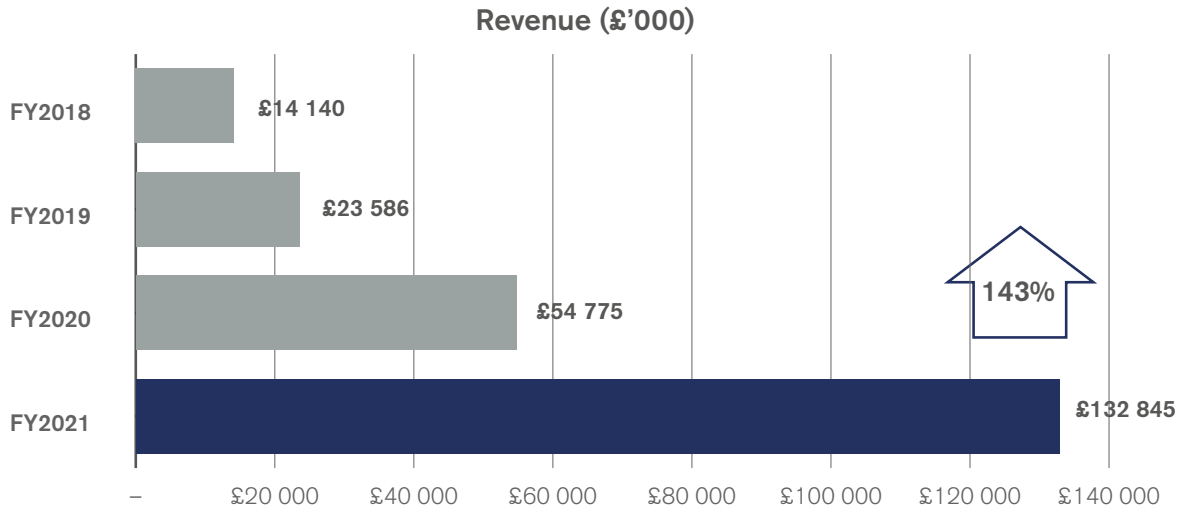
1. Attributable earnings refer to earnings allocated to the group based on the group's contractual rights in each project and excludes Group overheads and non-cash expenses including impairments, gain on bargain purchases and share based payments.
2. Adjusted EBITDA refers to EBITDA adjusted for non-cash expenses including impairments, gain on bargain purchase, share based payments and foreign exchange differences on transactions.
3. The adjusted PGM production unit cost includes all direct and indirect costs attributable to the project including allocated corporate charges. The costs for the period under review includes all the operating costs for the Windsor PGM JV allocated to the Jubilee attributable PGM ounces.
4. The chrome revenue is recognised on an ex-works basis after costs of export logistics including freight, shipping and marketing.

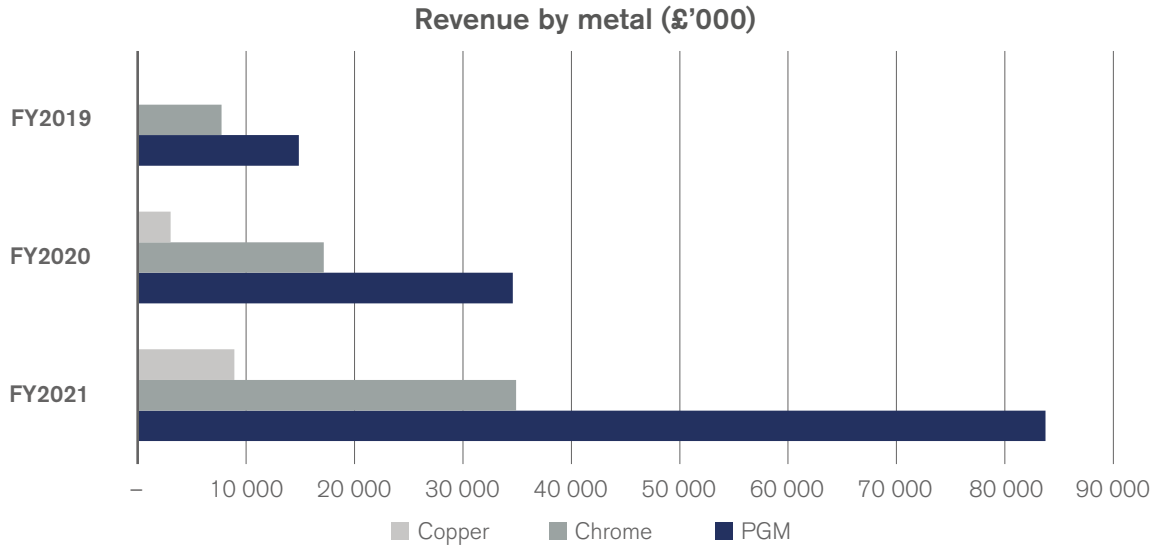
Chief Executive Officer's report

continued

Financial performance







Chief Executive Officer's report

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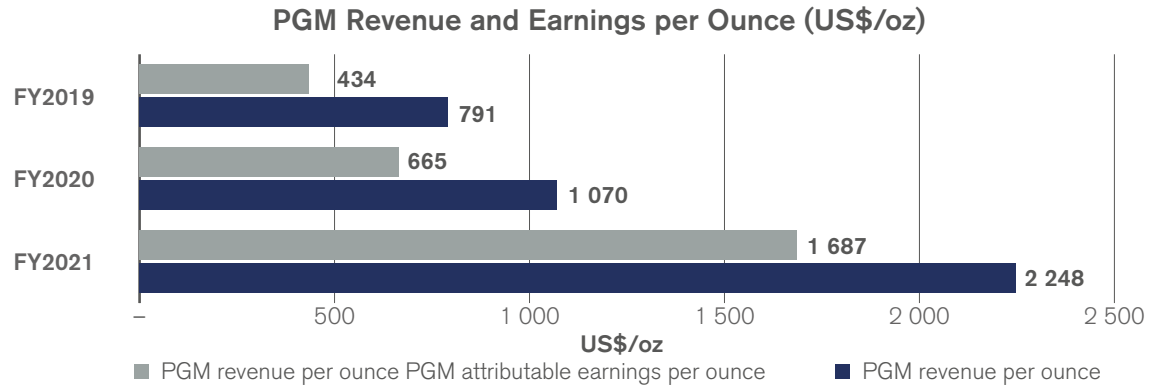
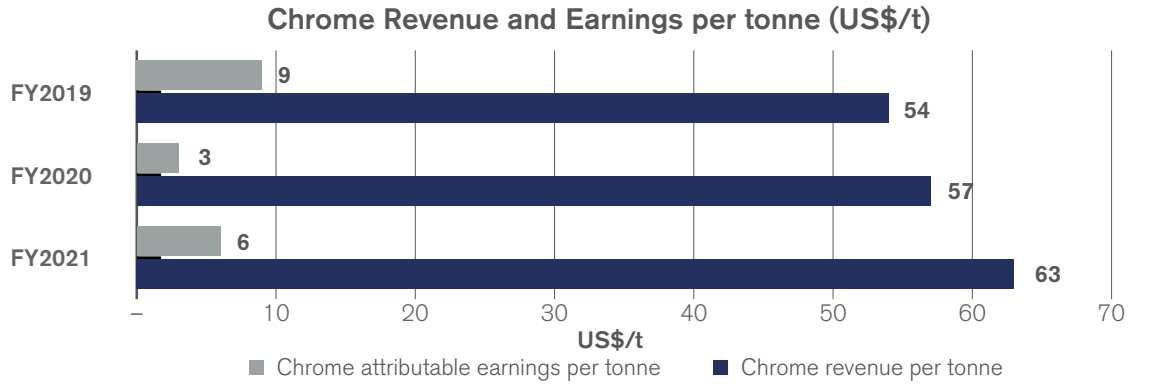
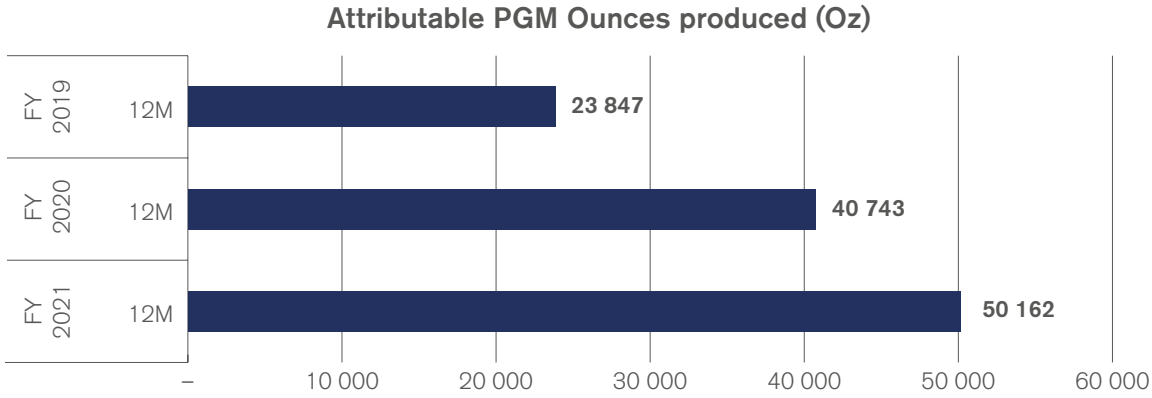
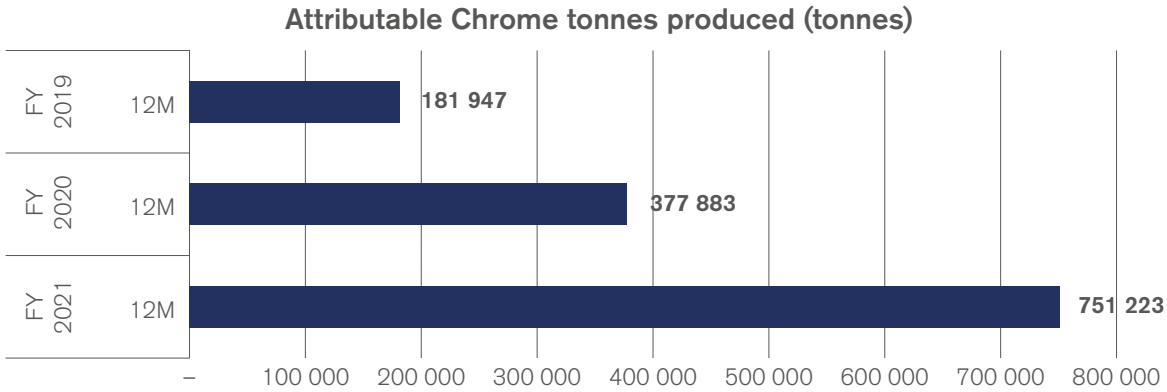
Operational performance









Chief Executive Officer's report

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Chief Executive Officer's overview

The Jubilee team delivered an exceptional performance during this financial year, achieving growth in all of our core business units; PGMs and Chrome and also generating maiden earnings from our new Zambian Copper portfolio. During this period, Jubilee in addition executed a number of targeted transactions and investments valuing £ 20 million, to not only underpin our growth but also offer the opportunity for further growth. A brief summary of the transactions and investments included; Chrome and PGM's:

- On 13 August 2020, Jubilee entered into a third party Run-Of-Mine ("ROM") chrome ore offtake agreement that fully commits its 70 000 tonnes per month Windsor chrome beneficiation plant for the next three years, with an option for this to be extended further;
- On 24 August 2020, Jubilee executed a processing agreement, whereby it was appointed as operator to design, operate and capitalise the expansion of a ROM chrome beneficiation plant to reach 80 000 tonnes per month for a minimum period of 3 years;
- During February 2021, Jubilee commenced with the capitalisation and expansion of the 50 000 tonnes per month Inyoni PGM plant, to a 75 000 tonnes per month processing facility. This formed part of the refocusing of the Inyoni Operation to a third party processing facility for a variety of clients;
- On 3 June 2021, Jubilee has entered into a further long-term, 10+ years of mine life, PGM feed supply agreement, with a chrome mining customer, offering Jubilee the opportunity to expand its PGM Operations into the Eastern Limb of the PGM-rich Bushveld Complex. In addition, Jubilee has acquired the rights to the processing of 255 000 tonnes of PGM containing chrome tailings in the Eastern Limb, further increasing Jubilee's existing surface PGM tailings;
- On 4 June 2021, Jubilee announced that it had in addition secured the right to process a further 944 000 tonnes of PGM containing tailings in the Eastern Limb of the PGM-rich Bushveld Complex.

Copper and Cobalt

- On 6 August 2020, Jubilee established Project Roan by signing a joint venture agreement with a private Zambian company, securing the rights to process 2 million tonnes of copper ROM material containing in excess of 2% copper, with the potential to increase the ROM material to 4 million tonnes in addition to a further approximate 6 million tonnes of copper tailings. The construction of the new copper concentrator is underway targeting to commence commissioning activities from January 2022;
- On 5 November 2020, Jubilee established Project Elephant by concluding a further JV copper tailings transaction to secure the rights to an additional approximately 115 million tonnes of copper and cobalt containing surface tailings in Zambia. This transaction combined with the 150 million tonnes secured at Luanshya established the Northern Copper and Cobalt Refinery strategy;
- Jubilee completed the capitalisation of the ROM ore processing circuit to enhance Sable Refinery's processing capabilities.

Post the period under review

- On 24 August 2021, Jubilee executed a binding Memorandum of Understanding with Mopani Copper Mines Plc as part of its Northern Copper and Cobalt Refining Strategy;
- On 15 September 2021, Jubilee successfully concluded the buy-out of the JV partner in Project Roan while also increasing its JV position at Project Elephant.

While all of this work understandably has put significant pressure on day-to-day operations, I am thrilled to still be reporting further production and earnings progress. Crucially, the investment, time and effort spent in building and integrating these facilities has set a platform for tremendous potential growth opportunities. The significant upgrade undertaken at the Inyoni PGM Operations which was completed post the period under review in October 2021, has enabled Inyoni to pursue a variety of PGM feed materials ensuring a long term sustainable operation. The disruption to production caused by this significant upgrade during the current H2 CY2021 period is expected to be recovered during H1 CY2022.

Chief Executive Officer's report

continued

Figure 1 Windsor Team Members

We have seen further growth in South Africa during the period under review, with a number of new long term PGM supply agreements, each of significant strategic value given their locations on the Eastern Limb of the mineral-rich Bushveld Complex. As well as demonstrating our ability to win and form partnerships with key chrome mining clients, these new supply agreements provide us with the opportunity to replicate the success of our Inyoni Operation in the Western Limb region, which is of significant value to us in supplying a continued and sustained chrome and PGM feed.

With the support of our long-term stakeholders, along with some very welcome blue-chip institutional investors to the share register during the period, our maturing Company continues on a very exciting growth trajectory, both operationally and financially, as our strategy continues to be implemented.

Operationally, the Company has achieved its stated target of 50 000 PGM ounces for FY 2021 at 50 162 ounces (an increase of 23% compared with 40 743 ounces for FY2020). This target was achieved during a period which included the construction and commissioning of two new chrome beneficiation facilities and the commencement of the construction of the expanded Inyoni PGM Operations, which is expected to be completed during Q4 of CY2021. The expansion and upgrade of the Inyoni operations is in-line with the re-focusing of the Inyoni operations from previously only processing historical tails stockpiled and generated by Hernic Ferrochrome Proprietary Limited, prior to it being placed in Business Rescue and the assets ultimately being sold to Samancor, to focusing Inyoni on the processing of feed material supplied by a variety of clients secured under medium- and long-term feed supply agreements. During the period under review, the Company also expanded its operational footprint in the Eastern Limb of the Bushveld Complex in South Africa – a strategic development which demonstrates Jubilee's ability to continue to grow its business by re-investing its earnings into high growth projects.

Chrome operations achieved 751 223 chrome concentrate tonnes for FY2021 (377 883 tonnes during FY2020) on the back of increased operational capacities. This is set to increase further with the commissioning of the new Chrome Beneficiation circuit, which was completed at the end of Q2 CY2021.

Figure 2 Inyoni team members

In Zambia, early earnings from copper production were achieved. Copper production increased to 1 387 tonnes of copper for FY2021 as part of the process of securing operational readiness to accept first copper concentrate production from Project Roan. Project Roan's integrated copper concentrator is set for commissioning and targeting to commence commercial operations during Q1 CY2022, which will result in the first significant increase in copper production by the Sable Refinery, targeting 10 000 tonnes of copper units annually. The fully operational Sable Refinery achieved positive earnings as part of its operational readiness activities, with attributable operational earnings of £ 3.7 million for FY2021 compared to £ 1.2 million for FY2020.

Achieving first delivery, on time, of partially upgraded copper concentrate from Project Roan to the fully operational Sable Refinery was the first major step in Jubilee's commitment to achieving its targeted production of 25 000 tonnes per annum of copper within the next four years. The commissioning of the integrated copper concentrator is on track and scheduled to reach commercial production in Q1 CY2022, while Jubilee's second copper project, located in the Luanshya area, has completed the development programme and is concluding the detail design phase to commence the implementation programme in the next few months.

On 24 August 2021, Jubilee executed a binding Memorandum of Understanding with Mopani Copper Mines Plc, a subsidiary of ZCCM Investment Holdings Plc in Zambia, ("Mopani", "ZCCM" and collectively the "Parties") for the implementation of additional copper and cobalt refining capacity through the recapitalisation of existing refining capacity placed under care and maintenance by Mopani (the "Agreement"). The Agreement forms a key part of Jubilee's Northern Refining Strategy, which offers the potential to establish an accelerated refining presence at both its Sable Refinery in the South, as well as at Kitwe in the North, to better serve all of its secured copper and cobalt tailings projects – offering the potential of a combined refining capacity of 31 000 tonnes of copper units per annum. Jubilee is now able to accelerate the implementation of its Zambian copper strategy at significantly reduced capital and project risk.

Chrome Operations – South Africa

Jubilee's chrome operations, located on South Africa's Bushveld Complex, represent a core pillar of Jubilee's diversified metals recovery business and a key driver of growth. While significantly contributing to the Group's material revenues, we have experienced a steep growth trajectory of tonnage on an annualised basis from an initial 46 000 tonnes in FY2018 to 751 223 tonnes of chrome concentrate recorded for FY2021. This represents a 1 533% increase in just four years. Moreover, Jubilee has almost doubled its processing capacity to 250 000 tonnes a month in less than two years. This is thanks to Jubilee's infrastructure expansion programme, as well as the significant focus on achieving leading chrome operational efficiencies. Our chrome division continues to deliver a global benchmark in terms of recoveries and efficiencies.

Chief Executive Officer's report

continued

The significant growth in chrome concentrate production in FY2021 was particularly driven by the commissioning of two new chrome beneficiation facilities. The principal of the two is the 80 000 tonnes per month processing plant, dubbed OBB Chrome, situated on the Western Limb of the Bushveld Complex, consists of four integrated chrome recovery circuits to enable the processing of various chrome reefs. The commissioning of the first two integrated circuits was completed during June 2020, with the fully integrated facility brought into full operation during October 2021.

The commissioning of OBB Chrome followed the completion of the Windsor 8 chrome plant in October 2020. As reported previously, the 35 000 tonnes per month Windsor 8 facility was commissioned in November 2020 as part of a joint venture agreement with a privately-owned South African mining company. Under this agreement, Jubilee has assumed operational control of the Windsor 8 facility, while also committing to upgrade it by incorporating Jubilee's processing solutions. This facility is strategically located to provide Jubilee with more opportunities to secure further third-party ROM supply and associated PGM material.

The commissioning of these two facilities were milestone achievements in the growth trajectory of Jubilee as, combined, they significantly expand the Group's overall distributed processing capacity to 250 000 tonnes per month of both chrome ROM and historical tailings. The increased chrome processing capacity holds the potential to directly contribute to increased PGM feed supply, as a tailings stream produced from the chrome processing circuit, offering Jubilee the potential to further expand its PGM footprint through its JV agreements and Eastern Limb footprint.

Figure 3 Windsor 8

Jubilee has placed significant focus on achieving industry leading chrome operational efficiencies, which has enabled the Company to rapidly expand its chrome operations by offering chrome mining companies access to Jubilee's highly efficient and cost-effective chrome processing facilities. A key development in this regard, during the year under review was the successful negotiations of a third-party ROM chrome ore offtake agreements that have fully committed the Windsor chrome beneficiation plant for the next three years. There is an option for these agreements to be extended further. Under this agreement, Jubilee has committed to the production of 40 000 tonnes per month of chrome concentrate or, subject to the chrome content in the ROM, saleable chrome concentrate, while also retaining the rights to all discard material including the contained PGMs. These new offtake agreements have the added advantage of further diversifying our client base.

The characteristic volatility of the chrome market continued to be further exacerbated by the Covid-19 pandemic during the period under review. While chrome prices continue to remain volatile, Jubilee has countered this volatility by securing long-term ore supply and offtake agreements for the majority of its installed chrome processing facilities under a fixed operating margin, ensuring a protected profitability. Under the terms of these ore supply agreements, the chrome operations have locked in long-term ore supply which has the benefit of also supporting a sustained PGM feed to its PGM operations. Where other producers have struggled to sustain positive earnings on account of the widely fluctuating values of chrome, Jubilee has responded to the challenge by consistently achieving exceptional chrome recovery efficiencies, well above the industry norm.

Key operational indicators for the period under review:

- Chrome concentrate tonnes produced 751 223 tonnes up 99 % from 377 883 tonnes in FY2020
- Chrome revenue up 103 %, to £ 34.9 million from £ 17.2 million in FY2020
- Combined chrome processing capacity increased to 250 000 tonnes per month
- Secured ore supply agreements totaling 80 000 tonnes per month

Windsor Chrome Operations – South Africa

Windsor Chrome is a South Africa-based chrome beneficiation facility situated on the Western Limb of the Bushveld Complex. Acquired by Jubilee in January 2019, it has the capacity to process approximately 60 000 tonnes per month of ROM feed material. It is principally supplied with feed through offtake agreements with reliable third-party chrome ore suppliers. The plant also has access to historical chrome tailings in the region.

In August 2020, Jubilee entered into a third-party ROM chrome ore offtake agreement with a local producer, which fully commits Windsor Chrome processing capacity for the next three years, with an option for this to be extended further. Under the terms of the offtake agreement, Jubilee has secured a minimum of 60 000 tonnes per month of chrome containing ROM feed to Windsor, targeting the production of approximately 40 000 tonnes per month of saleable chrome concentrate. Jubilee has also retained the rights to all discard material including the contained PGMs. As part of the agreement, Jubilee locked in a chrome sale price for the chrome production to secure a chrome earnings margin, ensuring a constant feed source to its PGM operations under a protected chrome operational margin.

Figure 4 Windsor modern tailings capture facility

Windsor 8 Chrome Operations

Acquired in August 2020, the 35 000 tonnes per month Windsor 8 Chrome processing facility situated near the larger Windsor operations on the Western Limb of the Bushveld Complex has been in full operation since November 2020. The chrome beneficiation facility is operated under an unincorporated joint venture agreement with a private South African mining company whereby Jubilee was appointed to recapitalise, commission and operate the upgraded facility.

OBB Chrome Operations

The 80 000 tonnes per month processing plant, dubbed OBB Chrome, situated on the Western Limb of the Bushveld Complex and adjacent to the Inyoni PGM Operation, consists of four integrated chrome recovery circuits to enable the processing of various chrome reefs. The commissioning of the first two integrated circuits was completed during June 2020, with the fully integrated facility brought into full operation during October 2021.

The commissioning of OBB Chrome followed the completion of the Windsor 8 chrome plant in October 2020.

The OBB facility is operated by Jubilee under agreement with a subsidiary of Samancor Chrome Ltd. The agreement is backed by a guaranteed supply of a minimum of 40 000 tonnes per month of chrome and PGM containing ROM which has the potential to be increased to 80 000 tonnes per month.

Chief Executive Officer's report

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Inyoni Chrome Operation – South Africa

Jubilee's Inyoni Operation is a 50 000 tonnes per month chrome beneficiation plant in the Western Limb of the Bushveld Complex that targets the recovery of further chrome from current chrome tailings in the industry.

In FY2021, Jubilee initiated an expansion project to increase Inyoni's processing capacity to 75 000 tonnes per month and incorporate further increased process flexibility in line with refocusing of the Inyoni operation on processing a variety of feed supply sources, where previously the operation was designed to only for the processing of historical tailings stockpiled by Hernic Ferrochrome Proprietary Limited (Hernic). The refocusing of Inyoni followed the business rescue of Hernic and the ultimate sale of its assets to a subsidiary of Samancor. This project is anticipated to be fully completed during Q3 and brought on-line during Q4 CY2021.

PGM Operations

Jubilee's PGM business is operated in conjunction with the chrome division, with the bulk of the feed source material to the PGM operations being the tailings that have already been beneficiated for chrome. It is for that reason that Jubilee has driven hard the expansion of its chrome operations to secure sustained feed supply for its PGM operations. Jubilee commenced the upgrade and expansion of its Inyoni PGM operation to re-focus the operation as a majority 3rd party processor of feed material from a distributed client base. The Inyoni upgrade included significant enhancements to offer a flexible processing solution to cater for varying feed supplies.

Figure 5 New Windsor 8 Project

These operations facilitate the beneficiation of all six platinum groups metals and offer the Group full exposure to the basket of PGM metals.

As with chrome, Jubilee has experienced an exponential growth in PGM production since operations commenced in 2017. In FY2021, Jubilee achieved a record production of 50 162 PGM ounces. This was achieved against a backdrop of substantial infrastructure investment and integration across its projects.

A key milestone in the growth trajectory of Jubilee's PGM operations will be the completion of the expansion and upgrade programme at the Inyoni PGM Operations facilitating to increase its processing capacity by 45% to 75 000 tonnes per month and enabling the operation to target a variety of feed sources. The project is expected to commence final commissioning during Q4 CY2021.

The other notable development during the period was the expansion of Jubilee's operational footprint in South Africa to include the Bushveld Complex's Eastern Limb. This expansion comes in the form of PGM Supply Agreements negotiated with various producers operating on the Eastern Limb, which gives Jubilee the processing rights to an additional 944 000 tonnes of PGM-containing surface tailings (before accounting for any moisture). The PGM Supply Agreements are all based on the LG6 chrome reef known for its high rhodium content accounting for approximately 12% of a produced PGM ounce compared with as low as 7% of other chrome reefs. The PGM Supply Agreements have secured the rights to long-term PGM feed supply of an estimated 16 500 tonnes per month, with the potential of producing up to 14 500 PGM ounces per annum.

As well as demonstrating our ability to win and form partnerships with key chrome mining clients, these new supply agreements provide Jubilee with the opportunity to replicate the success of the Inyoni operations as a processor of 3rd party feed materials, in the Western Limb region, which is of significant value to the Group in supplying a continued and sustained chrome and PGM feed. While consideration is being given to the implementation of a dedicated processing facility on the Eastern Limb, in the meantime, Jubilee will beneficiate all material stemming from the PGM Supply Agreements at its PGM operations in the Western Limb area. The additional logistical cost incurred for the transport of the Eastern Limb PGM material the 400km distance to Inyoni is being offset by the increased revenues realised by the contained higher value PGM material from the LG6 chrome reefs.

In addition to the PGM Supply Agreement, Jubilee has also acquired the processing rights to a further 255 000 tonnes of PGM-containing chrome tailings (equivalent to approximate production of 12 300 PGM ounces) produced from the processing of LG6 chrome reefs. This has further increased Jubilee's existing surface PGM tailings, which are expected to be high in rhodium content. The PGM Supply Agreements offer a minority earnings participation to the Chrome Mine partner allowing them exposure to the PGM values, which also enhances their earnings potential. They also demonstrate Jubilee's ability to continue to grow its business by re-investing its earnings into high growth projects and by forming true partnerships with its chrome mining customers.

At the time of writing, commissioning of the expanded PGM final product cleaning circuit was also underway, with the enlarged integrated PGM processing facility targeted to commence commissioning in Q4 CY2021.

During the period, PGM prices remained buoyant with the 6E dollar basket price increasing by 59% to US$2 587/oz between the end of June 2020 and the end of June 2021. This was largely driven by record rhodium and palladium prices and a fundamental supply deficit in platinum, palladium and the rhodium markets. While the continued tightening of the palladium and rhodium markets is anticipated to support higher pricing in the medium term, platinum prospects remain muted in the near term. However, growing momentum for the development of hydrogen economy supports a positive medium- to long-term outlook.

Key operational indicators for the period under review:

- PGM ounces produced up 23% to 50 162 ounces (FY2020: 40 743 ounces)
- PGM revenue up 142% to £ 83.7 million (FY2020: £ 34.5 million)
- PGM attributable earnings up 193% to £ 62.9 million (FY2020: £ 21.5 million)
- All in cost per PGM ounce produced US$537 (FY2020: US$541)

Windsor PGM Operations – South Africa

Windsor PGM is a South Africa-based PGM recovery unincorporated joint venture with Northam Platinum's Eland Plant operations. Under the joint venture, Windsor PGM has secured access to the PGM recovery operations for the recovery of the PGMs contained in the tailings produced by Windsor Chrome Operation. The additional processing capacity offered under this unincorporated joint venture is used for the processing of overflow material in excess of Inyoni PGM's processing capacity.

Chief Executive Officer's report

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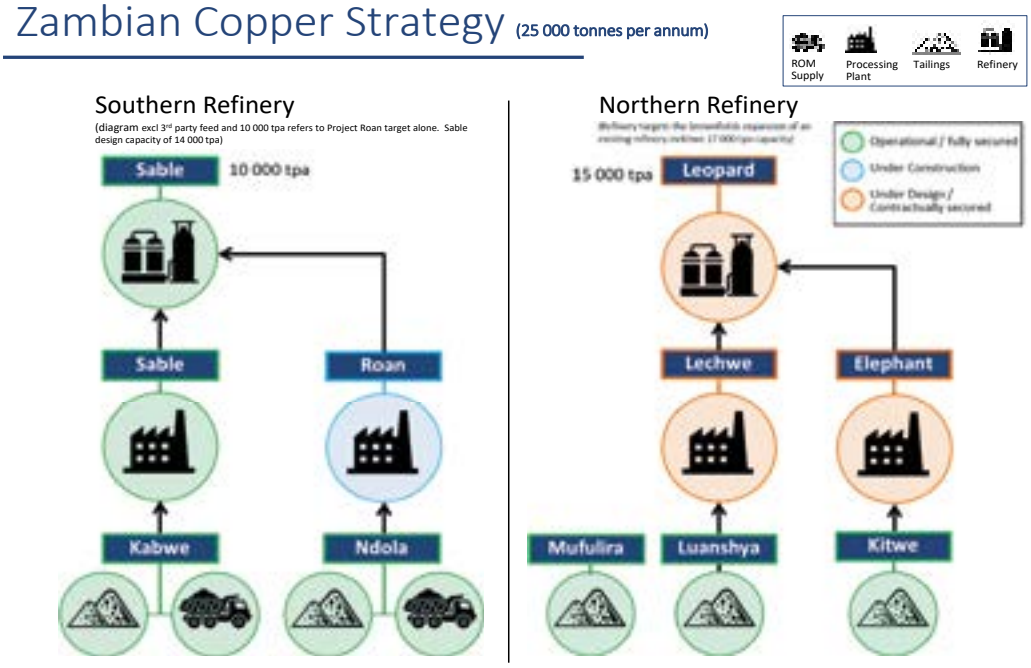
Inyoni PGM Operations – South Africa

Figure 6 Inyoni Operations

Inyoni is a modern state-of-the-art PGM and chrome recovery facility with a capacity to process up to 75 000 tonnes per month of feed material. Jubilee has refocused the Inyoni operation as processor of choice for third party feed material secured under medium- and long-term feed supply agreements.

Jubilee's combined PGM Operations continued to perform strongly and achieve exceptional efficiencies achieving an all-time record production in excess of 50 000 PGM ounces for FY2021 reaching 50 162 ounces (up 23% compared with 40 743 ounces for FY2020).

Zambia Operations



- **Southern Refinery Strategy** (14 000 tpa capacity), which incorporates the Sable Refinery together with Project Roan located in the Ndola area; and
- **Northern Refinery Strategy** (17 000 tpa capacity), which incorporates the newly targeted refinery at Kitwe, called Leopard, together with the copper tailings project in the Luanshya area, called Project Lechwe (previously Elephant 1), as well as the copper and cobalt tailings in the Kitwe area called Project Elephant (previously called Elephant 2). Jubilee has secured additional copper and cobalt tailings at Mufulira, which is currently being sampled to confirm the quantity and quality and will form part of the Project Elephant resource.

Figure 7 Project Roan

Since establishing an operational presence in Zambia with the acquisition of the multi-metal Sable Refinery in August 2019, Jubilee has made great strides in cementing and expanding that presence across the Copper Belt. The year under review was a particularly productive period driven largely by the successful implementation of Jubilee's Copper and Cobalt Strategy for Zambia. This strategy both widens Jubilee's commodity exposure and also the potential of significant continued earnings growth from copper in addition to the achievements of its PGM and chrome operations. Copper is a strategic and complementary metal and with first revenues now achieved, and a robust outlook driven by the path to low carbon global commitment, the Company is excited about the future growth of its copper operations.

A key objective of the strategy is to expand Jubilee's access to refining capacity, in order to reach a targeted 25 000 tonnes of copper units per annum within four years. This will be achieved through two separate expansion programmes. The first, being the Southern Refining Strategy, is centered around Jubilee's 10 000 tonnes per month Sable Refinery near the town of Kabwe. This facility is dedicated to refining the concentrates produced by the adjacent Sable processing plant as well as the Roan processing facility, which was at the time of writing under construction and set to commence commissioning by January 2022.

Sable has agreements to process ROM and historical tailings from the Kabwe mine while Roan, once completed, will process ROM and historical tailings from Ndola. The Sable Refinery, which acts as a central processing facility for third party material in the region, gives access to a current resource comprising of an estimated 6.4 million tonnes of surface waste assets containing zinc, lead and vanadium pentoxide in addition to the approximate 288 million tonnes of copper and cobalt tailings secured in 2020.

The Northern Refinery Strategy is the second of Jubilee's Zambian expansion programmes. This strategy was made possible through the execution of a binding MoU with Mopani Copper Mines Plc, a subsidiary of ZCCM Investment Holdings Plc in Zambia in August 2021 for the implementation of additional copper and cobalt refining capacity through the recapitalisation of existing refining capacity placed under care and maintenance by Mopani. This

Chief Executive Officer's report

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additional refining capacity targets to increase Jubilee's existing copper refining capacity by a further 15 000 tonnes of copper per annum.

The Northern Refinery Strategy incorporates the newly targeted refinery, called Leopard, together with the copper tailings project in the Luanshya area, named Project Lechwe (previously Elephant 1), as well as the copper and cobalt tailings in the Kitwe area, known as Project Elephant (previously called Elephant 2). Jubilee has secured additional copper and cobalt tailings at Mufulira which is currently being sampled to confirm the quantity and quality and will form part of the Project Elephant resource.

The completion of the design work for Project Lechwe, whereby Jubilee has secured the rights to approximately 160 million tonnes of copper containing surface tailings, is progressing well and remains on track to enter the execution phase for the project in 2021. Project Lechwe targets to commence production during Q4 2022 targeting a production rate of 7 500 copper units per annum as part of the Northern Refinery Strategy.

During the period, the Company achieved early earnings from its copper and cobalt production as part of securing operational readiness to accept first production from Project Roan, achieving total copper production of 2 026 tonnes since being brought back into operation by Jubilee.

Key operational indicators for the period under review:

- Copper resources secured and project schedule is being executed to achieve 25 000 tonnes of copper per annum
- Binding MOU executed for the implementation of additional copper and cobalt refining capacity through the recapitalisation of existing refining capacity placed under care and maintenance by Mopani Copper Mines Plc
- Copper production during the period 1 387 tonnes (FY2020 639 tonnes)
- Maiden revenues achieved from Sable Refinery as part of securing operational readiness to accept first production from Project Roan

Figure 8 Project Roan

Report of the Directors

The Directors present their report together with the financial statements for the year ended 30 June 2021.

1. Principal activities and place of incorporation

Jubilee is UK domiciled and incorporated in England and Wales and is governed by UK Law. Its primary listing is on the Alternative Investment Market of the London Stock Exchange ("AIM") and it has a secondary listing on the Alternative Exchange of the JSE Limited ("Altx"). Jubilee is a global, diversified metals processing and recovery company, operating world class projects processing chrome, Platinum Group Metals, copper, lead zinc and vanadium.

2. Business review

A review of the Group and Company's operations for the period under review and future developments is contained in the Strategic Report on pages 5 to 19.

3. Dividends

The Directors did not recommend the payment of a dividend for the year under review (2020: £ nil).

4. Financial overview

Earnings per share

Figures in Sterling	June 2021	June 2020
Earnings attributable to ordinary equity holders of the parent Weighted	**39 599 917**	18 320 392
Weighted average number of shares for basic earnings per share	**2 185 345 903**	1 955 965 289
Effect of dilutive potential ordinary shares		
Share options and warrants	**40 742 711**	19 299 151
Diluted weighted average number of shares for diluted earnings per share	**2 226 088 614**	1 975 264 440
Basic earnings per share (pence)	**1.81**	0.94
Diluted basic earnings per share (pence)	**1.78**	0.93

The Group reported a net asset value of 6.09 pence (ZAR 120.43 cents) (2020: 4.46 pence (ZAR 95.26 cents)) per ordinary share. Tangible net asset value for the period under review was 1.99 pence (ZAR 39.42 cents) (2020: 1.01 pence (ZAR 21.52 cents)).

The total number of ordinary shares in issue at 30 June 2021 was 2 242 509 468 (2020: 2 112 509 573) shares.

5. Risk review

The Board and the Executive Committee keep the risks inherent in the processing of potential and current surface assets, the mining and exploration and the operational and production business under constant review. The principal risks for the Group and the measures taken by the Board and Executive Committee to mitigate them are detailed below:

5.1 Business risks

- **Surface assets processing risk** is the risk of deploying resources and capital to potential projects, which subsequent to due diligence or development prove not to be feasible or profitable for the Group. The Executive Committee addresses this risk through the implementation of an investment criteria matrix, which sets out the initial requirements and/or steps to be followed prior to any commitment of whatsoever nature to any new project including but not limited to executive time, costs and other resources within the organisation. Project performance is also measured against expected performance to monitor each project's performance and allow for any changes required. This risk is also mitigated through the very strong technical skills set that exists within the technical team of the Group.

Report of the Directors

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- **Exploration and production risk** is the risk of investing capital and resources on potential mining projects, which may not provide an adequate return. Exploration and subsequent mining operations are subject to hazards normally encountered in exploration, development and production. Although it is intended to take adequate precautions during each stage of development of any new or potential projects to minimise risk, the possibility of a materially adverse impact on the Group's operations and its financial results always exists. The mining and manufacturing industries in South Africa and Zambia are under great economic and social pressures and competition increases as resources and surface assets are depleted. The Board and Executive Committee continuously manages the Group's resources and new resources are being identified on an ongoing basis to lower the risk of low feed source levels. Selected projects must pass the investment criteria of the Jubilee business model and be able to deliver the expected returns and strategic outcomes.
- **Human Capital risk** is the risk that while the Group maintains good relations with its employees, these relations may be at risk by changes in the laws of labour, which may be introduced by the relevant governmental authorities. Furthermore, the Group, now being an operational business, is developing and maintaining policies appropriate to the stage of development of its various projects. Recruiting and retaining skilled and qualified personnel are critical to the Group's success. The number of persons skilled in the acquisition, exploration, processing, and development of mining properties, surface tailings and minerals processing is limited and competition for such persons is intense. The Board and the Executive Committee, based on advice from the Executive team, set priorities. Members of staff are encouraged to discuss with management matters of interest to the employees and subjects affecting day-to-day operations of the Group.
- **Political risk** is the risk that assets will be lost through expropriation, unrest or war. The Group minimises political risk by operating in countries with relatively stable political systems, established fiscal and mining codes and a respect for the rule of law. The Group operates in countries where it believes that it can understand and manages such risk in the context of its overall operations. The Group investigates its rights to explore and extract minerals from all of its material properties and, to the best of its knowledge, those rights are expected to be in good standing. However, no assurance can be given that the Group will be able to secure the grant of mineral rights and tenures on terms satisfactory to it, or that governments in the jurisdiction in which the Group operates will not revoke or significantly alter such rights or tenures or that such rights or tenures will not be challenged or impugned by third parties, including local governments or other claimants.
- **Commodity risk** is the risk that the price earned for minerals will fall to a point where it becomes uneconomical to extract them from the ground or to process them. The principal metals in the Group's portfolio are PGMs, chrome, nickel, copper, lead, zinc and vanadium. The price of these metals has been unstable during the period under review and is expected to continue to be so. The economics of all the Group's projects are kept under close review on a regular basis. The Board and the Executive Committee monitor the markets closely to ensure optimal extraction value from feed sources given the changes in the prices of commodities.
- **Environmental risk** is considered to be a lower-risk area for Jubilee as its business model is based on the processing of primary and secondary waste and discard streams. Jubilee's responsible processing of these streams assists in reducing the negative impact of the legacy of such waste and discard materials on the environment and also reducing the health risks of the environmental liability that is created by such above ground material. Through reducing health risks and associated environmental challenges, Jubilee contributes to the health and wellbeing of communities. Jubilee does not require any mining rights or mining licenses to process its stream, it therefore has limited exposure to administration and other uncertainties often associated with such grants.

5.2 Financial risks

- **Funding risk** is the risk associated with the impact on the Group or a project's cash flow from higher funding costs or lack of availability of funds. All projects are subjected to a detailed due diligence, which includes an analysis of the impact of funding costs on each project. The Group maintains regular forecasts for Group and project funding requirements. Capital expansions are funded from own cash resources although external funding options are available to the Group.

- **Liquidity risk** is the risk of insufficient working or investment capital. The Group's goal is to finance its exploration and surface processing activities from cash flows from operations, but in the absence of such forecast available cash flows, the Group relies on the issue of equity share capital, corporate and project debt funding and option agreements to finance its activities. The draw-down of funds and equity and allocation, management and distribution of cash and capital is controlled and managed by the Board.
- **Currency risk i**s the risk of the possibility that one currency will devalue to the exchanger's detriment. The Group's PGMs, chrome and copper metals are priced in US$ while operating costs are incurred in ZAR and to a limited extent the ZMK. The Group has, in an effort to minimise the impact of currency movements on revenue, agreed with selected customers to invoice in US$ to protect revenues from being dependent, inter alia, on prevailing exchange rates which are hugely affected by global economic climates. Movements in exchange rates and commodity prices do however impact the profitability of the Group as certain operating costs are incurred in ZAR and ZMK.

  The Group finances its operations by transferring £ and US$ to meet local operating costs and obligations. The Group does not hedge its exposure to foreign currency risk and is therefore exposed to currency fluctuations between these two currencies and local currencies. Transfer of currency is managed by the Executive Committee.

- **Credit risk** refers to the risk that counterparties will default on their contractual obligations resulting in financial and cash loss to the Group. Credit risk arises principally from the Group's investment in cash deposits. The Group seek to deposit funds with reputable financial institutions with high credit ratings until such time as it is required. The Group do not have any significant credit risk exposure on trade and other receivables as customers are well established and of a high quality and credit terms well within normal industry standards. The Group has a small number of high-quality customers. The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk.

  The Group maintains tight financial and budgetary control to keep its operations cost-effective to mitigate financial risks. More information on financial instruments and risk management is included in note 25 to the consolidated financial statements.

6. Corporate governance

In formulating the Company's corporate governance procedures, the Board of Directors takes due regard of the principles of good governance as set out in the UK Corporate Governance Code issued by the Financial Reporting Council.

Taking into account the size, the industry that the Group operates in, the nature of the Group's operations and the stage of development of the Company, the Board underwrites best practice in corporate governance as appropriate. As a public company listed on AIM the Board acknowledges that it is responsible and accountable to all stakeholders, shareholders, suppliers, staff, clients, customers and contractors.

The Board adopted the principles of the 2018 Quoted Companies Alliance Corporate Governance Code – ("the QCA Code") to support the Company's governance framework. The Directors acknowledge the importance of the ten principles set out in the QCA Code and below a table illustrates the Company's compliance or explanation where not fully compliant.

Report of the Directors

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Application and explanation of the QCA Code:

	Principle	Level of Compliance	Explanation if not compliant (if applicable)
	DELIVER GROWTH		
1	Establish a strategy and business model which promote long-term value for shareholders	The Company's strategy and business model is clearly promoted in its annual reports and six-monthly updates where detailed information is published on its strategy, its progress towards achieving its short and long term strategies and this information is reviewed and updated regularly and communicated to shareholders.	Compliant
2	Seek to understand and meet shareholder needs and expectations	The CEO and/or Chairman, where appropriate, respond to shareholder queries directly (whilst remaining cognisant of the Market Abuse Regulations' restrictions on inside information and within the requirements of the AIM Rules for Companies). Non-deal roadshows are arranged throughout the year to meet with existing shareholders and potential new stakeholders to maintain, as much as possible, transparency and dialogue with the Market. Investor presentations and interviews can be found on the Company's website. The Company's Chairman and Chief Executive Officer have regular road shows and investor shows to reach out to the wider stakeholder group to ensure a presence in the market about the Company's growth strategies, its projects and its responsibilities in this regard. Shareholders with queries can email info@jubileemetalsgroup.com	Compliant
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	Our business model and strategy are clear and are set out in our Annual Report. The vision of the business is to be a diversified metals recovery company with a focus on reprocessing of historical surface mine waste and materials. The Company's Executive Committee currently plays an important role in the day-to-day management of the Company. The committee consists of selected members of senior executive management in the Group as well as the CEO and one non-executive director. The Board works closely with the executive team with clear and open communication both within and outside of the Board room. The Company has an open-door policy from the executive team down where employees' opinions and suggestions are valued and listened to. 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 PGMs, 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.	Compliant

	Principle	Level of Compliance	Explanation if not compliant (if applicable)
4	Embed effective risk management, considering both opportunities and threats throughout the organisation	As part of risk management, regular meetings of project executives and executives of the Company are held to discuss and update new business opportunities which includes a risk assessment of the new opportunities and how this can be mitigated or eliminated prior to engaging in same. Other risk management areas are disclosed in the Company's annual report. These are reviewed and updated regularly given the growth phase that the Company is in at present. The Company's auditors also provide recommendations when necessary to the Company on risk management at each annual audit.	Compliant
	MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK		
5	Maintain the board as a well-functioning, balanced team led by the chair	The Board comprises two executive directors and four non-executive directors. The Board is supported by its sub committees being the Remuneration and Nomination and Audit and Risk Committees. Members of the Board are all individuals of high calibre and have many years' experience in or associated with the mining industry. Each Board member is expected to dedicate sufficient time to the business of the Company as may be necessary to fulfil their duties. Biographies of the Board are disclosed each year in the Company's annual report and updated annually. Refer to page 27 of this report for biographies of the Board. Directors are re-elected by rotation every three years. The Company is of the view that the current Board is appropriately resourced to meet its obligations in compliance with the code. The need for changes or additions to the Board are reviewed regularly and will be addressed in line with the Company's growth profile.	Compliant
6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	The Remuneration Committee is responsible for Board appointments and assessing the suitability of potential new board members as and when required. It also assesses the appropriateness of the size and composition of the Board. The Board currently comprises two executive and four non-executive directors with a wide range of skills, experience and knowledge.	During the period under review Nicholas Taylor was appointed independent non-executive director.

Report of the Directors

continued

	Principle	Level of Compliance	Explanation if not compliant (if applicable)
6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities *(continued)*	The Committee is of the view that the current Board composition is appropriate with an appropriate balance of industry specific, financial and investor relation skills and experience. It does however require an independent non-executive director to bring a required balance of independent presence on the Board. More details of the skills and experience of the directors are provided in the annual report. The Board has access to external advisors where necessary. The Board is kept abreast of developments of governance, legal, accounting changes and AIM regulations. The Company's lawyers provide updates on governance issues to the Board, the Company's NOMAD provides annual Board AIM Rules refresher training as well as the initial training as part of a new Director's induction. All Directors have access to the Company's NOMAD, company secretary, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary.	The Company is mindful of the issue of gender balance, although Board appointments are made with the primary aim of ensuring that the candidate offers the required skills, knowledge and experience.
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	The Company is currently undergoing a growth phase, which requires both the Board and management to be evaluated and their effectiveness to be reviewed regularly. There is a strong flow of communication between the Directors. The Company has formulated a framework for both the Board and management to be evaluated on performance and skills and to be remunerated accordingly. The framework includes performance measurement on project level as well as company level and aims to incentivise and motivate members of the Board and management to participate in the growth and performance of the Company.	The Board continues to build on the governance structure already in place. On-going reviews of the functioning of the Board and ensuring that the highest level of governance is maintained whilst being mindful of the size and stage of development of the Company. Whilst the Board has not undertaken any formal training, Board members are responsible for their own training in their respective professions, some of which are compulsory to retain one's professional status

	Principle	Level of Compliance	Explanation if not compliant (if applicable)
8	Promote a corporate culture that is based on ethical values and behaviours	Ethical values, corporate culture and behaviour and respect is not negotiable and the Company promotes and supports a proper corporate culture based on ethical values and behaviour towards fellow team members and the organisation's stakeholders and shareholders. Issues of bribery and corruption are taken seriously. The Company has a zero-tolerance approach to bribery and corruption and has an anti-bribery and corruption policy in place to protect the Company, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption. Each employee is required to sign an agreement to confirm that they will comply with the policies. Annually staff are provided with refresher courses to ensure that the issues of bribery and corruption remain at the forefront of people's mind. There are strong financial controls across the business to ensure ongoing monitoring and early detection.	Compliant
	BUILD TRUST		
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	The Board had four meetings during the year under review. Papers are circulated well in advance of the meetings, giving directors ample time to review the documentation and enabling an effective meeting. Resulting actions are tracked for appropriate delivery and follow up. Each Committee has terms of reference outlining the specific responsibilities delegated to it. There are certain matters that are reserved for the Board, they include: ▪ approval of the Group's strategic aims and objectives; ▪ approval of the Group's annual operating and capital expenditure budgets and any material changes to them; ▪ Review of Group performance and ensuring that any necessary corrective action is taken; ▪ Extension on the Group's activities into new business or geographical areas; ▪ Any decision to cease to operate all or any part of the Group's business; ▪ Major changes to the Group's corporate structure and management and control structure; ▪ Any changes to the Company's listing; Changes to governance and key business policies; ▪ Ensuring maintenance of a sound system of internal control and risk management; ▪ Approval of half yearly and annual report and accounts and preliminary announcements of final year results; ▪ Reviewing material contracts and contracts not in the ordinary course of business.	Board members are regularly updated by the CEO, on the Company's development and the progress of its projects and although this is not formally documented, the Company will use its best endeavours to document such discussions. As the Company grows, the Directors will ensure that the governance framework remains in place to support the development of the business.

Report of the Directors

continued

	Principle	Level of Compliance	Explanation if not compliant (if applicable)
10	Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	The Company communicates with shareholders and other relevant stakeholders through a number of forums the most important of which are announcements through the Regulatory News Services of the AIM market. These include interim and annual financial results updates as well as six monthly updates released to update shareholders on the operational and financial performance of its business operations. The Company's annual general meeting ("AGM") is also a forum for shareholders and stakeholders to engage with the Board and the auditors on any questions they may have pertaining to the resolutions contained in the notice of the AGM which, is circulated well in advance of the AGM. Informal discussions are also facilitated after the AGM to afford discussions outside of the AGM agenda. The Company furthermore holds regular webcasts where shareholders and stakeholders can register online and participate in an update presented by the Company on its business operations followed by a question and answer session afterwards. These webcasts are also published on the Company's website at www.jubileemetalsgroup.com The Company's website also contains regular video interviews with the CEO and can be viewed at www.jubileemetalsgroup.com	NA

7. Board of Directors

7.1 Abbreviated biographies of the Directors

Mr Colin Bird

Non-Executive Chairman

Mr Bird is a chartered engineer, a Fellow of the Institute of Materials, Minerals and Mining and holds both a UK and South African Mine Managers Certificate. The formative part of his career was spent in the UK coal mining industry and thereafter he moved to the Zambian copper belt and then to South Africa to work in a management position with Anglo Coal and BP Coal. On his return to the UK he was Technical and Operations Director of Costain Mining Limited, which involved responsibility for mining operations in the UK, Europe and Latin America. He has been involved in the management of nickel, copper, gold and many diverse mineral operations. He has founded and floated several public companies in the resource sector and served on resource company boards in the UK, Canada and South Africa.

Dr Mathews Phosa

Non-Executive Vice-Chairman

Dr Mathews Phosa is a prominent political and business leader in South Africa. He played a key role in the countries' negotiations that led to the peaceful end of four decades of apartheid rule in 1994 and ushered in a democratic government.

Dr Phosa qualified with a Bachelor of Law degree (Mercantile Law) then Baccalaureus Procurationis, from the University of the North ((BProc LLB (UNIN) and later was awarded an Honorary Doctor of Law Degree (PhD (HON) in Law) from Boston University, USA in 1995.

He served his legal Articles of Clerkship at the well-known law firm Godfrey Rabin Attorneys from 1979 to 1981. He subsequently established the first black-owned law practice in Nelspruit, Mpumalanga in 1981 under the name Phosa, Mojapelo and Makgoba Attorneys and worked as a partner until 1985.

In 1985, Dr Phosa, was forced into exile by the apartheid government and a year later became the regional commander in Mozambique of Umkhonto we Sizwe, the military wing of the African National Congress (ANC). [He led his troops on mission after mission until the tide of liberation turned in the ANC's favour.

In 1990, he was one of the first four members of the ANC that returned to South Africa from exile after the unbanning of the party. After the first democratic elections in 1994, he was appointed by South Africa's first black President, Nelson Mandela, as the first Premier of Mpumalanga, one of the nine newly established provinces in the country. He held this position until 1999 after which he became a member of the National Executive Committee of the ANC.

At the ANC's 52nd National Conference in 2007, Dr Phosa was elected Treasurer General, a position he held until 2012.

Dr Phosa serves on a number of boards, including Jubilee Metals Group, Hans Merensky, Vuka Timbers, Mathews Phosa & Associates, Phosa Loots Inc Attorneys, Frans Schutte & Mathews Phosa Inc Attorneys, Renaissance Capital, Bauba Platinum, M3P Mining & Engineering, Salene Manganese and Value Logistics to name a few.

Dr Phosa also served on the board of Special Olympics International and is Chairperson of Special Olympics South Africa (SOSA). He has been instrumental in awakening the movement in South Africa since 2006. SOSA is an NPO founded to provide year-round sports training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities.

Dr Phosa is among South Africa's longest-serving university council chairpersons. He was Unisa's Council Chairperson from 2003 to 2015, appointed by the then Minister of Education, Kader Asmal to chair Unisa's Council through a particularly challenging phase: the 2004 merger of Unisa, Technikon SA and Vista University's Distance Education Campus. Dr Phosa's background as a negotiator made him more than equal to the task.

Dr Phosa is a prolific author who speaks nine languages. He has two anthologies in Afrikaans poetry to his name under the title "*Deur die oog van 'n naald*" – some of which have been prescribed in the school curriculum for the South African national matric syllabus. Dr Phosa launched an English anthology called "Chants of Freedom" on 2 June 2015.

The Executive Management of the University of the Free State (UFS) appointed Dr Phosa as Visiting Professor to the UFS in 2006 for a period of three years. Dr Phosa was involved with the training of the UFS School of Management's MBA students. Dr Phosa was awarded a Lifetime Achievement Award for his contribution to transformation and empowerment at the 12th Oliver Empowerment Awards ceremony on 26 April 2013.

Dr Phosa attended the 25th anniversary celebrations of the signing of the Brazzaville Accord on Peace in Southern Africa in Brazzaville in February 2014 where he was awarded the Congolese Order of Merit by President Denis Sassou Nguesso (President of the Republic of the Congo). (The Congolese Order of Merit is the highest decoration of the Republic and was instituted by Abbé Fulbert Youlou, first president, on 25 February 1959 to be awarded to heads of state and other eminent persons and for outstanding acts and services to the Republic. It is both a military and civilian award. Congo-Brazzaville is a small former French colony with a population of less than four million people and the order is rare.)

Dr Phosa was the only recipient to receive two awards at the African Achievers Awards in Abuja, Nigeria on 8 July 2016. The first award bestowed on him was for *"Leadership Excellence in Africa"*. The second was a *"Life time Achiever"* Award. He dedicated the first to good governance and democracy and the second he dedicated to our former President, the late Nelson Mandela.

Dr Phosa made history when he became the first man to be presented with an award by the African Women in Leadership Organisation at their 8th edition of the African Woman In Leadership Organisation (AWLO) Conference in Washington DC, USA on 18 August 2016. Dr Phosa was awarded the *"African Man of the Year"* Award in recognition of his tireless effort in showcasing and supporting the creativity of African women.

Report of the Directors

continued

Mr Christopher Molefe

Non-Executive Director

Mr Molefe was formerly the Chief Executive of Royal Bafokeng Resources Proprietary Ltd and recently resigned from Merafe Resources Limited and Capital Oil Proprietary Ltd, both in South Africa. He served as Chairman of Transfrontier Capital Proprietary Ltd and Sabicor Proprietary Ltd. Mr Molefe has held several positions in corporate banking and industry for the previous 20 years. He commenced his career as Group Human Resource Manager at Union Carbide Africa Corporation. His subsequent positions include Manager of Corporate Affairs at Mobil Oil Southern Africa Proprietary Ltd; an Executive Director at Black Management Forum; a Financial Analyst at Chase Manhattan Bank; the Marketing Manager at African Bank Limited; an Executive Manager at Transnet (Propnet) Proprietary Ltd and an Executive Director at Dipapatso Media Proprietary Ltd. He currently serves on Galileo Resources Plc's board as Non-Executive Director.

Mr Leon Coetzer

Chief Executive Officer

Mr Coetzer is a qualified chemical engineer. He has been employed within the Anglo American plc group for 20 years, of which 16 years were spent at Anglo Platinum. His last position was Head of Process Control and Instrumentation, where he defined and managed the automation and process control strategy for Anglo Platinum. The programme has established itself as a recognised world leader in its field. He was a member of the Executive Process Committee, the Research and Development Council of Anglo American, and advisor to the asset optimisation initiative at Anglo Platinum and Anglo American. Throughout his career, he has managed both technical and production units of large operations, including both platinum concentrators and smelters, and was selected to participate in Anglo American's global leadership programme. Leon was appointed Chief Executive Office of Braemore Resources in 2008. Braemore Resources was responsible for the commercialisation of the patented ConRoast pyro-metallurgical process which was commercialised at its Smelters in Middelburg. Leon oversaw the acquisition of Braemore by Jubilee Metals Group Plc (formerly Jubilee Platinum Plc) and was appointed Chief Executive Officer of Jubilee in 2010. He is a member of the advisory board of the process engineering faculties at both the University of Pretoria and the University of Stellenbosch and is also a member of the South African Institute of Mining and Metallurgy and a member of the South African Institute of Directors.

Dr Evan Kirby

Technical Director

Dr Kirby is a metallurgist with extensive experience in the mining sector. He spent 16 years in South Africa with Impala Platinum, Rand Mines and then Rustenburg Platinum Mines. During this time, he worked in management, process development, plant expansions and on new projects. In 1992, he moved to Australia, and had engineering company management & technical position in projects covering a wide variety of metals & minerals, including many world-leading developments. In 2002, Evan established his consulting business, Metallurgical Management Services. His clear understanding of the relationships between geology, mining, metallurgy, and production has contributed to the technical and financial success of many projects. He has served as a director of mining companies listed on the ASX and AIM (London).

Nicholas Taylor

Non-Executive Director

Mr Taylor is currently a business development and strategy consultant in the natural resources sector whose clients include EMR Capital, a specialist resource private equity manager. Having qualified in the UK with Price Waterhouse as a Chartered Accountant, Nick spent over 20 years in investment banking, focusing principally on the mining and minerals sector, where he has significant experience of corporate transactions, particularly public and private M&A, capital raising and deal structuring. Initially with Deutsche Bank, he rose to become Managing Director, European Head of Metals & Mining and, moving to Hong Kong, spent 4 years as Managing Director, Co-Head of Asia Pacific Natural Resources Investment Banking. Subsequently, he joined The Royal Bank of Canada as Managing Director, European Head of Natural Resources Investment Banking. Nick is based in the UK and holds an MA in Natural Sciences from the University of Cambridge.

The Chairperson has a strategic role to play in representing the vision and purpose of the organisation. The Chairperson ensures that the management committee functions properly, that there is full participation at meetings, all relevant matters are discussed and that effective decisions are made and carried out. The Chairperson is also responsible to ensure that the Group practises good corporate governance at all times.

During the period under review Nicholas Taylor (based in the UK and aged 52) was appointed to the board as non-executive director effective 1 October 2020.

The Board comprises two Executive Directors and four Non-Executive Directors. Colin Bird is the Non-Executive Chairman of the Board and Leon Coetzer is the Chief Executive Officer. Evan Kirby is the Technical Director. Dr Mathews Phosa, Chris Molefe and Nicholas Taylor are all Non-Executive Directors. The Board relies on the Remuneration and Nomination Committee and the Audit and Risk Committee to review, on an ongoing basis, all rules, regulations and all risks applicable to the Group and Company.

The structure of the Board ensures that no one individual or Group dominates the decision-making process. The Board meets informally on a regular basis and provides effective leadership, overall control and direction to the Group's affairs through the schedule of matters reserved for its decision. This includes the approval for the budget and business plan, major capital expenditure, acquisitions and disposals, risk management policies and the approval of the financial statements. Formal agendas, papers and reports are sent to the Directors in a timely manner prior to Board meetings. The Board delegates certain of its responsibilities to Board committees that have clearly defined terms of reference. Between the Board meetings referred to above, an Executive Steering Committee consisting of Executive Directors and management meets on a regular basis.

All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that all Board procedures are followed. Any Director may take independent professional advice at the Company's expense in the furtherance of his duties.

A minimum of one-third of the Directors retires from office at every Annual General Meeting ("AGM") of the Company. In general, those Directors who have held office the longest time since their election are required to retire. A retiring Director may be re-elected and a Director, appointed by the Board since the last AGM, can also be re-elected. In the latter case the Directors' period of prior appointment by the Board will not be taken into account for the purposes of rotation.

The Board attaches importance to maintaining good relationships with all its shareholders and ensures that all price-sensitive information is released to all shareholders at the same time and in accordance with the AIM rules and the MAR rules. The Company's principal communication with its investors is through the AGM and through the annual reports and interim statements. The Company maintains a website, in compliance with AIM Rule 26, containing up-to-date information of the Group's activities as well as all recent LSE Regulatory News Service and JSE SENS announcements.

7.2 Attendance of Board and committee meetings

During the period under review the following meetings were held:

Director	Board (11/2020)	Board (12/2020)	Board (02/2021)	Board (05/2021)	ARC (11/2020)	ARC (02/2021)	ARC (03/2021)	Remco (02/2021)
Chris Molefe	✔	✔	✔	✔	✔	✔	✔	✔
Colin Bird	✔	✔	✔	✔	✔	✔	✔	✔
Dr Phosa	✔	✔	✔	✔	⊖	⊖	⊖	⊖
Evan Kirby	✔	✔	✔	✔	⊖	⊖	⊖	⊖
Leon Coetzer	✔	✔	✔	✔	ⓘ	ⓘ	ⓘ	ⓘ
Nicholas Taylor	✔	✔	✔	✔	ⓘ	ⓘ	✔	⊖

Legend: ✔ Required & attended ⓘ Attended by invitation ⊖ Not required

Report of the Directors

continued

7.3 Directors remuneration

7.3.1 Remuneration and Nomination Committee

The Remuneration and Nomination Committee regularly reviews the Group's nomination and appointment policy. The terms of reference are aligned with all necessary legislation and regulations.

The terms of reference set out the process for the nomination and appointment of Directors and key executives. There is a formal process for the appointment of Directors. Information is provided of the candidate Directors' education, qualifications, experience, and other Directorships. Executive management requires permission to be appointed to external Boards. This reduces the potential for conflicts of interest and helps to ensure that management can devote sufficient time and focus to the Group's business.

In accordance with the policy, the Board takes cognisance of the knowledge, skills, and experience of candidate Directors, as well as other attributes considered necessary for the role. The Board also considers the need for demographic representation when making a new appointment.

Remuneration of Directors is established by reference to the remuneration of directors of equivalent status both in terms of level of responsibility of the position and by reference to their job qualifications and skills. Packages include performance-related bonuses and the grant of share options. The Remuneration and Nomination Committee consists of Colin Bird and Christopher Molefe as chairperson.

7.3.2 Directors' interests in securities of the Company

The Directors' interests in the ordinary shares of the Company as at the end of the year were as follows:

	Number of ordinary shares 30 June 2021	% of issued capital	Number of ordinary shares 30 June 2020	% of issued capital
C Bird (Direct)	**500 000**	**0.02**	11 047 555	0.55
L Coetzer (Direct)	**527 810**	**0.03**	27 810	0.00
Dr M Phosa (Indirect)[1]	**2 727 384**	**0.12**	2 727 384	0.13
Total	**3 755 194**	**0.17**	14 302 749	0.68

The Directors' interests in the ordinary shares of the Company as at the date of this report were as follows:

	Number of ordinary shares 30 June 2021	% of issued capital	Number of ordinary shares 30 June 2020	% of issued capital
C Bird (Direct)	**500 000**	**0.02**	11 047 555	0.55
L Coetzer (Direct)	**527 810**	**0.02**	27 810	0.00
Dr M Phosa (Indirect)[1]	**2 727 384**	**0.11**	2 727 384	0.13
Total	**3 755 194**	**0.15**	14 302 749	0.68

1= Dr Phosa holds his interest in Jubilee through his trust NMP Trust of which he is a trustee.

- Save as disclosed in this annual report, none of the Directors nor any members of their families, nor any person connected with them within the meaning of section 252 of the Act, has any interest in the issued share capital of the Company or its subsidiaries.
- Save as disclosed in this annual report, as at the date of this annual report, no Director has any option over any warrant to subscribe for any shares in the Company.

- None of the Directors nor any members of their families, nor any person connected with them within the meaning of section 252 of the Act, has a related financial product (as defined in the AIM Rules) referenced to the ordinary shares.
- None of the Directors is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company and remains in any respect outstanding or unperformed.
- There are no outstanding loans made or guarantees granted or provided by the Company to or for the benefit of any Director.
- Save as disclosed in this annual report, there are no potential conflicts of interest between any duties to the Company of the Directors and their private interests or their other duties.

7.3.3 Directors' share options

The Directors believe that it is important to properly motivate and reward key management personnel and other senior employees and to do so in a manner that aligns their interests with the interests of the Shareholders. The Directors also recognise the importance of ensuring that all employees are engaged, incentivised and identify closely with the profitability of the Company.

The Directors' interests in share options of the Company as at the end of the year and the date of this report were as follows:

Strike price	Par value	3.5p	4p	6p	Total
Leon Coetzer	7 000 000	8 000 000	4 000 000	4 000 000	23 000 000
Colin Bird	5 000 000	4 000 000	2 000 000	2 000 000	13 000 000
Chris Molefe	–	–	–	500 000	500 000
Dr Matthews Phosa	–	500 000	500 000	500 000	1 500 000
Total	**12 000 000**	**12 500 000**	**6 500 000**	**7 000 000**	**38 000 000**

Refer to note 20 on page 102 of this report for details of options.

7.3.4 Directors remuneration

Strike price	Remuneration paid	Bonuses £	Realised Share Value[1] £	Arrear remuneration paid[1] £	Benefits in kind £	Other services £	Total FY2021 £	Total FY2020 £
C Bird	80 000	120 000	1 670 228	248 667	10 896	–	2 129 791	99 126
C Molefe	15 693	7 624	–	–	–	–	23 317	16 410
L Coetzer	251 212	390 279	190 394	387 630	–	–	1 219 517	460 704
Dr Phosa	31 550	7 624	–	–	–	–	39 174	32 821
Dr E Kirby	22 766	–	–	–	–	21 448	44 214	68 732
N Taylor	18 000	–	–	–	–	–	18 000	–
	419 221	**715 922**	**1 860 623**	**636 297**	**10 896**	**21 448**	**3 474 013**	**677 793**

1 *On 15 January 2021, the Company announced a placing of new and existing ordinary shares to attract blue chip investors, including 19 154 466 new ordinary shares issued in settlement of the accrued directors remuneration. These figures represent the share value realised by directors and the remuneration settled.*

Directors, Colin Bird and Leon Coetzer, were owed shares in lieu of the salary sacrifices they made over an extended period between 2013 and 2017. To make the Placing possible both directors agreed to release all such shares towards the Placing. Foregoing salary was necessary at the time in order to support the Company and to provide a platform to continue the implementation of the Company's strategy. The accrued salary was repayable in shares under the terms of the Share Plan approved by shareholders at the 2013 AGM. Under the terms of the Share Plan, the price at which shares may be issued to settle the accrued salary is taken as the VWAP for the quarter in which salary was sacrificed. The balance of accrued salary owed to directors prior to the placing was £625 497, comprising £244 667 owed to Mr Bird and £380 790 to Mr Coetzer.

Report of the Directors

continued

Under an agreement between Mr Bird and Mr Coetzer in 2013, it was mutually agreed that Mr Bird in his personal capacity would guarantee the cash amount of any accrued salary owed to Mr Coetzer to ensure the retention of Mr Coetzer. Mr Bird recognised the retention of his skill set and training would be vital to the successful implementation of the Company's strategy. He further recognised that these skills were and remained in high demand. In return for this personal guarantee, Mr Coetzer would only retain at any time an entitlement to an equivalent share settlement to a maximum share value of 150% to the cash amount of any such accrued salary and that any additional rights to such share allocation would be ceded to Mr Bird. Therefore, the Company issued 19 154 466 new ordinary shares in total to settle the accrued salary in full, comprising 14 760 730 new ordinary shares to Mr Bird (at an aggregate issue price of approximately 3.3 pence each) and 4 393 736 new ordinary shares to Mr Coetzer (at an aggregate issue price of approximately 3.2 pence each). The share issue settled the accrued salaries owed to Colin Bird and Leon Coetzer and represents a full and final settlement of outstanding salaries.

Refer to note 6 on page 82 of this report for details of employee costs.

8. Audit and Risk Committee

Establishment and terms of reference

1. The audit committee comprises three board members namely Colin Bird, Chris Molefe and is chaired by Nicholas Taylor (Effective 2 November 2021).
2. The main role and responsibilities of the audit committee include:
   - to monitor the integrity of the financial statements of the company and any formal announcements relating to the company's financial performance, reviewing significant financial reporting judgements contained in them;
   - to review the company's internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent directors or by the board itself, the company's internal control and risk management systems;
   - to monitor and review the effectiveness of the company's internal audit function;
   - to make recommendations to the board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
   - to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
   - to develop and implement policy on the engagement of the external auditor to supply non audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and to report to the board, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken; and
   - to report to the board on how it has discharged its responsibilities.

Relationship with the Board

1. The role of the audit committee is for the board to decide and to the extent that the audit committee undertakes tasks on behalf of the board, the results should be reported to, and considered by, the board. In doing so it should identify any matters in respect of which it considers that action or improvement is needed and make recommendations as to the steps to be taken.
2. The terms of reference should be tailored to the particular circumstances of the company.
3. The audit committee should review annually its terms of reference and its own effectiveness and recommend any necessary changes to the board. The board should also review the audit committee's effectiveness annually.
4. The audit committee should report to the board on how it has discharged its responsibilities, including:
   - The significant issues that it considered in relation to the financial statements and how these issues were addressed;
   - Its assessment of the effectiveness of the external audit process and its recommendation on the appointment or reappointment of the external auditor; and
   - Any other issues on which the board has requested the committee's opinion.
5. Where there is disagreement between the audit committee and the board, adequate time is allowed and made available for discussion of the issue with a view to resolving the disagreement.

Role and responsibilities

Financial reporting

1. The audit committee reviews, and reports to the board on significant financial reporting issues and judgements made in connection with the preparation of the company's financial statements (having regard to matters communicated to it by the auditor), interim reports, preliminary announcements and related formal statements.
2. It is management's, not the audit committee's, responsibility to prepare complete and accurate financial statements and disclosures in accordance with financial reporting standards and applicable rules and regulations. However, the audit committee considers significant accounting policies, any changes to them and any significant estimates and judgements. Management informs the audit committee of the methods used to account for significant or unusual transactions where the accounting treatment is open to different approaches. Considering the external auditor's view, the audit committee considers whether the company has adopted appropriate accounting policies and, where necessary, made appropriate estimates and judgements. The audit committee also reviews the clarity and completeness of disclosures in the financial statements and consider whether the disclosures made are set properly in context.
3. Where, following its review, the audit committee is not satisfied with any aspect of the proposed financial reporting by the company, it shall report its views to the board.
4. The audit committee reviews related information presented with the financial statements, including the business review, and corporate governance statements relating to the audit and to risk management. Similarly, where board approval is required for other statements containing financial information (for example, summary financial statements, significant financial returns to regulators and release of price sensitive information), whenever practicable the audit committee reviews such statements first (without being inconsistent with any requirement for prompt reporting under the Listing Rules).

Narrative Reporting

1. Where requested by the board, the audit committee will review the content of the annual report and accounts and advise the board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The auditor is required by auditing standards to communicate to the audit committee the information that the auditor believes will be relevant to the board and the audit committee in order to understand the rationale and the evidence relied upon when making significant professional judgments in the course of the audit and reaching an opinion on the financial statements.
2. This report will inform the board's statement on these matters required under the UK Corporate Governance Code. In order for the board to make that statement, any review undertaken by the committee would need to assess whether the narrative in the front of the report was consistent with the accounting information in the back, so as to ensure that there were no surprises hidden in the accounts.

Whistleblowing

1. The audit committee reviews arrangements by which staff of the company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The audit committee's objective should be to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action. Internal controls and risk management systems
2. The audit committee reviews the company's internal financial controls (that is, the systems established to identify, assess, manage and monitor financial risks); and, unless expressly addressed by a separate board risk committee comprised of independent directors or by the board itself, the company's internal control and risk management systems.
3. The company's management is responsible for the identification, assessment, management and monitoring of risk, for developing, operating and monitoring the system of internal control and for providing assurance to the board that it has done so. Except where the board or a risk committee is expressly responsible for reviewing the effectiveness of the internal control and risk management systems, the audit committee should receive reports from management on the effectiveness of the systems they have established and the conclusions of any testing carried out by internal and external auditors.

Report of the Directors

continued

4. Except to the extent that this is expressly dealt with by the board or risk committee, the audit committee should review and approve the statements included in the annual report in relation to internal control and the management of risk.

9. Compliance with the Bribery Act

The Board acknowledges the UK Bribery Act 2010, which came into force on 1 July 2011. It is the policy of the Board to comply with all laws and regulations including this Act. Staff and management are made aware of these laws and regulations and are urged to familiarise themselves with the same, including the consequences of any breach of the law or regulations.

10. Internal control

The Board is responsible for maintaining an appropriate system of internal controls to safeguard shareholders' investments and Group assets.

The Directors monitor the operation of internal controls. The objective of the system is to safeguard Group assets, maintain proper accounting records and ensure that the financial information used within the business and for publication is reliable. Any such system of internal control can only provide reasonable, but not absolute assurance against material misstatement or loss.

- Internal financial control procedures undertaken by the Board include:
- regular review of financial reports and monitoring performance;
- prior approval of all significant expenditure including all major investment decisions; and
- review and debate of treasury policy.

The Board, in context of the Group's overall strategy, undertakes a risk assessment and a review of internal controls. The review covers the key business operational, compliance and financial risks facing the Group. In arriving at its judgement of what risks the Group faces, the Board has considered the Group's operations in light of the following:

- the nature and extent of risks which it regards as acceptable for the Group to bear within its overall business objective;
- the threat of such a risk becoming a reality;
- the Group's ability to reduce the incidence and impact of risk on its performance; and
- the cost and benefits to the Group of operating the relevant controls.

The Board has reviewed the operation and effectiveness of the Group's system of internal control for the financial year and the period up to the date of approval of these financial statements and considers it to be adequate.

11. Relations with shareholders

Communication with shareholders is given a high priority by the Board and the Directors are available to enter into dialogue with shareholders. All shareholders are encouraged to attend and vote at the Annual General Meeting during which the Board is available to discuss issues affecting the Group and Company.

12. Going concern

The Directors have adopted the going-concern-basis in preparing the financial statements. Further disclosure of the Directors' assessment of going concern is made in note 33 to these annual financial statements.

13. Legal proceedings

Other than as disclosed below, the Directors are not aware of any legal proceedings or other material conditions that may impact on the Company's ability to continue its mining or exploration activities.

Riverfort Global Opportunities PCC Ltd ("Riverfort"), a lender of Jubilee Processing (Pty) Ltd ("Jubilee Processing"), a subsidiary of Jubilee, launched an arbitration against Jubilee Processing, claiming an amount under the loan agreement entered into with Jubilee Processing during March 2016, in respect of a royalty stream they claim is due to them. The amount of the claim has not yet been quantified by Riverfort in absolute terms and Jubilee is of the view that their claim is spurious and without substance. All principal amounts owed to Riverfort under the loan agreement including interest thereon have been settled in full. Jubilee will defend the arbitration vigorously as it believes that it has a good, legitimate defense to Riverfort's claim.

14. Special resolutions

During the period under review shareholders voted in favour of the following special resolutions:

- The Company was authorised to make one or more market purchases (as defined in section 693(4) of the Act) of ordinary shares of the Company. The maximum aggregate value of ordinary shares which may be purchased is £ 3 158 202 (representing approximately 14.95% of the issued share capital of the Company at the time of the resolution being passed.); and
- The Directors were empowered to allot securities for cash up to an aggregate nominal amount of £ 3 168 764.

15. Major shareholders

The Directors are aware of the following substantial shareholdings of 3 % or more of the share capital of 2 242 509 468 ordinary shares as at the last practicable date:

Shareholder	Number of ordinary shares	% holding
Slater Investments (London)	271 463 789	11.17
Hargreaves Lansdown Asset Mgt	243 707 725	10.03
Interactive Investor	233 873 347	9.63
Canaccord Genuity Wealth Mgt	183 018 586	7.53
Veddis Capital	125 190 517	5.15
Jupiter Asset Mgt	111 416 808	4.59
FIL Investment International	105 851 270	4.36
Quantock plc	93 350 624	3.84
A J Bell Securities	86 139 428	3.55
Halifax Share Dealing	84 249 753	3.47

16. Share issues, options and warrants

Details of shares issued, options granted and warrants issued during the year are disclosed in note 19 on page 101 of the financial statements.

17. Post-reporting date events

Refer to note 34 of the financial statements for details of post balance sheet events.

Report of the Directors

continued

18. Creditors' payment policy and practice

The Group and Company's policy is to settle terms of payment with suppliers when agreeing terms of business, to ensure that the suppliers are aware of the terms of payment and to abide by them. The Group and Company settles its trade payables in accordance with this policy.

19. Qualifying indemnity provision

The Company had a Corporate Guard Directors and Officers Insurance cover in place during the year under review and up to the date of this report.

20. UK Streamlined Energy and Carbon Reporting

The Group's UK energy and carbon information is not disclosed as the Company and UK subsidiaries qualify as low energy users in the UK.

21. Political and charitable donations

The Group made no charitable or political donations during the period under review (2020: £ Nil).

22. Auditors

During the period under review the Group and Company Auditors, Saffery Champness LLP resigned from office and the Company appointed Crowe UK LLP ("Crowe") as the new Group and Company auditors effective 28 June 2021.

Due to the increasing size of the Group, a tender process was undertaken in the year to find a new auditor. Management identified a number of potential firms whose profiles best aligned with the expectations of the Group's audit requirements, including but not limited to size of the firm, geographical experience, industry specific experience, AIM quoted company experience and current client base. The Committee appointed Crowe as auditors for the year ended 30 June 2021.

As the Group continues to expand the Committee will consider annually whether the re-appointment of Crowe remains appropriate. The Committee has recommended that Crowe be appointed as auditor for the year ending 30 June 2022.

The Directors review the terms of reference for the auditors and obtain written confirmation that the firm has complied with its ethical guidance on ensuring its independence. Crowe provides audit services to the Company and Group. Any non-audit- related services must be recommended by the Audit and Risk Committee and approved by the Board. The level of fees charged is reviewed by the Board to ensure they remain competitive and to ensure no conflicts of interest arise.

23. Statement of disclosure to auditors

The Directors have taken all reasonable steps to make themselves aware of any relevant audit information and to ensure that the Company's auditors are aware of that information. As far as the Directors are aware, there is no relevant audit information of which the Company and Group's auditors are unaware.

By order of the Board

L Coetzer
Chief Executive Officer

2 December 2021

Company number 04459850

Environmental, Social And Governance (ESG)

"We will act to create financial returns that also delivers value for all stakeholders in a sustainable and inclusive way, while concurrently creating a Green Economy through the reduction of mining's historical carbon footprint and production of energy metals."

Leon Coetzer

Sustainability is core to our business as a metal recovery company. By processing remnant mining residues and waste material, we are not only addressing the physical legacies of historical mining operations by rehabilitating the environment and clearing away pollution, but we are also doing so in a manner that improves the quality of life of those living in proximity of these installations. Jubilee is committed to operating in a manner that is transparent, environmentally responsible, ensures the longevity of our operations, and supports the socio-economic uplift of our host communities.

Our contribution to the United Nations' Sustainable Development Goals

As a company involved in a primary sector, Jubilee recognises that we have an opportunity and role to play in positively contributing to broader sustainability. The United Nations' Sustainable Development Goals (SDGs) provide a useful framework by which to assess and monitor our efforts towards sustainable development, as well as our ESG performance.

The SDGs, which came into effect in January 2016, are a collection of 17 interlinked global goals and targets designed to be a "blueprint to achieve a better and more sustainable future for all". They were developed to support the United Nations 2030 Agenda which ultimately aims to:

- end poverty and inequality;
- protect the planet; and
- ensure that all people enjoy peace and prosperity.

Environmental, Social And Governance (ESG)

continued

We have interrogated the SDGs to identify those most aligned with our core business and with our responsibilities as a responsible corporate citizen. These include:

3 GOOD HEALTH AND WELL-BEING	The safety and well-being of Jubilee's employees and contractors is our highest priority, and, to this end, we have maintained a strong track record of good employee health and safety.
4 QUALITY EDUCATION	Jubilee is committed to ensuring inclusive and equitable quality education and helping to promote lifelong learning opportunities for all. We provide bursary opportunities to a small number of community residents, assist groups of students from local communities with portable skills training, and sponsor children with much needed stationery supplies.
6 CLEAN WATER AND SANITATION	As we recognise access to water is a basic human right, we have invested in water supply projects in our host communities to ensure access to clean water and sanitation.
8 DECENT WORK AND ECONOMIC GROWTH	Jubilee believes in promoting sustained, inclusive and sustainable economic growth through the provision of productive and decent employment opportunities. We are committed to employing local labour in the areas of our operations.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	The processing and clearing of mine waste material have the advantage of reducing mining's carbon footprint. As this is Jubilee's principle activity, we are at the forefront of global efforts to reduce carbon emissions and tackle climate change.
13 CLIMATE ACTION	The processing and clearing of mine waste material have the advantage of reducing mining's carbon footprint. As this is Jubilee's principle activity, we are at the forefront of global efforts to reduce carbon emissions and tackle climate change.
17 PARTNERSHIPS FOR THE GOALS	Jubilee recognises the value in partnering with other organisations, particularly government institutions, in furthering the goals of sustainable development. One of our key partnerships is with the Zambia Mining and Environmental Remediation and Improvement Project, a government initiative to reduce environmental health risks to the local population in critically polluted mining areas in Zambia, including the Kabwe municipality.

Environmental, Social And Governance (ESG)

continued

Environment

Mining is a fine balance between commercial viability and environmental sustainability. Jubilee is committed to operating in a manner that will ensure the longevity of both the operations and the areas and communities surrounding them.

Responsible and sustainable environmental stewardship is core to our business as a metal recovery company. By processing remnant mining residues and waste material we are addressing the physical legacies of historical mining operations by rehabilitating the environment and clearing away pollution.

In ensuring good environmental stewardship remains at the heart of our business, Jubilee endeavours to:

- improve waste minimisation measures, energy efficiencies and air, land and management systems;
- manage and mitigate the impact on affected natural ecosystems;
- contribute towards biodiversity conservation;
- ensure effective and appropriate land rehabilitation; and
- ensure that comprehensive disaster management plans are in place.

A key illustration of our commitment to good environmental stewardship is our membership of the Zambia Mining and Environmental Remediation and Improvement Project, a government initiative to reduce environmental health risks to the local population in critically polluted mining areas in Zambia, including the Kabwe municipality.

Key environmental legislation regulates the mining industry in South Africa and Jubilee aims to maintain a comprehensive environmental management plan for current and future operations. These plans address the risks associated with current and legacy mining waste.

Social

Jubilee Metals believes it has a responsibility to protect and improve the lives of employee and community stakeholders. We take every opportunity to enhance Jubilee's social practices and policies.

Positive social and community relationships are essential to profitable, sustainable and successful mining activities. We aim to build and maintain these relationships through proactive engagement and by sharing the value created by our activities. Our main social responsibility priorities are outlined below:

Quality education

Jubilee is committed to ensuring inclusive and equitable quality education and helping promote lifelong learning opportunities for all. Despite 2021 being a challenging year for education in South Africa, Jubilee continued to sponsor four higher education bursary students. A bursar who successfully graduated in 2019, was appointed as a Graduate in Training at the Windsor operation. Furthermore, a graduate was appointed on a contract basis to assist with experiential training. A total of ten Tjate community members successfully completed a logistics skills programme to equip them with the necessary skills to be employed in the mining industry. During the period under review Jubilee sponsored logistics learnerships, portable skills training and engineering aids.

Jubilee also assisted a group of students with portable skills training covering computer skills, plumbing, and sewing respectively in January 2021. Jubilee has also sponsored 500 children within Tjate and Bokfontein with a "back to school" stationery pack ensuring that these children will have the basic stationery to start another challenging year.

Environmental, Social And Governance (ESG)

continued

Due to the negative impact of Covid-19 on the schools, two students' tutors were sponsored by Jubilee to assist High school students in the Bokfontein community with examination preparation.

Cleaner water and sanitation

Access to water is a basic human right that requires attention in the broader communities. Jubilee Metals invested in water supply projects in both Tjate and Bokfontein communities to ensure access to clean water. Jubilee also donated cloth masks and sanitisers to 1000 members of the Tjate and Bokfontein community. This initiative was rolled out before the first wave of this pandemic in South Africa. Jubilee are strong believers that information is power and further ensured that Covid-19 regulations and health-related information were distributed to the communities via the established forums. Jubilee continues to provide masks, blankets and sanitisers on a regular basis to the communities. Jubilee has also commenced with new projects including partnerships with schools, a new water project in the Brits area and other strategic partnerships to improve and promote cleaner water and sanitation.

Recent work and economic growth

Jubilee believes in promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. To help meet this goal Strategic Service Level Agreements were signed to assist Local Enterprise Development. Areas of focus included general maintenance, transport, and security. These initiatives created around 40 employment opportunities for local community members.

Jubilee has also committed funds towards the Steelbridge upgrade project in Steelpoort. This project was identified on a national level as imperative towards the economic growth in the area as well as addressing the current safety hazard to motorists and pedestrians.

Furthermore, a request from the Bokfontein community was approved to assist in the maintenance of an access road to the community. The completion of this project ensured safe access for amongst others service delivery, security, and medical vehicles.

Governance

Jubilee is committed to maintaining the highest standards in corporate governance throughout its operations and to ensure all its practices are conducted transparently, ethically and efficiently. The Board has oversight and overall accountability for guiding the strategic direction of the Company, maintaining an ethical culture and effective control of its operations.

Jubilee believes in scrutinising all aspects of its business and reflecting, analysing and improving its procedures to maintain the continued success of the business and deliver value to shareholders. Therefore, and in accordance with the AIM Rules for Companies, the Jubilee has chosen to formalise its governance policies by complying with the UK's Quoted Companies Alliance Corporate Governance Code.

Directors' s 172 statement

As the Board of Jubilee Metals Group Plc we are aware that the decisions we make may affect the lives of many people. The Board makes a conscious effort to try and understand the interests of our stakeholders, and to reflect them in the choices we make in creating long-term sustainable success for the business.

The Board views engagement with our shareholders and wider stakeholder groups as essential work. We are aware that we need to listen to each stakeholder group, so that we can understand specific interests, and foster effective and mutually beneficial relationships. By understanding our stakeholders, we can build their needs into the decisions we take.

Throughout this Annual Report, we provide examples of how we:

- Consider the likely consequences of long-term decisions;
- Foster relationships with stakeholders;
- Understand our impact on our local community and the environment; and
- Demonstrate the importance of behaving responsibly.

This section serves as our section 172 statement and should be read in conjunction with the Strategic Report on page 20 of this report and the Company's Corporate Governance Statement on page 22 of this report. Section 172 of the Companies Act 2006 requires Directors to act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, considering the factors listed in s172 in regard to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The Directors continue to have regard for the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

The Company promotes sustainable metal production to benefit our employees, investors, communities, and governments. We regularly review our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by management and also by direct engagement with stakeholders themselves. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

Directors' s 172 statement

continued

The following table acts as our s172 (1) statement by setting out the key stakeholder groups, their interests and how Jubilee Metals Group Plc has engaged with them over the reporting period.

Stakeholder	Their interest	How we engage
Employees	▪ Safe working environment ▪ Training and advanced skills ▪ Union representation ▪ Recognition	▪ Management of working environment and forums to address employees' concerns ▪ Relationship with Unions ▪ Training courses ▪ Medical checks ▪ Availability of medical care on site ▪ Performance and operational bonus schemes
Investors and shareholders	▪ Business sustainability ▪ High standard of governance ▪ Comprehensive review of financial performance of the business ▪ Ethical behaviour ▪ Awareness of long-term strategy and direction ▪ Continual approval of market perception of the business ▪ Delivering long term value	▪ Annual and Interim reports ▪ Regular operations and market updates ▪ RNS/SENS Announcements ▪ Investor relations section on website ▪ Annual General Meeting ▪ Shareholder circulars ▪ Shareholder liaison through the Board ▪ Board encourages open dialogue with the Company's investors ▪ Social media
Regulatory bodies	▪ Compliance with regulations ▪ Worker pay and conditions ▪ Health & Safety ▪ Waste and environment ▪ Insurance ▪ Environmental Protection	▪ Stock Exchange announcements ▪ Annual Report ▪ Website ▪ Direct contact with regulators ▪ Compliance updates at Board meetings ▪ Communications with South African, Zambian and other relevant Governments and departments ▪ Engagement with local community leaders
Environment	▪ Sustainability ▪ Waste Management ▪ Energy usage	▪ Adhere to local environmental codes ▪ Environmental, Social & Corporate Governance (refer to page 40 of this report for more detail)

Directors' s 172 statement

continued

Stakeholder	Their interest	How we engage
Communities and NGOs	▪ Community outreach ▪ Human Rights ▪ Sustainable growth minimising adverse impacts	▪ Meeting with key community representatives ▪ Inter-action with communities in which we operate ▪ Environmental, Social & Corporate Governance (refer to page 38 of this report for more detail) ▪ Reaching out
Contractors and joint venture partners	▪ Terms and conditions of contract ▪ Health & Safety ▪ Human rights	▪ Open and active dialogue with all contractors and JV partners providing feedback on successes and challenges ▪ Anti-bribery policy ▪ Whistleblowing policy

Statement of Directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable laws and regulations. Company Law requires the Directors to prepare financial statements for each financial year. The directors have elected to prepare the Group and Company financial statements in accordance with IFRS. Under Company Law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the AIM market of the London Stock Exchange for companies trading securities on the AIM, as well as in compliance with the JSE's Altx listing rules.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act of the United Kingdom. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available online. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom and South Africa, governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website are the responsibilities of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The financial statements were authorised for issue and approved by the Board on 2 December 2021 and signed on its behalf by:

L Coetzer
Chief Executive Officer

2 December 2021

Company number 04459850

Report of the Audit and Risk Committee

for the year ended 30 June 2021

The Audit and Risk Committee is chaired by Nicholas Taylor effective 2 November 2021 (previously Colin Bird). During the period under review the Group and Company Auditors, Saffery Champness LLP resigned from office and the Company appointed Crowe UK LLP ("Crowe") as the new Group and Company auditors effective 28 June 2021.

Due to the increasing size of the Group, a tender process was undertaken in the year to find a new auditor. Management identified a number of potential firms whose profiles best aligned with the expectations of the Group's audit requirements, including but not limited to size of the firm, geographical experience, industry specific experience, AIM quoted company experience and current client base. The Committee appointed Crowe as auditors for the year ended 30 June 2021.

During the financial year ended 30 June 2021 the Audit and Risk Committee carried out its functions as follows:

- nominated the appointment of Crowe as the registered independent auditors after satisfying itself through enquiry that Crowe is independent as defined in terms of the Corporate Laws Amendment Act ("CLAA");
- determined the fees to be paid to Crowe and their terms of engagement;
- ensured that the appointment complied with the CLAA and any other legislation relating to the appointment of auditors; and
- reviewed the nature of any non-audit services provided by the external auditors to ensure that the fees for such services become so significant that as to call to question their independence.

The Audit and Risk Committee satisfied itself through enquiry that Crowe as statutory auditors are independent of the Company.

The Audit and Risk Committee has considered and satisfied itself of the appropriateness and expertise of the Group Chief Financial Officer, Mr. Pedja Kovacevic, and is unanimously satisfied of his suitability for the position for the ensuing year.

The Audit and Risk Committee recommended the financial statements for the year ended 30 June 2021 for approval to the Board. The Board has subsequently approved the financial statements, which will be open for discussion at the forthcoming Annual General Meeting.

Nicholas Taylor
Chairman – Audit and Risk Committee

2 December 2021

Company number 04459850

Independent auditor's report to the members of Jubilee

Opinion

We have audited the financial statements of Jubilee Metals Group Plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 June 2021, which comprise:

- the Group statement of comprehensive income for the year ended 30 June 2021;
- the Group and parent company statements of financial position as at 30 June 2021;
- the Group and parent company statements of changes in equity for the year then ended 30 June 2021;
- the Group statement of cash flows for the year then ended 30 June 2021; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and parent company financial statements is applicable law and in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2021 and of the Group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 Group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's financial projections for the Group and parent company for a period of more than 12 months from the date of approval of the financial statements.
- Checking the numerical accuracy of management's financial projections
- Challenging management on the assumptions underlying those projections and sensitised them to reduce anticipated net cash inflows from future trading activities.
- Obtained the latest management results post year end 30 June 2021 to review how the Group and parent company are trending toward achieving the forecast.
- Performed sensitivity analysis on key inputs of the forecast by calculating the impact of various scenarios and considering the impact on the group and parent Company's ability to continue as a going concern in the event that a downward scenario occurs.
- Assessing the completeness and accuracy of the matters described in the going concern disclosure as set out in Note 33.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements.

We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £2,300,000 (2020 £2,000,000), based on 5% of normalised Group profit before tax. Materiality for the parent company financial statements was set at £1,100,000 (2020: £2,000,000) based on a percentage of total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined performance materiality for the Group financial statements as a whole to be £1,610,000 (2020: £1,400,000). Performance materiality for the parent company financial statements was set at £770,000 (2020: £1,600,000).

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the audit committee to report to it all identified errors in excess of £115,000 (2020: £20,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

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 consideration the structure of the Group and the Parent 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 (UK) 600, obtained sufficient evidence regarding the audit of 8 subsidiaries undertaken by component auditors in South Africa, Zambia and Mauritius. These 8 subsidiaries were deemed to be significant to the Group financial statements either due to size or their risk characteristics.

The Group audit team directed, supervised and reviewed the work of the component auditors in South Africa, Zambia and Mauritius, which involved issuing detailed instructions, holding regular discussions with component audit teams and performing detailed review of working papers. Audit work in South Africa, Zambia and Mauritius was performed at materiality levels ranging from £50,000 to £1,300,000.

Independent auditor's report to the members of Jubilee

continued

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) that we identified. These matters included 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 statements 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 the scope of our audit addressed the key audit matter
Revenue recognition and accounting for long-term contracts Revenue for the year was £132.8m, representing a significant increase from 2020. Revenue has been derived from the sale of copper, chrome and platinum group metals. The Group recorded revenues at Sable Zinc Kabwe Limited, being its first surface processing revenues generated outside of South Africa. The Group's revenue recognition accounting policy is set out in note 1.16. The Group applies IFRS 15 and therefore approaches its revenue recognition policy by reference to the performance obligations inherent in its contracts. Due to the significance and growth of revenue in the financial statements, revenue recognition is a key audit matter.	▪ We assessed that the accounting policy conformed with the requirements of IFRS15 and then tested its application to a sample of contracts. ▪ We obtained a sample of sales contracts and understanding the key performance conditions and pricing terms; ▪ We substantively tested a sample of revenue transactions, agreeing to proof of delivery, underlying concentrates analyses and pricing to external sources; ▪ We compared exchange rates used in management's calculations by reference to external sources; ▪ We performed cut off testing to ensure revenue is being recorded in the correct period.

Key Audit Matter	How the scope of our audit addressed the key audit matter
Valuation of intangible assets and goodwill The group has a significant intangible asset balance, largely is attributable to the Group's mining right associated with the Tjate project in South Africa. The Directors assess at each reporting period whether there is any indication that an asset may be impaired. The Group's intangible assets with an indefinite useful life are tested for impairment at each reporting date. Due to the significance of the intangible assets to Group financial statements, the significant judgements involved in these assessments and the potential impact on the Company's investments and intercompany loans, the potential impairment of intangible assets is a key audit matter.	▪ We evaluated, in comparison to the requirements set out in IAS 36 and IFRS 6, management's assessment (using discounted cash flow models) as to whether intangible assets were impaired. ▪ We challenged, reviewed and considered by reference to external evidence, management's impairment and fair value models as appropriate and their key estimates, including the discount rate. We reviewed the appropriateness and consistency of the process for making such estimates. ▪ We obtained management's discounted cash flow models supporting the intangible asset valuation. We challenged the key assumptions into the model, including the forecast revenue and gross margin, discount rates and growth rates. ▪ Discount rates and terminal growth rates were benchmarked to externally derived data and our knowledge of sector performance, to evaluate the reasonableness of these assumptions.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Independent auditor's report to the members of Jubilee

continued

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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 45, 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 group's and parent 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 group or the parent 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below however the primary responsibility for the prevention and detection of fraud lies with management and those charged with governance of the Company.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the procedures in place for ensuring compliance. The most significant identified were the Companies Act 2006 and the QCA Corporate Governance Code. Our work included direct enquiry of the Board who oversees all legal proceedings, reviewing Board and relevant committee minutes and inspection of correspondence.
- As part of our audit planning process we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of management and those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas that involve significant management estimate or judgement. Based on this assessment we designed audit procedures to focus on the key areas of estimate or judgement, this included specific testing of journal transactions, both at the year end and throughout the year.
- We used data analytic techniques to identify any unusual transactions or unexpected relationships, including considering the risk of undisclosed related party transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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.

Independent auditor's report to the members of Jubilee

continued

Use of our report

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 auditor's 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.

Matthew Stallabrass
Senior Statutory Auditor
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

2 December 2021

Group and Company statements of financial position

at 30 June 2021

Figures in Sterling	Note(s)	Group 2021	Group 2020	Company 2021	Company 2020
Assets					
Non-current assets					
Property, plant and equipment	8	**33 011 518**	20 076 448	**–**	–
Intangible assets	9	**58 831 075**	72 901 175	**–**	–
Investments in subsidiaries	10	**–**	–	**36 903 778**	36 903 778
Investments in associates	11	**426 505**	450 598	**420 000**	870 000
Loans to Group companies	12	**–**	–	**73 325 979**	65 817 570
Other financial assets	13	**7 234 002**	3 406 644	**–**	–
Deferred tax	30	**9 463 653**	3 223 254	**–**	–
		108 966 753	100 058 119	**110 649 757**	103 591 348
Current assets					
Other financial assets	13	**544 195**	–	**–**	–
Inventories	14	**17 765 937**	2 140 239	**–**	–
Current tax assets	7	**466 176**	–	**–**	–
Trade and other receivables	15	**38 126 369**	13 083 307	**284 960**	353 498
Contract assets	15	**9 154 250**	5 408 622	**–**	–
Cash and cash equivalents	16	**19 643 047**	9 947 822	**872 816**	4 271 611
		85 699 974	30 579 990	**1 157 776**	4 625 109
Total assets		**194 666 727**	130 638 109	**111 807 533**	108 216 457
Equity and liabilities					
Equity attributable to equity holders of parent					
Share capital and share premium	19	**120 013 187**	114 585 392	**120 013 187**	114 585 392
Reserves		**6 612 905**	10 317 560	**26 094 967**	25 907 579
Accumulated profit/(loss)		**6 753 964**	(33 201 211)	**(35 686 960)**	(32 729 803)
		133 380 056	91 701 741	**110 421 194**	107 763 168
Non-controlling interest	10	**3 162 527**	2 479 277	**–**	–
		136 542 583	94 181 018	**110 421 194**	107 763 168
Liabilities					
Non-current liabilities					
Other financial liabilities	22	**2 803 434**	10 428 719	**–**	–
Lease liabilities	31	**164 088**	–	**–**	–
Deferred tax liability	30	**14 997 333**	10 944 698	**–**	–
Provisions	32	**720 759**	694 358	**–**	–
		18 685 614	22 067 775	**–**	–
Current liabilities					
Other financial liabilities	22	**5 337 310**	1 460 968	**–**	–
Trade and other payables	23	**29 338 988**	12 422 880	**1 386 339**	453 289
Contract liabilities	23	**–**	505 468	**–**	–
Revolving credit facility	24	**3 839 225**	–	**–**	–
Current tax liabilities	7	**923 007**	–	**–**	–
		39 438 530	14 389 316	**1 386 339**	453 289
Total liabilities		**58 124 144**	36 457 091	**1 386 339**	453 289
Total equity and liabilities		**194 666 727**	130 638 109	**111 807 533**	108 216 457

The accompanying accounting policies and notes on pages 59 to 124 form an integral part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 2 December 2021and signed on its behalf by:

Leon Coetzer
Chief Executive Officer

Company number: 04459850

Group and Company statements of comprehensive income

for the year ended 30 June 2021

		Group		Company	
Figures in Sterling	**Note(s)**	**2021**	**2020**	**2021**	**2020**
Revenue	3	**132 845 252**	54 774 818	**–**	–
Cost of sales		**(61 733 675)**	(29 687 220)	**–**	–
Gross profit		**71 111 577**	25 087 598	**–**	–
Other income		**–**	1 470 631	**–**	–
Operating expenses		**(25 728 382)**	(10 670 041)	**(2 905 645)**	(1 190 691)
Operating profit/(loss)	4	**45 383 195**	15 888 188	**(2 905 645)**	(1 190 691)
Investment revenue	5	**500 173**	125 264	**19 685**	95 435
Fair value adjustments		**(1 161 418)**	(5 021 585)	**–**	(5 021 585)
Gain on bargain purchase through business combinations	28	**–**	6 606 755	**–**	–
Impairments	11	**–**	–	**(450 000)**	(2 162 996)
Finance costs	5	**(1 673 787)**	(2 420 875)	**–**	(175 135)
Share of loss from associates	11	**(24 093)**	(1 444 879)	**–**	–
Profit/(loss) before taxation		**43 024 070**	13 732 868	**(3 335 960)**	(8 454 972)
Taxation	7	**(2 792 867)**	4 495 716	**–**	954 101
Profit/(loss) for the year		**40 231 203**	18 228 584	**(3 335 960)**	(7 500 871)
Earnings/(loss) for the year					
Attributable to:					
Owners of the parent		**39 599 917**	18 320 392	**(3 335 960)**	(7 500 871)
Non-controlling interest	10	**(631 287)**	(91 808)	**–**	–
		40 231 203	18 228 584	**(3 335 960)**	(7 500 871)
Earnings per share (pence)	18	**1.81**	0.94		
Diluted earnings per share (pence)	18	**1.78**	0.93		
Reconciliation of other comprehensive income:					
Profit/(loss) for the year		**40 231 203**	18 228 584	**(3 335 960)**	(7 500 871)
Other comprehensive income:					
Exchange differences on translation foreign operations	21	**(3 863 624)**	(12 388 588)	**–**	–
Total comprehensive profit/(loss)		**36 367 579**	5 839 996	**(3 335 960)**	(7 500 871)
Total comprehensive profit/(loss) attributable to:					
Owners of the parent		**35 707 874**	6 317 824	**(3 335 960)**	(7 500 871)
Non-controlling interest		**659 705**	(477 828)	**–**	–
		36 367 579	5 839 996	**(3 335 960)**	(7 500 871)

Group and Company statements of changes in equity

for the year ended 30 June 2021

Figures in Sterling	Share capital and share premium	Foreign currency Translation reserve	Merger reserve	Share-based payment reserve	Convertible notes reserve	Total reserves	Accumulated loss	Total attributable to equity holders of the Group/ Company	Non-controlling interest	Total equity
Group										
Balance at 30 June 2019	**105 820 411**	**(3 587 451)**	**23 184 000**	**2 519 435**	**203 040**	**22 319 024**	**(51 842 700)**	**76 296 733**	**2 393 082**	**78 689 814**
Changes in equity										
Profit for the year	–	–	–	–	–	–	18 320 392	18 320 392	(477 828)	17 842 564
Other comprehensive income	–	(12 002 568)	–	–	–	(12 002 568)	–	(12 002 568)	–	(12 002 568)
Total comprehensive income for the year	–	(12 002 568)	–	–	–	(12 002 568)	18 320 392	6 317 824	(477 828)	5 839 996
Issue of share capital net of costs	8 764 981	–	–	–	–	–	–	8 764 981	–	8 764 981
Share warrants issued	–	–	–	205 903	–	205 903	–	205 903	–	205 903
Share options exercised/lapsed	–	–	–	(324 597)	–	(324 597)	321 097	(3 500)	–	(3 500)
Share options issued	–	–	–	119 800	–	119 800	–	119 800	–	119 800
Business combinations	–	–	–	–	–	–	–	–	564 024	564 024
Total changes	8 764 981	(12 002 568)	–	1 106	–	(12 001 462)	18 641 489	15 405 008	86 196	15 491 204
Balance at 30 June 2020	**114 585 392**	**(15 590 019)**	**23 184 000**	**2 520 541**	**203 040**	**10 317 562**	**(33 201 211)**	**91 701 741**	**2 479 278**	**94 181 020**
Changes in equity										
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**39 599 917**	**39 599 917**	**659 705**	**40 259 622**
Other comprehensive income	**–**	**(3 892 044)**	**–**	**–**	**–**	**(3 892 044)**	**–**	**(3 892 044)**		**(3 892 044)**
Total comprehensive income for the year	**–**	**(3 892 044)**	**–**	**–**	**–**	**(3 892 044)**	**39 599 917**	**35 707 873**	**659 705**	**36 367 578**
Issue of share capital net of costs	**5 427 796**	**–**	**–**	**–**	**–**	**–**	**–**	**5 427 796**	**–**	**5 427 796**
Share warrants exercised	**–**	**–**	**–**	**(232 812)**	**–**	**(232 812)**	**232 812**	**–**	**–**	**–**
Share warrants issued	**–**	**–**	**–**	**161 974**	**–**	**161 974**	**–**	**161 974**	**–**	**161 974**
Share options exercised/lapsed	**–**	**–**	**–**	**(156 821)**	**–**	**(156 821)**	**145 990**	**(10 830)**	**–**	**(10 830)**
Share options issued	**–**	**–**	**–**	**415 046**	**–**	**415 046**	**–**	**415 046**	**–**	**415 046**
Changes in ownership no control lost	**–**	**–**	**–**	**–**	**–**	**–**	**(23 544)**	**(23 544)**	**23 544**	**–**
Total changes	**5 427 796**	**(3 892 044)**	**–**	**187 387**	**–**	**(3 704 657)**	**39 955 175**	**41 678 315**	**683 249**	**42 361 563**
Balance at 30 June 2021	**120 013 187**	**(19 482 063)**	**23 184 000**	**2 707 928**	**203 040**	**6 612 905**	**6 753 964**	**133 380 056**	**3 162 527**	**136 542 583**
Notes	19	21		20					10	

- Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.
- Merger reserve comprises the difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange.
- Share based payment reserve comprises the fair value of an equity-settled share based payment.
- Convertible notes reserve comprises the amount allocated to the equity component for the convertible notes issued by the Company.
- Non-controlling interest comprises the differences between the carrying value of non-controlling interests and the consideration paid/ received, where there has been a transaction involving non-controlling interests that do not result in a loss of control.

Group and Company statements of changes in equity

for the year ended 30 June 2021

Figures in Sterling	Share capital and share premium	Merger reserve	Share-based payment reserve	Convertible instrument reserve	Total reserves	Accumulated loss	Total attributable to equity holders of the Group/ Company	Total equity
Company								
Balance at 30 June 2019	**105 820 411**	**23 184 000**	**2 519 435**	**203 040**	**25 906 473**	**(25 550 028)**	**106 176 855**	**106 176 855**
Changes in equity								
Total comprehensive income for the year	–	–	–	–	–	(7 500 871)	(7 500 871)	(7 500 871)
Issue of ordinary shares	8 764 981	–	–	–	–	–	8 764 981	8 764 981
Share warrants issued	–	–	205 903	–	205 903	–	205 903	205 903
Share options lapsed	–	–	(324 597)	–	(324 597)	321 097	(3 500)	(3 500)
Share options issued	–	–	119 800	–	119 800	–	119 800	119 800
Total changes	8 764 981	–	1 106	–	1 106	(7 179 774)	1 586 313	1 586 313
Balance at 30 June 2020	**114 585 392**	**23 184 000**	**2 520 541**	**203 040**	**25 907 579**	**(32 729 802)**	**107 763 168**	**107 763 168**
Changes in equity								
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**(3 335 960)**	**(3 335 960)**	**(3 335 960)**
Issue of ordinary shares	**5 427 796**	**–**		**–**			**5 427 796**	**5 427 796**
Share warrants exercised	**–**	**–**	**(232 812)**	**–**	**(232 812)**	**232 812**	**–**	**–**
Share warrants issued	**–**	**–**	**161 973**	**–**	**161 973**		**161 973**	**161 973**
Share options exercised/ lapsed	**–**	**–**	**(156 819)**	**–**	**(156 819)**	**145 990**	**(10 829)**	**(10 829)**
Share options issued	**–**	**–**	**415 046**	**–**	**415 046**		**415 046**	**415 046**
Total changes	**5 427 796**	**–**	**187 388**	**–**	**187 388**	**(2 957 158)**	**2 658 026**	**2 658 026**
Balance at 30 June 2021	**120 013 187**	**23 184 000**	**2 707 929**	**203 040**	**26 094 967**	**(35 686 960)**	**110 421 194**	**110 421 194**
Notes	19		20					

Group and Company statements of cash flows

for the year ended 30 June 2021

		Group		Company	
Figures in Sterling	**Note(s)**	**2021**	**2020**	**2021**	**2020**
Cash flows from operating activities					
Cash generated from/(used in) operations	17	**33 002 604**	21 734 031	**(2 248 189)**	(901 951)
Interest income		**500 173**	125 264	**19 685**	95 435
Finance costs		**(1 673 787)**	(2 420 875)	**–**	(175 134)
Taxation paid		**(8 034 521)**	–	**–**	–
Net cash from operating activities		**23 794 469**	19 438 420	**(2 228 505)**	(981 650)
Cash flows from investing activities					
Purchase of property, plant and equipment	8	**(17 865 679)**	(1 389 730)	**–**	–
Sale of property, plant and equipment	8	**(8 427)**	246 783	**–**	–
Purchase of intangible assets	9	**(1 942 019)**	(16 713 185)	**–**	–
Business combinations		**–**	(7 732 100)	**–**	–
Loans to group companies		**–**	–	**(2 314 726)**	(10 396 570)
Net cash from investing activities		**(19 816 125)**	(25 588 232)	**(2 314 726)**	(10 396 570)
Cash flows from financing activities					
Net proceeds on share issues		**1 144 436**	5 696 278	**1 144 436**	5 696 278
Proceeds from revolving credit facilities		**3 839 225**	–	**–**	–
Proceeds from trade financing arrangements		**2 525 914**	–	**–**	–
Increase in loans to joint ventures		**(4 371 552)**	(276 235)	**–**	–
Decrease in other financial liabilities		**(1 795 310)**	(4 168 297)	**–**	(1 602 656)
Lease payments		**(219 847)**	–	**–**	–
Net cash from financing activities		**1 122 866**	1 251 746	**1 144 436**	4 093 622
Total cash movement for the year		**5 101 210**	(4 898 066)	**(3 398 795)**	(7 284 598)
Total cash at the beginning of the year		**9 947 822**	18 865 288	**4 271 611**	11 556 209
Effect of exchange rate movement on cash balances		**4 594 015**	(4 019 400)	**–**	–
Total cash at end of the year	16	**19 643 047**	9 947 822	**872 816**	4 271 611

Notes to the Group and Company financial statements

for the year ended 30 June 2021

1. Statement of accounting policies

Jubilee Metals Group PLC is a public company listed on AIM of the LSE and Altx of the JSE, incorporated and existing under the laws of England and Wales, having its registered office at 1st Floor, 7/8 Kendrick Mews, London, SW7 3HG, United Kingdom.

The Group and Company results for the year ended 30 June 2021 have been prepared using the accounting policies applied by the Company in its 30 June 2021 annual report, which are in accordance with International Financial Reporting Standards ("IFRS") and IFRC interpretations, as issued by the International Accounting Standards Board ("IASB") in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements are presented in Pound Sterling. For income statement purposes conversions are at average exchange rates and for balance sheet purposes at the closing rate as at the period end. All other conversions are at rates as at the time announced.

1.1 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all entities, which are controlled by the Company. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights to variable return from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

1. Statement of accounting policies continued

Transactions which result in changes in ownership, where the Group had control of the subsidiary, both before and after the transaction, are regarded as equity transactions and are recognised directly in the statement of changes in equity. The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition.

Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3:

Business Combinations, are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held for sale in accordance with IFRS 5: Non-current Assets Held-for-Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date. On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts whose classification remains as per their inception date.

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year.

Goodwill represents the excess of the cost of a business combination over the interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair values of assets given, liabilities assumed and equity instruments issued.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed. Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the gain on bargain purchase is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

1. Statement of accounting policies continued

Merger reserve

The difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange has been credited to a merger reserve account, in accordance with the merger relief provisions of the Companies Act 2006 and accordingly no share premium for such transactions is set up. This reserve arose from obtaining a 90 % or more interest in the shares of another entity by virtue of a share-for-share exchange.

Purchase of non-controlling interest in a controlled entity

The cost of the purchase of shares is measured at the aggregate of the fair value of assets given at the date of exchange, liabilities incurred or assumed and the fair value of the equity instruments issued by the Group in exchange for shares purchased in a controlled entity. Any costs directly attributable to the transaction, are charged to the statement of comprehensive income.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. Subsequent to initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated over their expected useful lives to their estimated residual value. Plant under construction is not depreciated until it is commissioned and operational.

Land is not depreciated. Depreciation of plant and equipment is calculated on a straight-line basis using rates which are designed to write off the assets over their estimated useful lives as follows:

Buildings	20 years
Plant and equipment	3 – 8 years
Furniture and fittings	10 years
Motor vehicles	5 years
Computer equipment	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period.

If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimates.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1. Statement of accounting policies continued

1.3 Intangible assets and goodwill

Goodwill

Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but is tested on an annual basis for impairment. Refer to 1.1 for treatment of goodwill arising from business combinations.

Intangible assets – exploration and evaluation

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of continuing interest.

Exploration and evaluation assets are assessed for impairment on an annual basis if: (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units ("CGUs") to which the exploration activity related.

The recoverable amount is determined as the higher of: (a) its fair market value less costs to sell or (b) the sum of cash flows, on a net present value basis (value-in-use), from continued operations of the CGU.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

If an intangible asset has an indefinite useful life, it is tested for impairment annually and individually to determine whether the indefinite life continues to be supportable. Only once a prospect, to bring the project to account, becomes feasible, will the useful life of the intangible asset be determinable.

The Tjate intangible asset has an indefinite useful life and is not amortised.

Intangible assets – development costs

Development costs relating to major development programmes are capitalised. Initial development and pre-production costs relating to a new technology, including amortisation and depreciation to develop the technology are capitalised until commissioning of production facilities. Development costs consist primarily of expenditure to develop the technology to commercialisation. Development cost will be capitalised if the Company can demonstrate the following:

- technical feasibility of completion of the asset;
- the ability to use or sell the asset;
- the intention to complete the intangible asset to use or sell;
- the availability of adequate technical, financial and other resources to complete the development and to use and sell the intangible;
- an ability to demonstrate how the asset will generate future economic benefits; and
- the ability to measure reliably the expenditure attributable to the asset.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

1. Statement of accounting policies continued

Development costs capitalised have a finite life and are amortised on a straight-line basis over the useful life of the asset. Day-to-day development costs to maintain production are expensed as incurred.

The useful life of these intangible assets is 10 years.

Amortisation for each period is recognised in the statement of comprehensive income.

The Group reviews the carrying amount of development assets and development costs when circumstances suggest the carrying amount may not be recoverable. Recoverability is assessed using estimates of future cash flows on a discounted basis, including revenues, operating costs and future capital expenditures. Where necessary, impairment in carrying amount is recorded. Any impairment is recorded in the statement of comprehensive income.

Intangible assets – Base metal beneficiation

Intangible assets with finite useful lives are recognised if it is probable that future economic benefits that are attributable to the asset and will flow to the Group and if the cost of the asset can be measured reliably. Management assesses the probability of expected future economic benefits using reasonable and supportable assumptions that represent its best estimate of the set of economic conditions that exist over the useful life of the asset. Intangible assets – base metal beneficiation are measured initially at cost. These intangible assets are amortised over the useful life of the assets with reference to the assets' contribution to the Group's economic benefits that are derived from these assets.

The average useful life of these intangible assets is 10 years.

The Group reviews the carrying amount of these intangible assets for impairment on an annual basis. Recoverability is assessed using estimates of future cash flows on a discounted basis. Where necessary, an impairment of these assets' carrying value is recorded. Any impairment is recorded in the statement of comprehensive income.

1.4 Financial instruments

1.4.1 Recognition and initial measurement

Financial instruments are recognised when the Group becomes a party to the contractual provision of the instrument.

These financial instruments are recognised initially at fair value. For instruments not at fair value through profit or loss, any directly attributable transaction costs are included.

1.4.2 De-recognition

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets or substantially transfers all risk and rewards of the asset to another party without retaining control. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

The Group also de-recognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case the new financial liability based on the modified terms is recognised at fair value.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

1. Statement of accounting policies continued

1.4.3 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL: – it is held within a business model whose objective is to hold assets to collect contractual cash flows; and – its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: – it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and – its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see Note 32(A)). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management; – the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

1. Statement of accounting policies continued

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Classification and subsequent measurement

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL – These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI – These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI – These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

1. Statement of accounting policies continued

1.4.4 Impairment

1.4.4.1 Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per or BBB- or higher per Rating Agency Y.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

1. Statement of accounting policies continued

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

1.4.4.2 Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. Refer to note 1.12 for details.

1. Statement of accounting policies continued

1.5. Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

1.6 Contract assets and contract liabilities

Revenue recognised at the period end for inventories sold and delivered, but subject to final pricing are recognised as contract assets.

Payments received in advance for inventories sold but which is only delivered and invoiced post the year end are recognised as contract liabilities.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash-on-hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recognised at fair value and subsequently at amortised cost.

1.8 Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.9 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

1. Statement of accounting policies continued

1.10 Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised except for differences arising on investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax is not provided for on initial recognition of goodwill, initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affect neither accounting nor taxable profit and investment in subsidiaries and the Group is able to control the timing of the reversal of the difference and is probable that the differences will not reverse in the foreseeable future. Recognition of the deferred tax assets is restricted to those instances where it is probable that the taxable profit will be available against which the difference can be utilised. Deferred tax is also based on rates enacted or substantively enacted at the reporting date and expected to apply when the related deferred tax asset is realised or liability settled. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Tax expenses

The identifiable assets acquired and liabilities assumed in a business combination are recognised at their fair values at the acquisition date. Deferred tax is recognised on temporary differences resulting from fair value adjustments.

Temporary differences arise when the tax bases of the identifiable assets acquired and liabilities assumed are not affected by the business combination or are affected differently. The resulting deferred tax asset or liability affects goodwill recognised on business combinations. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is allocated between continuing and discontinued operations. Deferred tax adjustments in respect of discontinued operations are included on the face of the statement of comprehensive income under the heading (loss)/profit from discontinued operations.

Current tax and deferred taxes are charged or credited to profit or loss if the tax relates to items that are credited or charged, in the same or a different period, to profit or loss.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1. Statement of accounting policies continued

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the method most appropriate to the particular class of inventory, with the majority being valued on a first-in first-out basis. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of such inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period; and
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the CGU to which the asset belongs is determined.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value-in-use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

1. Statement of accounting policies continued

An impairment loss is recognised for CGUs if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the CGU; and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets, other than goodwill, may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset, other than goodwill, attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation, other than goodwill, is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.13 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.14 Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction. When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised in profit or loss.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received, provided that the fair value can be estimated reliably. If the fair value of the goods or services received cannot be estimated reliably, their value and the corresponding increase in equity, indirectly, are measured by reference to the fair value of the equity instruments granted.

If the share-based payments granted do not vest until the counterparty completes a specified period of service the Group accounts for those services as they are rendered by the counterparty during the vesting period (or on a straight-line basis over the vesting period). If the share-based payments vest immediately the services received are recognised in full.

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

1. Statement of accounting policies continued

1.15 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision. Provisions are not recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.16 Revenue

1.16.1 Revenue accounting policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when considers that it has met the performance conditions specified in its contracts with customers. In the Group's material contracts this occurs when it transfers control over a product to a customer. Revenue is recognised to depict the transfer of goods to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods, which is achieved through a five step methodology.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably.

Payments received in advance for final product that is only delivered and invoiced post the period under review are recognised as contract liabilities

A provision for revenue recognised at the period end for final product sold and delivered but subject to final pricing at the period end are recognised as contract assets

1.16.2 Sale of commodities

Revenue is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer and the costs incurred in respect of the transaction can be measured reliably. The risks and rewards of ownership are considered to have been transferred to the buyer on delivery of the goods.

PGM concentrate

A sales contract is entered into with the customer and revenue from PGM concentrate is recognised when the buyer takes ownership and control of the PGM concentrate. On the date of delivery the transaction price is determined based on provisional variables. Adjustments to the transaction price may be required due to movements in market prices, content quantities and penalties, which represent variable transaction price components, up to the date of final pricing. Final pricing is based on the monthly average market price in the month of settlement.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

1. Statement of accounting policies continued

For PGM concentrate sales, revenue is initially recognised at end of the delivery month and measured at the transaction price of the consideration receivable. The transaction price is subsequently adjusted based on movements in the metal market price up to the date of final pricing, typically four months after the delivery month.

Chrome concentrate

For chromite concentrate sales, revenue is initially recognised on delivery and measured at the transaction price of the consideration receivable. On the date of delivery the transaction price is determined based on provisional variables.

Adjustments to the transaction price may be required due to movements in market prices, content quantities and penalties, which represent variable transaction price components, up to the date of final pricing. Final pricing is based on the monthly average market price in the month of settlement.

The transaction price of the consideration is subsequently adjusted for any changes to the final consideration receivable.

Changes to the transaction price of the consideration receivable are recognised as an adjustment to revenue in profit and loss and trade debtors in the statement of financial position.

Copper Cathodes

For copper cathodes sales, revenue is initially recognised on the delivery date and measured at the transaction price of the consideration receivable. On the date of delivery the transaction price is determined based on the average official three month price as quoted on the LME ("London Metal Exchange") over the market days of the pricing period or a cash settlement price (at the election of the buyer) less applicable discounts. The pricing period is typically two months from the date of delivery.

Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.17 Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated financial statements are presented in Pound Sterling, which is the Group functional and presentation currency.

1. Statement of accounting policies continued

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pound Sterling, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to profit or loss and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pound Sterling by applying to the foreign currency amount the exchange rate between the Pound Sterling and the foreign currency at the date of the cash flow.

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

1. Statement of accounting policies continued

1.18 Investments in subsidiaries, joint arrangements and associates

The Company's investments in subsidiaries

In its separate financial statements the Company recognises its investments in subsidiaries at cost, less any provision for impairment. The cost of acquisition includes directly attributable professional fees and other expenses incurred in connection with the acquisition.

The Company's investments in associates

The Company's investments in associates are less impairments. The Group's associates are accounted for using the equity method. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Any goodwill relating to associate is included in the carrying value of the investment and is not tested for impairment separately. The statement of profit or loss reflects the Group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, if applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The Company's investments in joint operations

A joint operation is a joint arrangement in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement. This includes situations where the parties benefit from the joint activity through a share of the output, rather than by receiving a share of the results of trading. In relation to its interest in a joint operation, the Group recognises: its share of assets and liabilities; revenue from the sale of its share of the output and its share of any revenue generated from the sale of the output by the joint operation; and its share of expenses. All such amounts are measured in accordance with the terms of the arrangement, which is usually in proportion to the Group's interest in the joint operation. These amounts are recorded in the Group's financial statements on the appropriate lines.

1.19 Critical judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, on in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates and judgments are those that have a significant risk of causing material adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustment.

Examples of judgements that do not involve estimation are:

- when substantially all the significant risks and rewards of ownership of assets are transferred;
- whether or not to consolidate an investee company;
- whether an acquisition is a Business Combination or an outright purchase of assets;
- whether the terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- whether a joint arrangement is categorised as a Joint Venture or a Joint Operation.

1. Statement of accounting policies continued

Details of the Group's significant accounting judgements and critical accounting estimates are as follows:

Contingent consideration

Contingent consideration is a financial liability recorded at fair value. The amount of contingent consideration to be paid is based on the occurrence of future events, such as the achievement of expected ad estimated project outputs, earnings and sales forecasts. Accordingly, the estimate of fair value contains uncertainties as it involves judgment about the likelihood and timing of achieving these milestones as well as the discount rate used. Changes in fair value of the contingent consideration obligation result from changes to the assumptions used to estimate the probability of success for each milestone, the anticipated timing of achieving the milestones and the discount period and rate to be applied. A change in any of these assumptions could produce a different fair value, which could have a material impact on the results from operations.

Fair value assessments

In determining the fair value of assets and liabilities management uses a number of model inputs including discount rates, commodity prices, recoveries, currency forecasts, life of mine and grade to determine the fair value based on discounted cash flows. Fair value assessments are also made with reference to effective interest rates and consideration of any impact that the global Covid-19 pandemic may have on outputs. All these inputs may change over time and may have a material impact on the fair value of assets and liabilities at each reporting period.

Impairment testing

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less cost to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact on estimates and may then require a material adjustment to the carrying value of assets including intangible assets and inventories. The Group tests annually whether intangible assets and inventories have suffered any impairment, in accordance with the accounting policy. The recoverable amounts of CGUs will be determined based on value-in-use calculations. These calculations require the use of estimates.

Taxation

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognises tax liabilities based on estimates of whether additional taxes and interest will be due. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law.

This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the income tax expense in the period in which such determination is made. Refer to note 7 for details on tax.

Net realisable value of inventory

Judgement is required when determining the net realisable value of inventory on hand. In determining net realisable value the estimated future revenue obtainable in the current economic conditions is used as a factor in valuing the recoverable amount.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

1. Statement of accounting policies continued

Share-based payments

In order to calculate the charge for share-based payments as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its option-pricing model. Refer to note 19 and 20 for details on valuation of share-based payments, including options granted and warrants granted.

Residual value, useful lives and depreciation methods

Judgement has been used in estimating the residual values and useful lives of items of property, plant and equipment.

Refer to note 8 for detail of the values of property, plant and equipment.

Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (extension option) or not terminated (termination option). The assessment of whether the Group is reasonably certain to exercise an extension option, or not to exercise a termination option is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the Group.

1.20 Leases

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group. The right-of-use assets are presented as part of property plant and equipment.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the following lease payments for the underlying right-of-use assets during the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined or the Group's incremental borrowing rate.

Each lease payment is allocated between the liability and the finance cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of the liability is measured to reflect any reassessment, lease modification or revised in-substance fixed payments.

The lease term is a non-cancellable period of a lease; periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

1. Statement of accounting policies continued

Right-of-use assets are measured initially at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Subsequently, the right-of-use assets, are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for remeasurement of the lease liability due to reassessment or lease modifications.

The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. The amortisation periods for the right-of-use assets are as follows:

Right of use for equipment 2 years

Payments associated with all short-term leases and certain leases of all low-value assets are recognised on a straight line basis as an expense in profit or loss. The Group applies the exemption for low-value assets on a lease by lease basis i.e. for the leases where the asset is sub-leased, a right-of-use asset is recognised with corresponding lease liability; for all other leases of low value asset, the lease payments associated with those leases will be recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less.

2. Adoption of new and revised standards

Adoption of new and revised standards

During the financial year, the Group has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations, that became effective for the first time.

Standard	Effective date, annual period beginning on or after
Conceptual Framework and Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 *Business Combinations*	1 January 2020
Amendments to IAS 1 and IAS 8: *Definition of Material*	1 January 2020
Interest Rate Benchmark Reform: *amendments to IFRS 9, IAS 39 and IFRS 7*	1 January 2020

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

2. Adoption of new and revised standards continued

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to Group and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Covid-19-Related Rent Concessions Beyond 30 June 2021 (Amendment to IFRS 16 *Leases*)	1 April 2021
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3 *Business Combinations*)	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*)	1 January 2022
Annual improvements 2018-2020 cycle	1 January 2022
Classification of Liabilities as Current or Non-Current: *amendments to IAS 1*	1 January 2023
IFRS 17 – *Insurance Contracts*	1 January 2023
Amendments to IFRS 17 – *Insurance Contracts*; and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4 *Insurance Contracts*)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements*)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 *Income Taxes*)	1 January 2023

The directors are evaluating the impact that these standards may have on the financial statements of Group.

3. Revenue

Figures in Sterling	Group 30 June 2021	Group 30 June 2020	Company 30 June 2021	Company 30 June 2020
Revenue from contracts with customers				
Chrome concentrate	**34 505 521**	17 157 715	**–**	–
PGM concentrate	**88 754 439**	34 590 259	**–**	–
Copper cathode	**9 585 292**	3 026 844	**–**	–
	132 845 252	54 774 818	**–**	–

The Group generates revenue primarily from the sale of PGM, chrome concentrates and copper cathodes.

The Group does not incur costs to fulfil its contracts with customers. The only performance obligation for revenue recognition from contracts with customers is the delivery of the concentrate.

The Group's contracts with customers do not contain any significant financing component.

Figures in Sterling	Group 30 June 2021	Group 30 June 2020	Company 30 June 2021	Company 30 June 2020
Customer contract assets/(liabilities)				
Chrome – contract assets	**662 723**	–	**–**	–
Chrome – contract liabilities	**–**	(505 468)	**–**	–
PGM – contract assets	**8 491 527**	5 408 622	**–**	–
Total	**9 154 250**	4 903 154	**–**	–

For chrome concentrate sales, revenue is initially recognised at the transaction price of the consideration received, subsequently adjusted for movements in the metal market price up to the date of delivery. Payments received in advance for chrome concentrate that is only delivered and invoiced post the year end are recognised as contract liabilities. The chrome projects earn revenue through the recovery and sale of chrome concentrate to customers considered to be of a high quality. The Windsor and Inyoni Chrome Operations earn revenue through the recovery and sale of chrome concentrate to customers considered to be of a high quality. Payment terms are typically within two months of delivery save where a prepayment was received in advance. Revenue recognised at the period end for inventories sold and delivered, but subject to final pricing are recognised as contract assets.

For PGM concentrate sales, revenue is initially recognised at end of the delivery month and measured at the transaction price of the consideration receivable. The transaction price is subsequently adjusted based on movements in the metal market price up to the date of final pricing, typically four months after the delivery month. PGM Operations earn revenue from the sale of PGM concentrate ounces recovered at Jubilee's Inyoni and Windsor PGM Operations and are delivered to one major customer considered to be of a high quality.

For copper cathodes sales, revenue is initially recognised at the transaction price of the consideration received, subsequently adjusted for movements in the metal market price up to the date of final pricing which is normally on one and a half months after the date of delivery. Payment terms are typically on delivery of the final invoice. The Group had no copper cathode prepaid for but not delivered at the period end and therefore no contract asset has been recognised at the period end.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

4. Operating profit/(loss)

Operating profit/(loss) for the year is stated after accounting for the following:

	Group 30 June		Company 30 June	
Figures in Sterling	**2021**	**2020**	**2021**	**2020**
Premise rental – contractual amounts	**145 476**	76 747	**33 600**	33 600
Equipment rental- contractual amounts	**10 622**	14 051	**–**	–
Audit fees – prior periods	**167 903**	–	**77 950**	–
Audit fees – current period	**88 500**	91 000	**88 500**	81 900
Audit of UK subsidiaries	**4 000**	4 000	**4 000**	–
Loss on exchange differences	**(500 437)**	(919 682)	**352 251**	65 433
Amortisation of intangible assets	**499 233**	2 475 441	**–**	–
Depreciation of property, plant and equipment	**3 393 492**	4 026 319	**–**	–
Share-based payment charges – options	**415 046**	119 800	**415 046**	119 800
Share-based payment charges – warrants	**161 974**	205 903	**161 974**	–
Employee costs	**2 247 827**	479 631	**28 000**	28 000

Refer to note 6 on page 82 for details of employee costs.

5. Finance costs/investment income

	Group 30 June		Company 30 June	
Figures in Sterling	**2021**	**2020**	**2021**	**2020**
Finance costs				
Non-current borrowings	**1 673 787**	2 420 875	**–**	175 135
Investment income				
Bank interest received	**500 173**	125 264	**19 685**	–

Refer to notes 22 and 24 for details of interest bearing liabilities.

6. Employee costs

Figures in Sterling	Group 30 June 2021	Group 30 June 2020	Company 30 June 2021	Company 30 June 2020
Employee costs (note 4)	**3 631 558**	1 009 067	**50 766**	49 259
Directors' fees and remuneration	**2 090 282**	148 357	**2 210 282**	148 357
Share-based payments	**415 046**	119 800	**415 046**	119 800
Total employee costs	**6 136 886**	1 277 224	**2 676 094**	317 416
Included in employee costs are the following statutory expenses:				
– National insurance contributions	**5 359**	11 918	**5 359**	11 918
– Pension fund contributions	**147 105**	20 838	**–**	–

Employee costs includes directors that are also employees of the Group or Company. The Group averaged 559 employees, including directors during the period ended 30 June 2021 (2020: 205 employees). The Group has 499 (2020: 176) operational employees and 60 (2020: 29) in administration. In addition to employees of Jubilee, the Group also engaged the services of outsourced labour firms. The cost for these outsourced services is included in cost of sales in an amount of £ 0.3 million (2020: £ 3.6 million). According to the terms of the outsourced component, outsourced labour individuals are not considered employees of the Group. During the period under review Jubilee took most of the outsourced labour inhouse. The Company had only one employee at year end (2020: 1).

Refer to note 27 for details of related parties' remuneration and note 20 for details of options granted. Refer to page 32 for details of director remuneration disclosed in the Directors' Report. The Company provides Directors' and Officers' liability insurance at an annual cost of £ 33 006 (2020: £ 10 071). This cost is not included in the above remuneration.

Directors' fees and remuneration	Group 2021	Group 2020	Company 2021	Company 2020
Directors' short-term benefits				
Directors' fees (including benefits in kind)	**2 090 282**	148 357	**2 090 282**	148 357
Directors' salaries[1]	**921 924**	529 436	**22 766**	21 259
Provision for unpaid remuneration[2]	**461 807**	–	**120 000**	–
Total Director remuneration[3]	**3 474 013**	677 793	**2 233 048**	169 616

1= The highest paid director is Mr L Coetzer with annual remuneration of £ 1 219 517 (2020: £ 460 002).

2= Total accrued unpaid Director Remuneration of £ 461 807 (2020: £ 629 457) is included in accruals. The amount can be settled in cash or through the issue of new Jubilee shares at the Company's election.

3= Refer to page 32 of this report for a detailed breakdown of directors' remuneration.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

7. Taxation

Figures in Sterling	Group 2021	Group 2020	Company 2021	Company 2020
Major components of the tax expense				
Current				
Local income tax – current period	**(7 997 467)**	–	**–**	–
Local income tax – recognised in current tax prior periods	**(112 854)**	–	**–**	–
	(8 110 322)	–	**–**	–
Deferred				
Deferred tax de-recognised of fair value adjustments on other financial assets through profit or loss	**–**	954 101	**–**	954 101
	(5 677 167)			
Deferred tax arising from previously unrecognised tax losses and temporary differences	**9 463 653**	3 223 254	**–**	–
Deferred tax arising from other adjustments and temporary differences	**1 530 969**	318 361	**–**	–
	5 317 454	4 495 716	**–**	954 101
Taxation for the year	**(2 792 867)**	4 495 716	**–**	954 101
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense:				
Accounting profit/(loss)	**43 024 070**	13 732 868	**(3 335 960)**	(8 454 972)
Tax at the applicable tax rate of 28% (2019: 28%)	**12 046 740**	3 845 203	**(934 069)**	(2 367 392)
Tax effect of adjustments on taxable income				
Non-deductible expenditure	**275 202**	1 790 389	**242 501**	2 021 876
Non-taxable income	**–**	(1 849 891)	**–**	–
Tax paid in current tax period relating to prior period tax	**(112 854)**			
Share of results of associates	**6 746**	404 566	**–**	–
Deferred tax arising from temporary differences	**(6 596 117)**	(954 101)	**–**	(954 101)
Deferred tax arising from temporary differences foreign exchange	**918 950**			
Deferred tax arising from previously unrecognised tax losses	**(9 463 653)**	(3 541 615)	**–**	–
Deferred tax arising from previously unrecognised tax losses foreign exchange	**(1 279 321)**	–	**–**	–
Assessed losses available for offset against future taxable income and losses utilised	**5 367 847**	(2 977 056)	**691 568**	345 516
Other adjustments	**1 629 326**	(1 213 211)	**–**	–
	2 792 866	(4 495 716)	**–**	(954 101)

The Group has estimated tax losses of £ 35 million (2020: £ 16 million) to carry forward against future periods.

8. Property, plant and equipment

Group Figures in Sterling	2021 Cost/ Valuation	2021 Accumulated depreciation	2021 Carrying value	2020 Cost/ Valuation	2020 Accumulated depreciation	2020 Carrying value
Land	**1 015 137**	**–**	**1 015 137**	1 133 971	–	1 133 971
Buildings	**1 311 587**	**(448 284)**	**863 303**	1 459 444	(343 370)	1 116 074
Plant and machinery	**45 938 315**	**(22 125 794)**	**23 812 521**	40 566 573	(23 262 233)	17 304 340
Furniture and fixtures	**281 399**	**(150 088)**	**131 311**	246 771	(159 505)	87 266
Motor vehicles	**410 496**	**(344 288)**	**66 208**	500 789	(448 395)	52 394
IT equipment	**52 466**	**(36 945)**	**15 521**	45 228	(32 635)	12 593
Assets under construction	**6 900 244**	**–**	**6 900 244**	369 810	–	369 810
Right of use assets[1]	**414 546**	**(207 273)**	**207 273**	–	–	–
Total	**56 324 190**	**(23 312 672)**	**33 011 518**	44 322 586	(24 246 138)	20 076 448

1. *Description of plant : Spiral Plant*
   Lessee's nature of business : To beneficiate chrome concentrate from chrome ROM material.
   Spiral Plant is leased to further beneficiate chrome from material that has already been processed via its main plant. Extension/termination option included in the lease. Option to buy the plant before the expiry of the rental agreement. Refer to note 31.

At the period end the Group had capital commitments in relation to projects amounting to £ 11.9 million.

Group Figures in Sterling	2021 Cost/ Valuation	2021 Accumulated depreciation	2021 Carrying value	2020 Cost/ Valuation	2020 Accumulated depreciation	2020 Carrying value
Company						
Furniture and fixtures	**18 162**	**(18 162)**	**–**	18 162	(18 162)	–
IT equipment	**16 987**	**(16 987)**	**–**	16 987	(16 987)	–
Total	**35 149**	**(35 149)**	**–**	35 149	(35 149)	–

Reconciliation of property, plant and equipment – Group – 2021

Figures in Sterling	Opening balance	Additions	Transfers/ Disposals	Foreign exchange movements	Depreciation	Total
Land	**1 133 971**	**–**	**–**	**(112 237)**	**(6 597)**	**1 015 137**
Buildings	**1 116 074**	**20 261**	**–**	**(82 866)**	**(190 162)**	**863 306**
Plant and machinery	**17 304 340**	**10 969 894**	**(62 230)**	**(1 431 629)**	**(2 967 862)**	**23 812 514**
Furniture and fixtures	**87 266**	**40 038**	**–**	**21 423**	**(17 606)**	**131 121**
Motor vehicles	**52 394**	**19 333**	**(5 195)**	**8 594**	**(8 916)**	**66 209**
IT equipment	**12 593**	**5 166**	**–**	**2 026**	**(4 263)**	**15 522**
Work in progress	**369 810**	**6 810 987**	**(263 236)**	**(17 317)**	**–**	**6 900 244**
Right of use assets	**–**	**383 935**	**–**	**21 615**	**(198 085)**	**207 465**
	20 076 448	**18 249 614**	**(330 661)**	**(1 590 390)**	**(3 393 492)**	**33 011 518**

Notes to the Group and Company financial statements

for the year ended 30 June 2021

8. Property, plant and equipment continued

Reconciliation of property, plant and equipment – Group – 2020

Figures in Sterling	Opening balance	Additions	Additions through business combinations	Transfers/ Disposals	Foreign exchange movements	Depreciation	Total
Land	686 082	–	663 254	–	(215 365)	–	1 133 971
Buildings	637 954	81 195	914 674	–	(376 034)	(141 715)	1 116 074
Plant and machinery	15 846 538	1 164 650	9 161 633	(9 351)	(5 252 601)	(3 606 529)	17 304 340
Furniture and fixtures	84 630	18 348	91	(629)	(14 958)	(216)	87 266
Motor vehicles	628 780	39 965	–	(236 528)	(105 015)	(274 808)	52 394
IT equipment	17 784	667	–	–	(2 807)	(3 051)	12 593
Work in progress	–	84 905	284 601	–	304	–	369 810
	17 901 768	1 389 730	11 024 253	(246 508)	(5 966 476)	(4 026 319)	20 076 448

1. The Braemore Plant is pledged as security for certain financial liabilities disclosed in note 22.

9. Intangible assets

	2021			2020		
Group Figures in Sterling	Cost/ Valuation	Accumulated amortisation and impairments	Carrying value	Cost/ Valuation	Accumulated amortisation and impairments	Carrying value
Exploration[1]	**37 102 694**	**(2 544 625)**	**34 558 069**	35 992 160	(2 544 625)	33 447 535
Business development[2]	**17 395 018**	**(9 005 953)**	**8 389 065**	15 626 197	(7 981 514)	7 644 683
Metals Processing[3]	**16 043 775**	**(159 834)**	**15 883 941**	32 024 910	(215 953)	31 808 957
Nickel tailings	**17 036 338**	**(17 036 338)**	**–**	17 517 327	(17 517 327)	–
Total	**87 577 825**	**(28 746 749)**	**58 831 075**	101 160 594	(28 259 419)	72 901 175

Reconciliation of intangible assets – Group – 2021

Figures in Sterling	Opening balance	Additions	Transfers	Foreign exchange movements	Amortisation	Total
Exploration	**33 447 535**	**114 211**	**–**	**996 324**	**–**	**34 558 069**
Business development	**7 644 683**	**1 746 029**	**(8 110)**	**(498 768)**	**(494 770)**	**8 389 065**
Metals Processing	**31 808 957**	**81 779**	**(11 690 440)**	**(4 311 893)**	**(4 463)**	**15 883 941**
	72 901 175	**1 942 019**	**(11 698 550)**	**(3 814 337)**	**(499 233)**	**58 831 075**

9. Intangible assets continued

Reconciliation of intangible assets – Group – 2020

Figures in Sterling	Opening balance	Additions	Additions through business combinations	Foreign exchange movements	Amortisation	Total
Exploration	36 447 132	108 219	–	(3 107 816)	–	33 447 535
Business development	5 947 907	2 777 323	–	(42 708)	(1 037 839)	7 644 683
Metals Processing	4 542 953	13 827 643	15 000 316	(124 359)	(1 437 596)	31 808 957
Nickel tailings	17 517 327	–	–	–	–	17 517 327
	64 455 319	16 713 185	15 000 316	(3 274 883)	(2 475 435)	90 418 502

Management performs annual impairment reviews on intangible assets, including goodwill. When reviewing for factors that impact the carrying value of the intangible assets, management takes into consideration the nature of the asset, the stage of development of the asset, the value or the expected future value that the asset will contribute to the Group's current and future earnings as well as market conditions and prevailing commodity prices that may impact the carrying values of the Group's intangible assets. Amortisation of intangible assets is included in operating expenses in profit or loss. None of the Group's intangible assets are pledged as surety for liabilities.

1. *This intangible asset relates to the exploration of the Tjate Platinum Project. The intangible asset has an indefinite useful life which is tested for impairment annually and individually to determine whether the indefinite life continues to be supportable. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. The Tjate Project's Merensky and UG2 platinum reefs (Reefs) targeted for initial mining lie between 600 metres and 1,000 metres below surface. The Tjate Project is independently judged to contain arguably the world's largest undeveloped defined block of platinum ore. The property covers 5,140 hectares on three farms and the area has been independently appraised to contain a potential net 65 million ounces of platinum group elements (PGEs) and gold. This represents the resource targeted for future exploratory drilling. Only once a prospect, to bring the Tjate Project to account, becomes feasible, will the useful life of the intangible asset be determinable.*

   The recoverable amounts of intangibles are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates ad expected changes to selling prices and direct costs during the period. Jubilee commissioned an independent review and update of the project and economics, which had last been addressed in 2017, in order to assess the most suitable and appropriate way forward for project-execution readiness, the further work needed and related estimate of time line and costs.

   The independent review confirmed the value and viability of the project and recommended a project execution methodology. Key assumptions are summarized below:

   NPV_{10} = ZAR 1.399 million at IRR of 13.4%. The ZAR continued to depreciate against the US Dollar following the evaluation further strengthening the economic viability of the project since cost is incurred in ZAR while revenues are generated in US Dollars. Cognisance must also be given to the sensitivity of value against the US$ as this is a ZAR project. On the back of the economic viability of the project and as part of the approved mine works program for the Tjate project, Jubilee continued with the implementation of the Social Labour Program for the period under review £ 116 178 (ZAR 2 404 356) has been expended on the project during the period under review (2020: £ 117 165 (ZAR 2 310 937)).

2. *Business development intangibles consist of a combination of targeted process consulting focused on the development and implementation of process solutions, specifically targeting both liquid and solid waste streams from mine processes. The Group's business development intangibles include existing pilot operations as part of the process development cycle to provide mature solutions which includes extractive-metallurgy, pyro-metallurgy and hydro-metallurgy. This process has led to many previously non-viable environmental and metals recovery projects becoming commercially viable and very strong demand in Africa is being experienced.*

   2.1 Included in business development costs is an amount of £ 4 033 304 (2020: £ 3 157 710) representing models developed by Base Metal Technologies focusing on:

   - *Increased liberation techniques to support the recovery of the metals and minerals associated with base metals. This development lead to the implementation of the Fine Grinding Circuit implemented at the Hernic Project.*
   - *Fine air bubble generation to improve the attachment of the valuable base metals and precious metals to the bubble surface as part of the recovery process. This development has led to the implementation of the fine bubble generator at the Inyoni and Windsor Operations.*
   - *Accelerated base metal leaching as part of the improving the kinetics of a base metal leach process. The process research and development processes developed to date is currently being implemented in the recovery of PGMs in associated sulphides from the South African tailings projects, specifically targeting the beneficiation of sulphite minerals which allows for significant enhancement in concentrate grade profiles which has improved the projected target performance and profitability of these tailings.*

Notes to the Group and Company financial statements

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9. Intangible assets continued

The costs incurred during the process research and development phase, include studies and other development testing costs which are being utilised by the Group in implementing and developing new projects that are similar to that of the nickel tailing project in Australia. These costs are recovered through revenues generated by existing projects benefiting and applying the research and development concept developed.

These development costs are allocated to the relevant projects where the technology and techniques are applied to generate project revenues.

2.2 Included in business development is an amount of £ 8 311 632 (2020: £ 7 693 422) which relates to the ConRoast technology, converting and autoclave process, CVMR® process and leaching and hydro-processing. The ConRoast process and technology have contributed to the further development of process and design solutions being developed by Jubilee.

The ConRoast intangible asset is fully depreciated as at the period end.

2.3 Included in business development intangible assets is an amount of £ 4 685 145 (2020: £ 4 169 079) relating partially to a fine chrome recovery technique acquired as part of the Group's acquisition of the Windsor Chrome Operations and partially developed in-house development costs. Management estimates the recoverable amount of this intangible to be higher than its carrying value and no impairment was required. The amortisation of this intangible is recognised in cost of sales.

3. Metals Processing intangibles relate to the Group's intangible assets at its Windsor Operations, Inyoni Operations as well as its Zambian Operations. These assets are amortised over their useful lives. Management performs an impairment review on these assets on a regular basis. Management considers the recoverable amount of these intangibles at the period end to be higher than their carrying value and no impairment was recognised.

10. Investment in subsidiaries

Subsidiary	Company Carrying amount 2021	Company Carrying amount 2020
Braemore Resources Ltd	**18 712 852**	18 712 852
New Plats (Tjate)(Pty) Ltd	**13 815 228**	13 815 228
Windsor Platinum Investments (Pty) Ltd	**3 425 823**	3 425 823
Mineral Resources of Madagascar Sarl[1]	**917 034**	917 034
K Plats (Pty) Ltd	**649 734**	649 734
Kabwe Operations Limited	**300 000**	300 000
Antsahabe (Madagascar) Sarl[1]	**34 466**	34 466
Maude Mining and Exploration (Pty) Ltd	**141**	141
	37 855 278	37 855 278
Provision for impairment of investment in subsidiaries[1]	**(951 500)**	(951 500)
	36 903 778	36 903 778

1. Due to the uncertainties around this asset the directors deemed it prudent to impair the investment in Madagascar until such time as the outcome of discussions with potential buyers progresses to conclusion of a potential transaction. Jubilee continues to seek potential investors for the farm-in or purchase of the exploration right of Mineral Resources of Madagascar Sarl, with specific reference to the nickel values of Ambodilafa.

10. Investment in subsidiaries continued

Subsidiaries of Jubilee Direct	Country of incorporation	Holding 2021 %	Holding 2020 %	Number of ordinary shares held 2021	Number of ordinary shares held 2020
Mineral Resources of Madagascar Sarl	Madagascar	**100**	100	**10 000**	10 000
Windsor SA (Pty) Ltd	South Africa	**100**	100	**10 000**	10 000
Braemore Resources Ltd	United Kingdom	**100**	100	**100**	100
K Plats (Pty) Ltd	South Africa	**100**	100	**100**	100
Kabwe Operations Ltd	Mauritius	**100**	100	**6 000 000**	6 000 000
Antsahabe (Mauritius) Ltd	Mauritius	**100**	100	**100**	100
Maude Mining and Exploration (Pty) Ltd[1]	South Africa	**65**	65	**653**	653
New Plats (Tjate) (Pty) Ltd[2]	South Africa	**49**	49	**169**	169

1. *Maude Mining and Exploration (Pty) Ltd is held 65% directly by Jubilee and 26% indirectly through K-Plats (Pty) Ltd, resulting in Maude Mining and Exploration (Pty) Ltd being accounted for as a subsidiary of Jubilee.*
2. *The Group owns the ordinary share capital of all the above subsidiaries in the percentages shown above and below and in each case this holding confers the respective voting rights and rights to dividends distribution except for its holding in Newplats (Tjate) (Pty) Ltd where the Group holds 49% of the ordinary shares in issue and all of the issued preference shares.*

Subsidiaries of Jubilee Indirect	Country of incorporation	Interest in the ordinary issued capital 2021 %	Interest in the ordinary issued capital 2020 %
Via Windsor SA (Pty) Ltd			
Tjate Platinum Corporation (Pty) Ltd	South Africa	**63**	63
Dullstroom Plats (Pty) Ltd	South Africa	**100**	100
Via K-Plats (Pty) Ltd			
Maude Mining and Exploration (Pty) Ltd	South Africa	**26**	26
Via Braemore Resources Ltd			
Braemore Platinum Ltd	United Kingdom	**100**	100
Braemore Holdings (Mauritius) (Pty) Ltd	Mauritius	**100**	100
Base Metal Technologies (Pty) Ltd	Australia	**100**	100
Via Braemore Holdings (Mauritius) (Pty) Ltd			
Braemore Platinum (Pty) Ltd	South Africa	**100**	100
Jubilee Metals Solutions Ltd	Zambia	**100**	100
Jubilee Copper Processors Ltd (Formerly Jubilee Metals Laboratories Ltd)	Zambia	**70**	70
Sable Zinc Kabwe Limited	Zambia	**100**	100
Enviro Mining Ltd	Mauritius	**100**	100
Enviro Processing Ltd	Zambia	**95**	95
Enviro Properties Ltd	Zambia	**99**	99
Sable Zinc Kabwe Ltd	Zambia	**100**	100
Via Braemore Platinum (Pty) Ltd			
Braemore Platinum Resources (Pty) Ltd	South Africa	**100**	100
Braemore Platinum Smelters (Pty) Ltd	South Africa	**100**	100
Jubilee Processing (Pty) Ltd	South Africa	**100**	100
Braemore Precious Metals Refiners (Pty) Ltd	South Africa	**73.75**	73.75
Jubilee Tailings Treatment Company (Pty) Ltd	South Africa	**100**	100
Via Antsahabe (Mauritius) Ltd			
Antsahabe (Madagscar) Sarl	Madagascar	**100**	100

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10. Investment in subsidiaries continued

- The registered address for all United Kingdom companies is 1st Floor 7/8 Kendrick Mews, London SW7 3HG, United Kingdom.
- The registered address for South African companies is Ground Floor, Support Services Place, Jigsaw Office Park, 7 Einstein Street, Highveld Techno Park, Centurion, 0157.
- The registered address for all Mauritian companies is Royal Road, Level 6, Green Cross Building, Belle Rose, Mauritius, BRN: C15132100.
- The registered address for all Zambian companies is Plot 6004, Sibweni Road, Northmead, Lusaka.
- The registered address for the Australian company is Level 3, 88 William Street, Perth WA 6000 GPO Box 2570, Perth, 6001.

Non-controlling interests in equity

Reconciliation of non-controlling interests' share in the profit/(loss) reported for the year:

Subsidiary Figures in Sterling	% Non-controlling interest	Cumulative non-controlling interest SOCI 2021	Cumulative non-controlling interest SOCI 2020	Cumulative non-controlling interest SOFP 2021	Cumulative non-controlling interest SOFP 2020
Maude Mining & Exploration (Pty) Ltd	9.00	**(5 580)**	(57)	**(32 621)**	(35 622)
Tjate Platinum Corporation (Pty) Ltd	37.00	**(176)**	(245)	**2 492 394**	2 308 288
Braemore Precious Metals Refiners (Pty) Ltd	26.25	**(636 923)**	(82 088)	**305 978**	(333 870)
Jubilee Metals Laboratories Ltd	–	**–**	(8 804)	**–**	(21 041)
Kabwe Operations Ltd	–	**–**	(614)	**–**	(2 502)
Enviro Processing Ltd	5.00	**11 392**	–	**396 777**	564 024
Total		**(631 287)**	(91 808)	**3 162 527**	2 479 277

The only material NCI relates to Tjate Platinum Corporation (Pty) Ltd.

Set out below is summarised financial information Tjate Platinum Corporation (Pty) Ltd that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company and consolidation eliminations.

Subsidiary Figures in Sterling	Cumulative non-controlling interest SOCI 2021	Cumulative non-controlling interest SOCI 2020
Summarised statement of financial position		
Current assets	**–**	6 889
Current liabilities	**(1 356)**	(634)
Net current (liabilities)/assets	**(1 356)**	6 255
Non-current assets	**12 557 321**	11 513 745
Non-current liabilities	**(5 830 310)**	(5 282 658)
Non-current net assets	**6 727 011**	6 231 087
Net assets	**6 725 655**	6 237 342

10. Investment in subsidiaries continued

Subsidiary Figures in Sterling	Cumulative non-controlling interest SOCI 2021	Cumulative non-controlling interest SOCI 2020
Accumulated NCI		
Summarised statement of comprehensive income		
Revenue	**–**	–
Loss for the period	**(3 290)**	(1 905)
Other comprehensive income	**3 765**	2 185
Total comprehensive income	**475**	280
Profit allocated to NCI	**–**	–
Dividends paid to NCI	**–**	–

Non-controlling interests' share in net assets/(liabilities) at the period end:

Name of the company	% Non-controlling interest	Net 2021	Net 2020
Maude Mining & Exploration (Pty) Ltd	9.00	**(15 284)**	(5 671)
Tjate Platinum Corporation (Pty) Ltd	37.00	**6 725 655**	6 237 342
Braemore Precious Metals Refiners (Pty) Ltd	26.25	**2 088 577**	(998 159)
Jubilee Metals Laboratories Ltd	–	**–**	(54 502)
Kabwe Operations Ltd	–	**–**	(4 773)
Enviro Processing Ltd	5.00	**(6 421 945)**	(3 145 661)
Total		**2 377 003**	2 028 576

All other consolidated subsidiaries are wholly owned. The nature of the above subsidiaries' business principal activities are that of recovering base metals from and reprocessing of historical surface mine waste and materials as well as exploration.

The financial year-ends of all the subsidiaries in the Group are June. The carrying amounts of subsidiaries are shown net of impairment losses.

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for the year ended 30 June 2021

11. Investments in associates

Figures in Sterling		% holding		Carrying amount		Share of loss	
Company	**Investment type**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Kendrick Resources Plc ("Kendrick") (Formerly BMR Group Plc (UK))	Unlisted	**29.01**	29.01	**426 505**	450 598	**(24 093)**	(1 444 879)

In 2018 Jubilee acquired a 29.01% interest in Kendrick. The investment is accounted for as an investment in associate as Jubilee does not control the board of Kendrick nor does it control the day-to-day operations of Kendrick.

Kendrick has its principal place of business at 1st Floor, 7/8 Kendrick Mews, London, SW7 3HG.

At Group level, the carrying amounts of investments in associates are measured using the equity method and are shown initially at cost adjusted for the post-acquisition share of the associate's profit and losses, net of impairment losses. At Company level investments in associates are carried at cost less any impairments.

The following table illustrates summarised financial information for the Group's investment in Kendrick:

	Group		Company	
Figures in Sterling	**30 June 2021**	**30 June 2020**	**30 June 2021**	**30 June 2020**
Carrying value at the beginning of the year	**450 598**	1 895 477	**870 000**	3 032 996
Equity accounted loss for the year	**(24 093)**	(1 444 879)	**–**	–
Impairment	**–**	–	**(450 000)**	(2 162 996)
Carrying value at year end	**426 505**	450 598	**420 000**	870 000

The Company assessed the carrying value of its investment in Kendrick at the period end. Factors that were considered included a valuation of the fair value of the investment in Kendrick based on a discounted cash flow applying a number of inputs and using an estimated discount rate. The excess of the carrying value over the fair value was recognised as a provision for impairment in the statement of comprehensive income in an amount of £ 450 000 (2020: £ 2 162 996)

11. Investments in associates continued

Summarised financial information in respect of Kendrick is set out below and represents amounts in associates' financial statements.

The financial results presented below represents the provisional unaudited results of Kendrick for the period ended 30 June 2021.

Figures in Sterling	30 June 2021	30 June 2020
Current assets	**301 130**	285 550
Non-current assets	**164 851**	3 828 824
Current liabilities	**(268 435)**	(1 324 415)
Non-current liabilities	**–**	–
Equity	**197 546**	2 789 959
Income	**–**	–
Net finance cost	**(584)**	(491)
Expenses	**(166 109)**	(240 180)
Impairment loss on intangibles	**–**	(6 771 362)
Gain on disposal of investment	**14 663**	–
Fair value gain on revaluation of investment	**68 978**	–
Taxation	**–**	2 031 409
Loss for the year	**(83 052)**	(4 980 624)
Made up as follows:		
Loss from operations	**(83 052)**	(4 987 046)
Other comprehensive income	**–**	6 422
	(83 052)	(4 980 624)
Share of loss of associate (29.01%)[1]	**(24 093)**	(1 444 879)

1= Jubilee's total share of loss of associate recognised during the period under review is therefore £ 24 093 (2020: loss of £ 1 444 879). The loss so recognised is limited to such amount of the total loss that would result in a zero carrying value at period end.

Notes to the Group and Company financial statements

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12. Loans to group companies

Figures in Sterling	Company 30 June 2021	Company 30 June 2020
Subsidiaries		
Braemore Holdings (Mauritius) (Pty) Ltd	**25 375 421**	6 591 810
Windsor SA (Pty) Ltd	**20 410 666**	31 074 853
Jubilee Processing (Pty) Ltd	**8 945 425**	12 155 565
Braemore Platinum Ltd	**5 566 748**	3 072 700
Braemore Platinum Smelters (Pty) Ltd	**4 891 850**	6 962 490
Braemore Resources Ltd	**2 600 303**	1 703 305
Kabwe Operations Ltd	**1 930 480**	1 877 772
Braemore Platinum Resources (Pty) Ltd	**1 169 852**	–
Jubilee Tailings Treatment Company (Pty) Ltd	**1 070 271**	1 070 291
Base Metal Technologies (Pty) Ltd	**794 112**	739 363
Jubilee Metals Solutions Ltd	**520 076**	520 057
Maude Mining and Exploration (Pty) Ltd[1]	**212 536**	212 536
Dullstroom Plats (Pty) Ltd[1]	**156 795**	156 795
Tjate Platinum Corporation (Pty) Ltd	**50 776**	49 365
	73 695 310	66 186 902
Provision for impairment of loans to subsidiaries	**(369 332)**	(369 332)
	73 325 979	65 817 570

1. *A provision for credit losses has been made against the loans to Maude Mining and Exploration (Pty) Ltd and Dullstroom Plats (Pty) Ltd as these companies are in the development phase of their operations.*

   Other than the above provision for expected credit losses no other provision has been made as the Group's projects have progressed to a stage where profits and cash are being generated from operating activities enabling the group companies to repay their loan accounts.

The loans are unsecured, interest-free and have no fixed repayment terms. All loans are not purchased nor originally credit impaired and meets the criteria to be classified at amortised cost. They are disclosed as non-current assets in the statement of financial position. The Company reviews the loans annually and where deemed necessary, a provision is made for any credit losses of loans where the loan is not considered to be recoverable within a reasonable period of time.

13. Other financial assets

Figures in Sterling	Group 2021	Group 2020	Company 2021	Company 2020
At amortised cost				
Loan to Horizon Corporation Limited – Star Tanganika[1]	**3 710 232**	3 068 499	**–**	–
Loan to Horizon Mining Limited – Kitwe Project[2]	**2 626 069**	–	**–**	–
Mash Rock Mining (Pty) Ltd[3]	**419 845**	–	**–**	–
Total at amortised cost	**6 756 145**	3 068 499	**–**	–

Management have reassessed the business plan in relation to these loans and therefore they have been reclassified as held at amortised cost with no change to the carrying value.

1. Loan to Horizon Corporation Limited – Star Tanganika Project

Star Tanganika Joint Venture Agreement

On 18 June 2020, Jubilee has secured the rights to approximately 150 million tonnes of copper containing surface tailings targeted to be upgraded at site and refined at its Sable Refinery in Zambia through a joint operation with Star Tanganika Limited ("JO"), the mining rights holder.

Under the agreement the parties target to process the tailings to recover copper concentrates for on sale into the market. Braemore Platinum Limited ("Braemore"), Jubilee's nominated subsidiary, was appointed as operator tasked with the financial, operational and administrative management of all aspects of the project. Jubilee's Sable Refinery may acquire the copper concentrate at agreed offtake terms for the production of copper metal while excess concentrates will be sold in the market.

In terms of the JO, Braemore has agreed to advance the equivalent of £ 3.95 million (US$ 5 million) funding ("Initial Investment") to Tanganika's owners Horizon Corporation Limited ("Horizon") which, investment will be applied in part for the continued project development of a second copper tailings dam of similar size, held by Horizon. Under the JO, the Initial Investment was funded through cash of approximately £ 0.9 million (US$ 1.2 million) and the issue of new Jubilee shares of approximately £ 3.1 million (US$ 3.8 million). At the period end the cash portion of the Initial Investment in an amount of £ 0.9 million (US$ 1.2 million) was settled. The loan bears interest at 6% per annum.

Under the JO, Braemore will provide all of the operational and capital funding required for the JO and will hold a right to 75% of all earnings generated by the JO until such time as 1.5 times of all capital invested by Braemore (being the aggregate of the Initial Investment and any further funding provided to the JO) has been returned by the JO where after Braemore's right to earnings will remain at 60% for the life of the JO. Such 1.5 times of capital invested by Braemore will be interest bearing. The carrying amount of the loan was calculated based on a discounted cash flow using appropriate discount and interest rates.

2. Loan to Horizon Mining Limited – Kitwe Project

Kitwe JV and Development Agreement ("The Agreement")

Jubilee successfully concluded a copper tailings transaction to secure the rights to an additional approximately 115 million tonnes of copper and cobalt containing surface tailings in Zambia (the "Tailings"). The transaction is in line with Jubilee's stated strategy to expand operations in Zambia and are in addition to the already approximately 155 million tonnes secured, significantly contributing to future sustained earnings. Jubilee concluded a Joint Venture and Kitwe Development Agreement with Horizon Mining Limited.

Jubilee secured the exclusive processing rights to the material through its subsidiary Braemore Platinum Limited ("Braemore") by entering into tailings supply and process development agreements (the "Agreements") with a number of privately held entities who collectively hold both the mining rights to the tailings and the property title on which the tailings are located (the "Tailings Partners"). The Agreements include both the formation of a development partnership with a well-established Zambian private entity who has invested in securing various tailings assets, as well as securing the rights to the processing of the Tailings from the resource owners.

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13. Other financial assets continued

The Agreements secure Braemore the exclusive right to process the approximately 115 million tonnes of copper containing tailings through the implementation of a copper and cobalt processing facility (the "Project"). In addition, the Project benefits from detailed resource analyses and vast historical process test programmes performed by the Tailings Partners through the appointment of various independent well established consulting firms. This affords Jubilee the opportunity to interpret these results and incorporate its in-house expertise and IP to significantly accelerate the Project development cycle.

The parties have formed a 75/25 Joint Operation ("JO") with Braemore appointed as exclusive project operator on behalf of the JO tasked with the turning to account of all aspects of the Kitwe Project for the benefit of the JO partners. Braemore shall be entitled to fund the Kitwe Project on a preferential basis in accordance with the Agreements.

In consideration for facilitating Braemore's appointment as operator and its participation in the Kitwe Project, Braemore shall pay to Horizon Mining an amount of US$ 8 million in tranches. US$ 5.5 million has already been paid by year end and the balance of US$ 2.5million is payable on or about December 2021 in the event that Braemore decides to go ahead with Project Kitwe. The amount so paid will be deemed to be loan funding and will be repayable to Braemore at interest of 12% from earnings made from the Project. Braemore will also be entitled to continue to invest in the development of the Kitwe Project in the form of a repayable interest-bearing loan on market related commercial terms applicable at the time.

Braemore can at any time before the conditions precedent have been met decide not to proceed with the Kitwe Project in which case all payments made will be carried over to the Joint Operation Agreement with Horizon Corporation Limited and Star Tanganika according to the carry over provisions in the Agreements.

Included in the loan to Horizon Mining is an amount that Jubilee funded on behalf of Horizon Mining in an amount of £ 186 387 (US$ 257 828) for project expenses. The payment so advanced will be settled from future project earnings. The payment does not attract interest and has no fixed repayment terms.

3. Mash Rock Mining loan

On 3 August 2021 Jubilee entered into a Joint Venture Agreement with Mash Rock Mining ("Mash rock") Limited in respect of the treatment of. In terms of the Joint Venture Agreement, Mash Rock will guarantee the supply of a minimum of 2 million WMT of copper containing run-of-mine material. On 12 November 2020 Jubilee agreed to advance a loan to Mash Rock Mining Limited in an amount of £ 419 845 (US$ 550 000).

The loan will be utilised by Mash Rock to purchase a property required to construct a processing facility as provided for in the Joint Venture Agreement. The loan will bear interest at 8% per annum and will be repayable from project earnings from time to time until the loan is repaid in full. The loan shall be secured over a mortgage bond over the property and a cession of earnings due to Mash Rock Mining under the Joint Venture Agreement which shall comprise a cession of income streams owed to Mash Rock held as security pending full repayment of the loan.

13. Other financial assets continued

Figures in Sterling	Group 2021	Group 2020	Company 2021	Company 2020
Loans and receivables				
Amava Minerals	**544 195**	–	**–**	–
Kgato Investments (Pty) Ltd (Note 27)	**477 707**	337 740	**–**	–
Other	**149**	405	**–**	–
Total loans and receivables	**1 022 052**	338 145	**–**	–
Total other financial assets	**7 778 197**	3 406 644	**–**	–
Current assets				
Loans receivable	**544 195**	–	**–**	–
Non-current assets				
At amortised cost	**6 756 145**	3 068 499	**–**	–
Loans receivable	**477 857**	338 145	**–**	–
	7 234 002	3 406 644	**–**	–
Total	**7 778 197**	3 406 644	**–**	–

None of the Group's other financial assets are pledged as surety for any liabilities.

14. Inventories

Figures in Sterling	Group 2021	Group 2020	Company 2021	Company 2020
Raw materials	**14 407 379**	1 126 526	**–**	–
Final product	**3 107 780**	440 758	**–**	–
Consumables	**250 778**	572 955	**–**	–
	17 765 937	2 140 239	**–**	–

Raw materials and consumables are carried at cost. Raw materials include Run-of-Mine ore for processing at the Group's processing plants. The expected value of ROM that will be processed in the next twelve months is £ 14 407 379 (2020: £ 1 126 526). The amount recognised in cost of sales during the period under review amounted to £ 43 735 209 (2020: £ 20 383 267). During the period under review £ 225 059 (2020: £ 214 081) was recognised in cost of sales as an adjustment for net realisable value. Included in final product is 17 668 tonnes of saleable chrome concentrate (2020: 6 277) and 58 tonnes of saleable copper cathode (2020: -).

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15. Trade and other receivables

	Group		Company	
Figures in Sterling	**2021**	**2020**	**2021**	**2020**
Trade receivables	**22 105 740**	10 096 070	**–**	–
VAT	**3 504 308**	2 065 885	**–**	–
Prepayments[1]	**11 965 048**	522 838	**63 109**	46 808
Other receivables	**481 022**	334 901	**218 565**	303 404
Deposits	**70 251**	63 613	**3 286**	3 286
	38 126 369	13 083 307	**284 960**	353 498

The Directors consider that the carrying value of trade and other receivables is approximately equal to their fair value.

See note 25 – Credit risk (page 110) – for consideration of expected credit losses on accounts receivable.

1. Prepayments

Included in prepayments are the following prepayments for tailings material:

- an amount of £ 5 379 810 representing a prepayment for 516 629 tonnes of copper tailings in Zambia. The copper tails are in a bonded warehouse and are secured over holding certificates. Ownership of the tails only passes to Jubilee once the tails are delivered to site; and
- an amount of £ 2 415 274 representing a prepayment for chrome and PGM current arisings in South Africa. The payment represents a prepayment for future chrome and PGM containing material.
- an amount of £ 2 983 449 representing a prepayment for 235 230 tonnes of historical chrome and PGM tailings in South Africa. Only once the tailings are delivered will Jubilee take ownership and the prepayment re-classified as stock.

	Group		Company	
Figures in Sterling	**2021**	**2020**	**2021**	**2020**
Customer contract assets[1]				
Chrome concentrate	**662 723**	–	**–**	–
PGM concentrate	**8 491 527**	5 408 622	**–**	–
	9 154 250	5 408 622	**–**	–

1. Contract assets represent a provision for the Group's rights to receive revenue for product sold and delivered at year end but subject to final pricing post year end. These assets are transferred to trade receivables when invoiced post year end.

16. Cash and cash equivalents

	Group		Company	
Figures in Sterling	**2021**	**2020**	**2021**	**2020**
Cash on hand	**362 167**	1 196	**–**	–
Bank balances	**19 280 880**	9 946 626	**872 816**	4 271 611
	19 643 047	9 947 822	**872 816**	4 271 611

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of 1 month or less.

The carrying amount of these assets are approximately equal to their fair value.

17. Cash used in operations

	Group		Company	
Figures in Sterling	**2021**	**2020**	**2021**	**2020**
Profit/(loss) before taxation	**43 024 070**	13 732 868	**(3 335 960)**	(8 454 972)
Adjustments for:				
Depreciation and amortisation	**3 892 723**	6 501 760	**–**	–
Profit on sale of fixed assets	**75 852**	(275)	**–**	–
Share of loss from equity accounted investment	**24 093**	1 444 879	**–**	–
Interest received	**(500 173)**	(125 264)	**(19 685)**	(95 435)
Finance costs	**1 673 787**	2 420 875	**–**	175 134
Fair value adjustments	**1 161 418**	5 021 585	**1 161 418**	5 021 585
Impairment of investment in associate	**–**	–	**450 000**	2 162 996
Share-based payments	**405 845**	322 203	**405 845**	322 203
Gain on bargain purchase through business combinations	**–**	(6 606 755)	**–**	–
Other movements	**103 182**	–	**24 500**	–
Changes in working capital:				
Inventories	**(3 663 912)**	(90 260)	**–**	–
Trade and other receivables	**(30 552 862)**	(6 786 675)	**(25 767)**	(36 581)
Trade and other payables	**17 358 581**	5 899 090	**(908 540)**	3 119
	33 002 604	21 734 025	**(2 248 189)**	(901 951)

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17. Cash used in operations continued

	Group		Company	
Figures in Sterling	**2021**	**2020**	**2021**	**2020**
Net debt				
Cash and cash equivalents	**(3 839 225)**	–	**–**	–
Liquid investments	**–**	–	**–**	–
Borrowings (including overdraft)	**(563 999)**	(2 092 855)	**–**	–
Lease liabilities	**(164 088)**	–	**–**	–
	(4 567 313)	(2 092 855)	**–**	–
Net debt				
Cash and cash equivalents	**(3 839 225)**	–	**–**	–
Gross debt – fixed interest rates	**(728 087)**	(2 092 855)	**–**	–
Gross debt – variable interest rates	**–**	–	**–**	–
	(4 567 313)	(2 092 855)	**–**	–

	Liabilities from financing activities			Other assets		
Figures in Sterling	**Borrowings**	**Leases**	**Sub-total**	**Cash/Bank overdraft**	**Liquid investments**	**Total**
Net debt as at 01 July 2019	**(6,663,009)**	**–**	**(6,663,009)**	**–**	**–**	**(6,663,009)**
Cash flows						
– New funding	–	–	–	–	–	–
– Repayment (Capital)	4 604 467	–	4 604 467	–	–	4 604 467
– Repayment (Interest)	598 683		598 683	–	–	598 683
New leases	–	–	–	–	–	–
Foreign exchange adjustments	(175 294)	–	(175 294)	–	–	(175 294)
Other charges	(457 702)	–	(457 702)	–	–	(457 702)
Net debt as at 30 June 2020	**(2 092 855)**	**–**	**(2 092 855)**	**–**	**–**	**(2 092 855)**
Cash flows						
– New funding	**–**	**–**	**–**	**(3 792 219)**	**–**	**(3 792 219)**
– Repayment (Capital)	**1 385 544**	**238 106**	**1 623 650**	**–**	**–**	**1 623 650**
– Repayment (Interest)	**121 274**	**23 149**	**144 423**	**–**	**–**	**144 423**
New leases	**–**	**(414 546)**	**(414 546)**	**–**	**–**	**(414 546)**
Foreign exchange adjustments	**183 395**	**13 925**	**197 320**	**–**	**–**	**197 320**
Other charges	**(161 358)**	**(24 721)**	**(186 079)**	**(47 006)**	**–**	**(233 085)**
Net debt as at 30 June 2021	**(563 999)**	**(164 088)**	**(728 087)**	**(3 839 225)**	**–**	**(4 567 313)**

18. Earnings and dividends per share

Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic earnings per share computation:

	Group	
	2021	**2020**
Earnings attributable to ordinary equity holders of the parent (£)	**39 599 917**	18 320 392
Weighted average number of shares for basic earnings per share	**2 185 345 903**	1 955 965 289
Effect of dilutive potential ordinary shares		
– Share options and warrants	**40 742 711**	19 299 151
Diluted weighted average number of shares for diluted earnings per share	**2 226 088 614**	1 975 264 440
Basic earnings per share (pence)	**1.81**	0.94
Diluted basic earnings per share (pence)	**1.78**	0.93

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements. The potential dilution of basic earnings per share from the convertible loan note as disclosed in note 22, was not included in the calculation of diluted earnings per share as the convertible loan notes are antidilutive for the period under review. There were no share transactions post year end to the date of this report that could have impacted earnings per share had it occurred before year end.

Dividend per share

The Board has resolved not to declare any dividend to shareholders for this reporting period (2020: Nil).

19. Share capital and share premium

	Group		Company	
Figures in pound sterling	**2021**	**2020**	**2021**	**2020**
Authorised				
The share capital of the Company is divided into an unlimited number of ordinary shares of £ 0.01 each.				
Issued share capital fully paid				
Ordinary shares of 1 pence each	**22 425 093**	21 125 096	**22 425 093**	21 125 096
Share premium	**97 588 094**	93 460 296	**97 588 094**	93 460 296
Total issued capital	**120 013 187**	114 585 392	**120 013 187**	114 585 392

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19. Share capital and share premium continued

The Company issued the following shares during the period:

Date issued	Number of shares	Issue price – pence	Purpose
Opening balance at 1 July 2020	2 112 509 573		
07-Dec-20	694 445	6.120	Warrants
12-Jan-21	19 417 476	3.375	Warrants
13-Jan-21	610 445	4.000	Warrants
13-Jan-21	1 473 055	3.380	Warrants
21-Jan-21	80 728 619	2.810	Debt settlement (refer note 22)
21-Jan-21	4 393 736	13.000	Director dealing
21-Jan-21	14 760 730	13.000	Director dealing
03-Feb-21	4 000 000	3.400	Warrants
08-Feb-21	3 000 000	6.000	Options exercised
18-Feb-21	80 000	6.120	Warrants
09-Mar-21	200 000	6.120	Warrants
11-Mar-21	502 500	6.120	Warrants
14-May-21	138 889	6.120	Warrants
Closing balance at 30 June 2021	**2 242 509 468**		

During the year share transaction costs accounted for as a deduction from the share premium account amounted to £ 314 842 (2020: £ 747 412).

On 21 September 2021, post the period under review, the Company issued 187 149 096 new ordinary shares at a price of 16.03 pence to raise £ 30 million before expenses, bringing the total shares in issue at the date of this report to 2 429 658 564 shares.

The company recognised a share-based payment expense in the share premium account in an amount of £ 161 974 (2020: £ 205 903) in accordance with section 610 (2) of the United Kingdom Companies Act 2006. The charge relates to the issue of new Jubilee shares in lieu of warrants exercised and the amount was accounted for as a deduction from the share premium account. Refer to note 20 for a reconciliation of the share-based payment reserve account.

Warrants

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

Issue Date	Number of warrants	Subscription price pence	Expiry date	Share price at issue date (pence)
19 Jan 2018	63 661 944	6.12	19 Jan 2023	3.55
28 Dec 2018	10 000 000	3.38	28 Dec 2023	2.40
19 Nov 2019	7 818 750	4.00	19 Nov 2022	4.13
22 Jun 2020	750 000	3.40	22 Jun 2023	3.90
21 Jan 2021	4 036 431	13.00	21 Jan 2024	13.20
	86 267 125			

19. Share capital and share premium continued

Reconciliation of the number of warrants in issue	Group and Company 2021	Group and Company 2020
Opening balance	**112 292 488**	99 113 293
Issued during the year	**4 036 431**	13 179 195
Expired/exercised during the year	**(30 061 794)**	–
Closing balance	**86 267 125**	112 292 488

Information on valuation inputs for warrants issued

Fair value was determined by using the Black-Scholes Valuation Model.

The following inputs were used:

	2021	2020
Average spot at issue date (pence)	**13.2**	4.01
Average expected volatility	**75.91%**	63.19%
Expected warrant life	**1 year**	3 years
Expected dividends	**Nil**	Nil
The risk free interest rate	**0.11%**	0.23%

The weighted average remaining life of share warrants at the year-end was 1.86 years (2020: 2.70) and the weighted average exercise price 5.91 (2020: 5.16) pence. Expected volatility was determined by calculating the historical volatility of the group's share price over the last year.

There are no performance conditions associated with the warrants issued. Warrants have different lives and for the purposes of valuing the warrants an expected warrant life of three years has been applied.

20. Share-based payments

20.1 Equity-settled share option plan

Reconciliation of the number of options in issue	Group and Company 2021	Group and Company 2020
Opening balance	**110 800 000**	65 450 000
Exercised during the year	**(17 150 000)**	(500 000)
Issued during the year	**1 750 000**	61 000 000
Expired/cancelled during the year	**–**	(15 150 000)
Closing balance	**95 400 000**	110 800 000

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20. Share-based payments continued

The following options are outstanding at year end:

Strike price	1	2.5	3.5	4	4.5	5.5	6	8	Total
Option Holder									
Leon Coetzer	7 000 000	–	8 000 000	4 000 000	–	–	4 000 000	–	23 000 000
Colin Bird	5 000 000	–	4 000 000	2 000 000	–	–	2 000 000	–	13 000 000
Chris Molefe	–	–	–	–	–	–	500 000	–	500 000
Matthews Phosa	–	–	500 000	500 000	–	–	500 000	–	1 500 000
	12 000 000	**–**	**12 500 000**	**6 500 000**	**–**	**–**	**7 000 000**	**–**	**38 000 000**
Management and personnel	**650 000**	**1 250 000**	**1 250 000**	**11 500 000**	**11 000 000**	**18 500 000**	**9 250 000**	**4 000 000**	**57 400 000**
Total	**12 650 000**	**1 250 000**	**13 750 000**	**18 000 000**	**11 000 000**	**18 500 000**	**16 250 000**	**4 000 000**	**95 400 000**

All of the options were exercisable at the period end. Refer to note 27 for details of options exercised by directors.

Information on valuation inputs for new options granted:

Fair value was determined by using the Black-Scholes Valuation Model.

The following inputs were used for new options issued:

	2021	2020
Spot at grant date (pence)	**3.45**	2.23
Expected volatility	**69.16%**	71.01%
Expected option life	**10 years**	10 years
Expected dividends	**–**	–
The risk free interest rate	**0.19%**	0.23%

The weighted average remaining life of share options at the year-end was 6.93 (2020: 8.13) years and the weighted average exercise price 4.37 (2020: 4.56) pence. Expected volatility was determined by calculating the historical volatility of the group's share price over the last year.

There are no performance conditions associated with the share options awarded during the prior year. All options have a 10-year life and for the purposes of valuing the options an expected option life of five years has been applied.

20.2 Share based payment reserve reconciliation of the share based payment reserve Group

	Group and Company 2021	Group and Company 2020
Opening balance	**2 520 541**	2 519 435
New options granted	**415 046**	119 800
Options lapsed/exercised	**(156 821)**	(324 597)
Warrants granted	**161 974**	205 903
Warrants exercised/lapsed	**(232 812)**	–
Closing balance	**2 707 928**	2 520 541

21. Other comprehensive income

Figures in sterling	Group 2021	Group 2020
Components of other comprehensive income		
Exchange differences, net of tax, arising on translation of foreign operations attributable to ordinary equity holders of the parent	**(3 892 044)**	(12 002 568)
Non-controlling interest	**28 420**	(386 020)
Exchange differences arising on translation of foreign operations	**(3 863 624)**	(12 388 588)

The foreign exchange losses incurred on the translation of foreign operations is mainly attributable to the Group's acquisition of two Zambian businesses. The devaluation of the Zambian Kwacha against the British Pound of 38.6% contributed significantly to other comprehensive losses. The second largest contributor of the loss includes the translation of United States Dollar operations with the USD devaluing by 12.3% against the British Pound during the period and lastly the translation of South African operations with the ZAR devaluing by 9.3% against the British Pound contributed to exchange losses for the period under review.

22. Other financial liabilities

Figures in Sterling	Group 2021	Group 2020	Company 2021	Company 2020
At fair value through profit or loss				
Contingent consideration – business combinations	**2 803 434**	2 803 434	**–**	–

Refer to note 28 for details of business combinations.

	Maturity date	Interest rate	Group 2021	Group 2020	Company 2021	Company 2020
Held at amortised cost						
Term loan funding	1/12/2021	13%	**–**	405 646	**–**	–
Senior secured funding	04/02/2022	11%	**563 999**	1 687 209	**–**	–
Senior convertible loan note	21/03/2022	12%	**4 772 276**	6 992 250	**–**	–
Other		–%	**1 035**	1 148	**–**	–
			5 337 310	9 086 253	**–**	–
Repayment of other financial liabilities held at amortised cost:						
Current – not later than one year			**5 337 310**	1 460 968	**–**	–
Non-current – later than one year and not later than five years			**–**	7 625 285	**–**	–
			5 337 310	9 086 253	**–**	–

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22. Other financial liabilities continued

Finance costs of £ 1 673 786 (2020: £ 2 420 875) were recognised in profit and loss during the period under review.

The capital and interest portions of the term loan was early settled during the previous financial year and the outstanding royalty payments due in terms of the loan agreement was settled during the year (2020: £ 405 646).

The senior secured debt is secured through a notarial bond over the Windsor Chrome Plant.

The senior convertible loan note is secured over a share pledge of the shares in the capital of certain project companies in Mauritius and Zambia.

During January 2021 Jubilee secured a placing of new and existing ordinary shares representing 4.96% of the enlarged issued share capital of the Company to meet institutional demand. A total of 99 883 085 (4.45%) new ordinary shares and 11 547 555 (0.51%) existing ordinary shares in the Company have been placed, at a price of 13 pence per share, with two supportive institutional shareholders, one of which is new to the share register ("Placing"). To secure the shares Jubilee and ACAM LP has agreed to the partial conversion of the loan provided on 21 March 2019. (Refer to note 19).

The terms of the loan provided for conversion and ACAM has agreed to convert US$ 2.5 million of the principal amount plus accrued but unpaid interest, on the same terms as envisaged by the original agreement (subject to minor amendments to facilitate this conversion). The US$ 2.5 million plus accrued but unpaid interest of US$ 0.591 million has been converted into 80 728 619 new fully paid Jubilee ordinary shares ("ACAM Shares") at a conversion price of 2.81 pence per share. After conversion, the remaining principal amount outstanding is US$ 5.5 million.

	Group		Company	
Figures in Sterling	**2021**	**2020**	**2021**	**2020**
Total other financial liabilities	**8 140 744**	11 889 687	**–**	–
Current – not later than one year	**(5 337 310)**	(1 460 968)	**–**	–
Non-current – not less than one year and not more than five years	**2 803 434**	10 428 719	**–**	–

23. Trade and other payables

	Group		Company	
Figures in Sterling	**2021**	**2020**	**2021**	**2020**
Trade payables	**20 105 693**	6 017 563	**47 959**	28 665
Value added tax	**11 644**	624 959	**–**	–
Accruals	**5 720 226**	4 541 110	**1 338 380**	120 537
Other payables	**3 501 426**	1 239 248	**–**	304 087
	29 338 988	12 422 880	**1 386 339**	453 289
Contract liabilities[1]				
Chrome Concentrate	**–**	505 468	**–**	–

1. *Contract liabilities represents payments received in advance for product that is only delivered and invoiced post year end.*

24. Revolving Credit Facilities

	Group		Company	
Figures in Sterling	**2021**	**2020**	**2021**	**2020**
Revolving credit facility – ABSA Bank Ltd	**3 839 225**	–	**–**	–

On 3 February 2021 Jubilee, through its wholly owned Windsor SA, secured a revolving credit facility ("RCF") with ABSA Bank Ltd for £ 3.8 million (ZAR 75 million). The RCF is secured as follows:

- borrower security cession and pledge over the issued capital of Windsor SA and its assets;
- parent Shareholder Pledge and Cession from Jubilee including all shareholder loan claims and related rights;
- Parent Corporate Guarantee by Jubilee; and
- general Notarial Bond registered over relevant assets of Winsor SA.

The terms of the RCF are as follows:

- the RCF is available for a period of 12 months and can be extended for a further 12 months by mutual agreement;
- the RCF is available on request of Jubilee by way of Utilisation Requests. Each request may not be less than £ 0.25 million (ZAR 5 million) and a request may not result in 10 or more Loan Requests to be outstanding;
- for each Utilisation Request Jubilee shall specify the interest period which may be for 1, 3 or 6 months or such period as agreed with ABSA;
- the interest rate shall be the aggregate of JIBAR plus a margin of 2.8%. JIBAR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Loan; and
- Jubilee shall pay to ABSA a commitment fee computed at the rate equal to 35% of the margin per annum on the available commitment for the availability period.

At the period end Jubilee has drawn down the full £ 3.8 million (ZAR 75 million). Interest in an amount of £ 42 002 was charged to profit or loss for the period under review. The commitment fee in an amount of £ 2 919 was also charged to profit or loss.

On 31 July 2021, post the period under review, ABSA BANK LIMITED approved an increased RCF of £ 10.1 million (ZAR 200 million). At the date of this report Jubilee has drawn down £ 5.5 million (ZAR 110 million).

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25. Financial instruments

The Group's financial instruments were categorised as follows:

Group	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at fair value though profit or loss	Financial liabilities at fair value through profit or loss	Total
30 June 2021					
Assets and liabilities as per SOFP					
Assets					
Other financial assets	**7 778 197**	**–**	**–**	**–**	**7 778 197**
Trade and other receivables	**22 105 740**	**–**	**–**	**–**	**22 105 740**
Contract assets	**9 154 250**	**–**	**–**	**–**	**9 154 250**
Cash and cash equivalents	**19 643 047**	**–**	**–**	**–**	**19 643 047**
	58 681 234	**–**	**–**	**–**	**58 681 234**
Liabilities					
Trade payables	**–**	**20 105 693**	**–**	**–**	**20 105 693**
Other financial liabilities	**–**	**5 337 310**	**–**	**–**	**5 337 310**
Contract liabilities	**–**	**–**	**–**	**–**	**–**
Other payables	**–**	**9 233 295**	**–**	**–**	**9 233 295**
Contingent consideration	**–**	**–**	**–**	**2 803 434**	**2 803 434**
	–	**34 676 298**	**–**	**2 803 434**	**37 479 732**
30 June 2020					
Assets and liabilities as per SOFP					
Assets					
Other financial assets	3 406 444	–	–	–	3 406 444
Trade and other receivables	10 430 972	–	–	–	10 430 972
Contract assets	5 408 622	–	–	–	5 408 622
Cash and cash equivalents	9 947 822	–	–	–	9 947 822
	29 193 860	–	–	–	29 193 860
Liabilities					
Trade payables	–	6 017 563	–	–	6 017 563
Other financial liabilities	–	9 086 253	–	–	9 086 253
Contract liabilities	–	505 468	–	–	505 468
Other payables	–	6 405 116	–	–	6 405 116
Contingent consideration	–	–	–	2 803 434	2 803 434
	–	22 014 400	–	2 803 434	24 817 834

25. Financial instruments continued

Company	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at fair value though profit or loss	Financial liabilities at fair value through profit or loss	Total
30 June 2021					
Assets and liabilities as per SOFP					
Assets					
Trade and other receivables	**312 870**	**–**	**–**	**–**	**312 870**
Loans to group companies	**73 325 979**	**–**	**–**	**–**	**73 325 979**
Cash and cash equivalents	**872 816**	**–**	**–**	**–**	**872 816**
	74 511 664	**–**	**–**	**–**	**74 511 664**
Liabilities					
Other payables	**–**	**1 338 380**	**–**	**–**	**1 338 380**
Trade and other payables	**–**	**47 959**	**–**	**–**	**47 959**
	–	**1 386 339**	**–**	**–**	**1 386 339**
30 June 2020					
Assets and liabilities as per SOFP					
Assets					
Trade and other receivables	303 404	–	–	–	303 404
Loans to group companies	65 817 570	–	–	–	65 817 570
Cash and cash equivalents	4 271 611	–	–	–	4 271 611
	66 120 974	–	–	–	66 120 974
Liabilities					
Other payables	–	424 624	–	–	424 624
Trade and other payables	–	28 665	–	–	28 665
	–	453 289	–	–	453 289

Fair values

The fair values of the Group's financial instruments approximate book value. The main risks arising from the Group's financial instruments are credit risk, liquidity risk and currency risk.

Management reviews and agrees policies for managing these risks and these are summarised below. There have been no substantive changes to the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless other stated in this note.

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25. Financial instruments continued

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations to the Group. The risk arises principally from the Group's receivables from customers and contract assets. The Group has adopted a policy of only dealing with creditworthy counterparties, as assessed by management using relevant available information.

Trade receivables comprise a well-established customer base. The Group has a small number of customers which are considered to be of high credit standing. Management evaluates credit risk relating to customers on an ongoing basis with reference to the individual characteristics of each customer, the countries in which the customers operate and the industry in which they operate. Quality of the customer, including its financial position, past experience and other relevant factors are also considered.

There were no credit losses recognised during the period. No provision has been made for credit losses as the Group transacts with customers with no history of bad credibility or non-payment of contractual obligations.

Trade receivables analysis

Group	Total	30 days Not past due	60 days	60 days and over
30 June 2021				
Trade receivables not impaired	**38 126 366**	**27 445 986**	**2 074 298**	**8 606 082**
Trade receivables impaired	**–**	**–**	**–**	**–**
	38 126 366	**27 445 986**	**2 074 298**	**8 606 082**
30 June 2020				
Trade receivables not impaired	10 096 070	6 640 762	1 899 682	1 555 626
Trade receivables impaired	–	–	–	–
	10 096 070	6 640 762	1 899 682	1 555 626

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Short-term payables are classified as those payables that are due within 30 days.

The Group manages liquidity risk through an ongoing review of future commitments and credit facilities. The Company relies on the continuous support of its shareholders for additional funding as and when required.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

25. Financial instruments continued

The following table sets out contractual maturities analysis:

Group	Total	Up to 3 months	3 to 12 months	1 to 5 years
2021				
Trade and other payables	**20 587 381**	**20 587 381**	**–**	**–**
Financial liabilities held at amortised cost	**5 337 310**	**–**	**5 337 310**	**–**
Accruals	**5 720 226**	**4 801 525**	**918 701**	**–**
	31 644 917	**25 388 905**	**6 256 011**	**–**
2020				
Trade and other payables	7 256 812	7 256 812	–	–
Financial liabilities held at amortised cost	9 086 253	–	1 460 968	7 625 285
Accruals	4 541 110	4 541 110	–	–
	20 884 175	11 797 922	1 460 968	7 625 285

Company	Total	Up to 3 months	3 to 12 months	2 to 5 years
2021				
Trade and other payables	**47 959**	**47 959**	**–**	**–**
Accruals	**1 338 380**	**–**	**1 338 380**	**–**
	1 386 339	**47 959**	**1 338 380**	**–**
2020				
Trade and other payables	28 665	28 665	–	–
	28 665	28 665	–	–

Currency risk

The Group is exposed to fluctuations in foreign currencies arising from having deposits in various currencies as well as the purchase of goods and services in currencies other than the Group's measurement currency.

Jubilee operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the ZAR, the Zambian Kwacha, the US$ and the Pound Sterling. The Group is exposed to currency risk on Zambian and South African assets, cash reserves, deposits received, trade receivables, and trade payables. The most significant of these being the inter-company loans which it holds with its South African subsidiaries. Revenues and borrowing costs are more sensitive to movement in US$ exchange rates in 2021 than 2020 because of decreased US$ denominated borrowings and the fact that part of the Group's revenue is priced in US$ per ton. The impact on profitability of any change in the US$ can be substantial.

Exchange rates obtained when converting US$ to ZAR are set by foreign exchange markets, over which the Group has no control. The relationship between currencies and commodities, which includes the PGM (4E) basket and chrome prices, is complex, and changes in exchange rates can impact on commodity prices, and vice versa.

The Group does not hedge its foreign exchange on funding of projects or when negotiating contracts for revenue and is mainly exposed to the spot rate fluctuations in currencies. The Group's activities do not include long lead items that would require hedging.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

25. Financial instruments continued

Currency movements mainly include movements that arise as a result of ZAR-denominated projects that are re-valued at each period-end and revenue sales transaction prices that are based on, amongst other variables, commodity prices.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The table below classifies the Group's foreign currency risk between the different functional currencies as at year-end, and the respective balance thereof:

Exchange rates used for conversion of foreign items were – for each £ 1.00:

	2021	2020
ZAR: £ (Average)	**0.048**	0.051
ZAR: £ (Spot)	**0.051**	0.047
USD: £ (Average)	**0.743**	0.793
USD: £ (Spot)	**0.723**	0.811
ZMK: £ (Average)	**0.036**	0.053
ZMK: £ (Spot)	**0.032**	0.044
AUD: £ (Average)	**0.555**	0.532
AUD: £ (Spot)	**0.543**	0.558

The functional currencies of the companies in the Group are the Pound Sterling, United States Dollar, South African Rand, Zambian Kwacha, Australian Dollar. The Group does not hedge against the effects of movements in exchange rates. These risks are managed and monitored by executive management on a transaction basis.

The following table discloses the year-end rates applied by the Group for the purposes of producing the financial statements:

Foreign currency units to £ 1.00	United States Dollar	Australian Dollar	South African Rand	Zambian Kwacha	Madagascar Ariary
At 30 June 2021	**1.38**	**1.84**	**19.78**	**31.28**	**3 980**
At 30 June 2020	1.23	1.79	21.36	22.57	4 818

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
Group	2021	2020	2021	2020
South African Rand	**(28 161 839)**	(7 099 773)	**45 615 759**	21 155 708
Zambian Kwacha	**(1 198 832)**	(1 284 204)	**9 781 376**	2 262 681
United States Dollar	**(10 200 365)**	(15 531 093)	**12 493 121**	2 704 047
Australian Dollar	**(44 233)**	–	**1 642**	1 589
Madagascar Ariary	**(9 883)**	(9 883)	**3 863**	3 863

The Company does not have any material financial assets or liabilities denominated in any currency other than the Pound Sterling, the United States Dollar, the Zambian Kwacha and the ZAR.

25. Financial instruments continued

The following table summarises the sensitivity of financial instruments held at reporting date to movements in the exchange rate of the South African Rands, Australian Dollars and Madagascar Ariary for the Group, with all other variables held constant. These currencies have been assessed using the sensitivities indicated in the table. These are based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding five-year period.

Impact on profit/equity

	Impact on profit/equity	
	2021	**2020**
Judgements of reasonable currency exposure		
10% strengthening of ZAR against GBP	**1 939 324**	1 561 770
10% weakening of ZAR against GBP	**(1 745 392)**	(1 405 593)
10% strengthening of AUS against GBP	**(4 732)**	177
10% weakening of AUS against GBP	**4 259**	(159)
10% strengthening of ZMK against GBP	**953 616**	108 720
10% weakening of ZMK against GBP	**(858 254)**	(97 848)
10% strengthening of MGA against GBP	**(662)**	(662)
10% weakening of MGA against GBP	**553**	553
10% strengthening of USD against GBP	**254 751**	(1 425 227)
10% weakening of USD against GBP	**(229 276)**	1 282 705

Borrowing facilities

The Group finances its operations through a combination of cash generated from operations, third party loans and equity.

Interest rate fluctuations on borrowings are not expected to give rise to a material risk.

Interest rate risk

The Group manages the interest rate risk associated with the Group's cash and cash equivalent assets by ensuring that interest rates are as favourable as possible, whether this is through investment in floating or fixed interest rate deposits, whilst managing the access the Group requires to the funds for working capital and project funding purposes.

Interest bearing liabilities are as disclosed in the statement of financial position, under other financial liabilities and revolving credit facilities. A 1% interest rate change will have no material effect on the financial statements.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

25. Financial instruments continued

The interest rate profiles of the Group and Company's financial assets at 30 June 2021 were as follows:

	Pound Sterling	United States Dollars	South African Rand	Australian Dollar	Zambian Kwacha	Madagascar Ariary	Total
Group							
Cash at bank floating interest rate	**4 892**	**781 703**	**6 727 271**	**–**	**–**	**–**	**7 513 866**
Cash at bank on which no interest is received	**85 542**	**11 778 424**	**217 451**	**966**	**44 754**	**2 044**	**12 129 181**
Third party loans	**–**	**6 756 145**	**–**	**–**	**–**	**–**	**6 756 145**
	90 434	**19 316 272**	**6 944 722**	**966**	**44 754**	**2 044**	**26 399 192**
Company							
Cash at bank floating interest rate	**4 552**	**781 053**	**170**	**–**	**–**	**–**	**785 775**
Cash at bank on which no interest is received	**85 542**	**1 499**	**–**	**–**	**–**	**–**	**87 040**
	90 094	**782 551**	**170**	**–**	**–**	**–**	**872 816**

The interest rate profile of the Group and Company's financial assets at 30 June 2020 was as follows:

	Pound Sterling	United States Dollars	South African Rand	Australian Dollar	Zambian Kwacha	Madagascar Ariary	Total
Group							
Cash at bank floating interest rate	5 552	454 113	8 331 196	–	–	–	8 790 861
Cash at bank on which no interest is received	21 021	983 676	138 707	1 430	10 081	2 046	1 156 961
Third party loans	–	3 068 699	–	–	–	–	3 068 699
	26 573	4 506 488	8 469 903	1 430	10 081	2 046	13 016 521
Company							
Cash at bank floating interest rate	5 552	454 113	3 787 618	–	–	–	4 247 283
Cash at bank on which no interest is received	21 021	3 308	–	–	–	–	24 329
	26 573	457 421	3 787 618	–	–	–	4 271 612

There is no significant difference between the carrying value and fair value of cash and cash equivalents.

25. Financial instruments continued

Financial liabilities	Weighted interest rate	1 year or less	2 – 5 years	Total
Group 2021				
Interest-bearing borrowings	–	**9 175 500**	–	**9 175 500**
Group 2020				
Interest-bearing borrowings	–	1 460 968	7 625 285	9 086 253

Financial liabilities	Weighted interest rate	1 year or less	2 – 5 years	Total
Company 2021				
Interest-bearing borrowings	–	–	–	–
Company 2020				
Interest-bearing borrowings	–	–	–	–

Total interest costs in the year relating to financial liabilities held at amortised cost were £ 1 673 786 (2020: £ 2 420 875).

Interest rates on borrowings are fixed and agreed contractually. A 1% increase in interest rates would not have had a material impact on the Group's financial statements, therefore no additional sensitivity analysis was considered necessary.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings (excluding derivative financial liabilities), cash and cash equivalents disclosed, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less cash and cash equivalents.

Total capital is calculated as "equity" as shown in the statement of financial position, plus net debt.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

26. Contingencies and commitments

Other than disclosed in this report, and more specifically note 8, there are no material contingent assets or liabilities as at 30 June 2021.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

27. Related parties

Transactions with related parties	Group 2021	Group 2020	Company 2021	Company 2020
27.1 Theuns Klopper, a director of Nexia Australia, received director fees from Base Metal Technologies (Pty) Ltd (Formerly Braemore Nickel (Pty) Ltd).	**6 956**	3 512	**–**	–
27.2 Lion Mining Finance, with common director Colin Bird, received office rent from the Company	**33 600**	33 600	**33 600**	33 600
27.3 Jubilee paid C de Beer through Motswiri Partners for her services as Group Executive - Audit and Compliance. She is a member of Motswiri Partners. She is also a director of Braemore Platinum Ltd (UK)	**154 030**	113 658	**112 386**	95 879
27.4 Jubilee paid Johan Meyer through Hambo Dato for his services as Head of Projects Zambia. He is the owner of Hambo Dato. He is a director of the following group companies: ▪ Braemore Platinum Smelters (Pty) Ltd ▪ Jubilee Processing (Pty) Ltd ▪ Jubilee Tailings Treatment Company (Pty) Ltd ▪ Braemore Precious Metals Refiners (Pty) Ltd	**179 096**	130 491	**–**	–
27.5 Jubilee paid Kirsten Venter, Chief Financial Officer SA Operations, a salary from Braemore Platinum Smelters (Pty) Ltd whom is considered part of key management personnel. Kirsten resigned on 5 March 2020. He was a director of the following group companies: ▪ Jubilee Processing (Pty) Ltd ▪ Jubilee Tailings Treatment Company (Pty) Ltd ▪ Braemore Precious Metals Refiners (Pty) Ltd	**–**	90 043	**–**	–
27.6 Jubilee paid Bertus van der Merwe through Olifantsdraai Eiendomsbeperk for his services as Chief Operating Officer.	**234 885**	151 999	**–**	–

The total remuneration of key management personnel amounted to £ 731 956 (2020: £ 728 126).

During the year the following related party transactions were entered into with its Directors:

- Dr Phosa holds his interest in Jubilee through a trust named NMP Trust, of which he is a trustee. Refer to the Directors' report and note 6 on page 82 for more details on Directors' remuneration.
- Kgato Investments (Pty) Ltd ("Kgato"), owned by Dr. Mathews Phosa a director of Jubilee, owns 26.25% shareholding in the ordinary share capital of BPMR.
- Kgato's shareholding is financed through vendor finance on loan. The loan is interest free for as long as the Inyoni Project has funding obligations and liabilities outstanding. Once settled, interest may be charged to the loan at an interest rate as determined by the board of directors but not more than the prime lending rate from time to time.

27. Related parties continued

The Effective date vendor loan is carried initially at fair value through profit or loss and any subsequent changes in the fair value is recognised directly in equity. During the period under review, the value of the vendor loan was increased to £ 477 707 (ZAR 8 640 108) (2020: £ 337 740 (ZAR 6 661 538).

During the year Mr C Molefe exercised 500 000 options at a strike price of 4 pence per option. The options were cash settled at the election of the Company in an amount of £ 56 607 (2020: £ 3 500 for 500 000 options exercised at a strike price of 3.5 pence per option).

28. Business combinations

28.1 Acquisition of Sable Zinc Kabwe Limited (Zambia)

As announced on 21 March 2019, Jubilee executed the acquisition of 100% of the issued capital of Sable Zinc Kabwe Limited in Zambia for a consideration of £ 9.2 million (US$ 12 million) (ZAR 176 million) (the "Acquisition").

The Acquisition was funded through a combination of debt and equity. Jubilee secured a convertible loan note for £ 6.1 million (US$ 8 million) (ZAR 117.3 million) with ACAM LP and successfully completed a placing of 491 814 444 new Jubilee shares at an issue price of 2.25 pence per share to raise £ 11.1 million (US$ 14.5 million) (ZAR 212.6 million) before expenses.

Figures in Sterling	Group 2021	Group 2020
The fair value of the purchase consideration, assets and liabilities acquired are as follows:	–	10 093 925

On 23 August 2019 the Acquisition became unconditional ("Closing Date"), Jubilee gained control and commenced with the implementation of a fully integrated multi-metal refinery in Zambia.

The purchase consideration for the Acquisition was paid in cash, in stages as follows:

- US$ 6 000 000 on 23 August 2019 ("Closing Date");
- US$ 3 000 000 (US$ 2 825 786 plus interest on the present value of future payments in an amount of US$ 174 214) 23 February 2020; and
- US$ 3 000 000 (US$ 2 661 689 plus interest on the present value of future payments in an amount of US$ 338 311) on 23 August 2020.

The purchase consideration payable was measured at fair value as was the assets and liabilities acquired. The portion of the purchase consideration paid post the period under review is included in other financial liabilities in an amount of £ 2 393 437 (US$ 2 950 126). During the period under review interest in an amount of £ 367 114 (US$ 462 652) was recognised in profit and loss.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

28. Business combinations continued

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of the acquisition:

Figures in Sterling	Group 2021	Group 2020
Land and buildings	–	1 233 019
Property, plant and equipment	–	9 157 329
Trade receivables	–	184 800
Inventories	–	389 288
Other current assets	–	2 433 660
Cash and cash equivalents	–	136 526
Long term liabilities	–	(3 858 713)
Trade payables	–	(440 079)
Other current liabilities	–	(36 360)
Fair value of assets acquired	–	9 199 470
Goodwill recognised at acquisition	–	894 455
Total net assets at acquisition	–	10 093 925

The only fair value adjustment was made to property, plant and equipment with a resultant upward fair value adjustment of £ 9.6 million recognised on the acquisition date. The goodwill is attributable mainly to the synergies expected to be achieved from integrating Sable Zinc into the group's existing mine-to-metals operations in Zambia. The Integrated Kabwe Project seeks to establish a fully integrated metal recovery and refining operational footprint in Zambia. The Kabwe Project combines access to large surface material with the adjacent multi-metal refining capabilities.

There were no acquisitions made by Sable Zinc Kabwe Limited in the previous period. There were also no transactions recognised that would require separate disclosure from the assets and liabilities acquired. The acquired assets contributed to the Group's revenue for the period under review in an amount of £ 1.9 million and earnings in an amount of £ 1.7 million.

28.2 Acquisition of Enviro Mining Limited (Mauritius)

During 2018 Jubilee executed a shareholders and operating agreement with BMR and KOL. In terms of these agreements, Jubilee provided funding in amount of £ 0.3 million in exchange for an initial 15% interest in KOL. These agreements were updated ("Updated Agreements") to better align with Jubilee's role as operator, executor and provider of a processing plant.

In terms of the Updated Agreements, Jubilee's nominated subsidiary BHM also acquired 100% of the issued shares of EML (comprising 2 ordinary shares of US$ 1 each), a subsidiary of BMR which owns EPL and E-Props, for a contingent consideration of £ 2 803 434. The transfer of ownership of 100% in EML was completed in June 2020, the date that JMG gained control over EML. Pursuant to this transaction JMG gained 100% shareholding in KOL effective June 2020 and in addition to this BMR and JMG agreed on the following:

- BMR be issued with a Royalty Instrument by Jubilee which will entitle BMR to a 12.5% royalty interest in the distributable earnings generated by the Kabwe Operations, but only after Jubilee has secured at minimum a 20% return on its investment into the Kabwe Operations and all costs, taxes, liabilities and depreciation of the Kabwe Operations have been accounted for, save that the aforementioned royalty shall be diluted to 11% of earnings in the event that Jubilee's capital investment into Kabwe Operations exceeds US$ 15 million;

28. Business combinations continued

- BMR novating all its shareholders' loans it had immediately preceding the transaction with EML/EPL/E-Props to BHM; and
- BMR shall immediately after the transfer of ownership commence with the demerger from EML of all assets not covered by the Operating Agreement.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of the acquisition:

Figures in Sterling	Group 2021	Group 2020
Intangibles	–	14 105 859
Land and buildings	–	344 909
Property, plant and equipment	–	288 996
Other receivables	–	10 590
Cash and cash equivalents	–	2 594
Deferred tax	–	(4 024 447)
Trade and other payables	–	(101 154)
	–	10 627 347
Non-controlling interest	–	(564 024)
Fair value of contingent consideration	–	(2 803 434)
Pre-existing relationships settled	–	(653 137)
Gain on bargain purchase	–	6 606 752

29. Business segments

In the opinion of the Directors, the operations of the Group companies comprise of four reporting segments being:

- the processing of PGM, chrome and copper containing materials ("Metals Processing");
- a combination of targeted process consulting and developing, focused on the development and implementation of process solutions, specifically targeting both liquid and solid waste streams from mine processes. This includes existing pilot operations as part of the process development cycle to provide mature solutions which includes extractive-metallurgy, pyro-metallurgy and hydro-metallurgy ("Business Development");
- the exploration (Exploration); and
- the parent company operates a head office based in the United Kingdom, which incurs certain administration and corporate costs. ("Corporate").

The Group's operations span five countries, South Africa, Australia, Mauritius, Zambia 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. Madagascar does not meet the qualitative threshold under IFRS 8, consequently no separate reporting is provided.

Notes to the Group and Company financial statements

for the year ended 30 June 2021

29. Business segments continued

Segment report for the year ended 30 June 2021

Figures in Sterling	Metals Processing	Business development	Exploration	Corporate	Total
Total revenues	132 845 176	–	–	–	132 845 176
Cost of sales	(62 398 524)	664 849	–	–	(61 733 675)
Forex profits/(losses)	–	–	–	–	–
Profit/(loss) before taxation	47 254 824	565 611	(3 707)	(4 792 657)	43 024 070
Taxation	(2 792 867)	–	–	–	(2 792 867)
Profit/(loss) after taxation	44 461 957	565 611	(3 707)	(4 792 657)	40 231 204
Interest received	480 418	–	71	19 685	500 175
Interest paid	(1 673 786)	–	–	–	(1 673 786)
Depreciation and amortisation	(5 111 143)	–	–	–	(5 111 143)
Total assets	(154 959 693)	(3 629 684)	(34 626 843)	145 210	(193 071 011)
Total liabilities	50 721 441	(11 808 622)	16 253 772	1 361 839	56 528 430

Segment report for the year ended 30 June 2020

Figures in Sterling	Metals Processing	Business development	Exploration	Corporate	Total
Total revenue	54 774 818	–	–	–	54 774 818
Cost of sales	(29 683 413)	(3 807)	–	–	(29 687 220)
Forex profits/(losses)	723 787	–	–	(65 433)	658 354
Profit/(loss) before taxation	20 107 447	(10 093)	(956)	(6 363 527)	13 732 871
Taxation	3 541 615	–	–	954 101	4 495 716
Profit/(loss) after taxation	23 649 062	(10 093)	(956)	(5 409 427)	18 228 586
Interest received	101 214	–	167	23 883	125 264
Interest paid	(2 245 776)	–	35	(175 134)	(2 420 875)
Depreciation and amortisation	(6 501 760)	–	–	–	(6 501 760)
Total assets	(90 719 255)	(3 159 299)	(33 507 643)	(3 251 913)	(130 638 110)
Total liabilities	32 402 376	–	3 601 416	453 299	36 457 091

30. Deferred tax

Figures in Sterling	Group 2021	Group 2020	Company 2021	Company 2020
Deferred tax liability				
Foreign exchange fair value adjustments	**14 997 333**	10 944 698	**–**	–
Reconciliation of deferred tax liability			**–**	–
Opening balance	**(10 944 698)**	(6 018 620)	**–**	(954 101)
Deferred tax arising from business combinations	**–**	(7 093 390)	**–**	–
Deferred tax on foreign exchange movements	**1 624 532**	1 213 211	**–**	–
Temporary differences on fair value adjustments	**(5 677 167)**	954 101	**–**	954 101
Closing balance	**(14 997 333)**	(10 944 698)	**–**	–
Deferred tax asset				
Tax losses available for set-off against future taxable income	**9 463 653**	3 223 254	**–**	–

There is no deferred tax effect of the other comprehensive income as detailed on the consolidated statement of comprehensive income.

31. Lease liabilities

Figures in Sterling	Group 2021	Group 2020
Amounts recognised in the statement of financial position		
Right of use assets		
– Property plant and equipment	**207 273**	–
Lease liabilities		
– Current	**164 088**	–
– Non-current	**–**	–
The Group entered into a lease agreement for the supply of a spiral plant being used to beneficiate chrome from chrome run-of-mine material.		
The Group elected both an extension and termination option. It also secured an option to purchase the spiral plant before the expiry of the lease.		
The following amounts recognised in profit or loss for the period:		
– Interest expense (included in finance cost)	**24 721**	–
– Foreign exchange on right-of-use assets	**21 615**	–
– Depreciation charge for the right-of-use assets (equipment only)	**198 085**	–
Amounts recognised in the cash flow statement		
– Principal payments	**238 106**	–
– Interest payments	**23 411**	–

Notes to the Group and Company financial statements

for the year ended 30 June 2021

32. Provisions

Figures in Sterling	Group 2021	Group 2020
Carrying amount at beginning of period	**694 358**	–
Acquired through business combinations	**–**	694 358
Additional provisions made during the year	**245 295**	–
Effect of foreign exchange	**(218 894)**	–
Carrying amount at end of period	**720 759**	694 358

33. Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Report of the Directors on pages 20 to 37. The financial position of the Group, its cash flows, liquidity position are disclosed in the financial statements on page 54 to 58 of this report. In addition, notes 1 to 34 to the financial statements include the Group's objectives, policies, and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk and borrowing facilities.

Jubilee operates several chrome-Platinum Group Metal (PGM) operations in South Africa and has commissioned a copper and cobalt circuit (the 'Sable' refinery) in Zambia. The Company has a growth pipeline identified and significant opportunities to find new projects in Africa (or globally); more specifically it is looking to increase its copper (cobalt) production in Zambia to make full use of its Sable Refinery. The company model is to treat its own waste materials and to supplement these with third party ores and wastes where possible.

Following conclusion of a number of transactions Jubilee now has increased PGM production capacity built on the back of secured feed availability and sustainability. Strong cash flows were generated from the established and still growing PGM production now bolstered by additional copper cash flows and profit provide for both liquidity and funding of further investments, including now demonstrated ability to raise funding short and long term at very competitive rates.

Jubilee has also secured increased chrome production capacity ensuring sustainability through ROM supply contracts and continuous processing of chrome with fixed margins (no market exposure and locked in profit), which now secures ongoing current arisings PGM feed in addition to the secured historical PGM tails. This gives optimal feed and further increases Jubilee's resource. The transactions have also brought further opportunity for growth and expansion in for example the Eastern Limb of the bushveld.

Copper is already generating cash prior to Project Roan coming on stream. Jubilee is expecting a significant ramp up in copper activities in Zambia from Q1 CY2022, making Zambia capable of being self-sufficient in terms of funding for both current operations and future projects.

Jubilee's business strategy is based on three core business pillars:

1. **Process research and development (R&D)**
   a. Consists of a combination of targeted process consulting and R&D, focused on the development and implementation of process solutions, specifically targeting both liquid and solid waste streams from mine processes.

   b. Our R&D includes existing pilot operations as part of the process development cycle to provide mature solutions which includes extractive-metallurgy, pyro-metallurgy and hydro-metallurgy.

33. Going Concern continued

c. This process has led to many previously non-viable environmental and metals recovery projects becoming commercially viable. With the growing demand for solutions to mining wastes and the growing requirement for 'Environmental, Social & Corporate Governance' (ESG) in mining investments the pedigree, experience and ability of Jubilee will be of increasing importance.

d. Following a very strong demand in Africa, Jubilee has concluded two acquisitions in Zambia to advance its footprint in other jurisdictions.

2. Operations

a. Jubilee owns and operates recovery plants for the recovery of metals and minerals, currently recovering precious metals including PGMs and Chrome and targeting base metals including lead, zinc, vanadium and copper.

b. Jubilee has a low-cost, high-margin business that capitalises on Jubilee's experienced, technical management team which has developed innovative processing techniques to generate cash from (mainly) the waste material produced as part of the mining cycle; "the Jubilee Way".

3. Project Funding

a. We are able to provide funding to support our partners within smaller or larger companies to implement the waste recovery projects. Such funding would be aimed at especially assisting in instances where the company holding the mineral right prefers to be a passive investment partner.

b. Our successful R&D work has set the pace for the Company to partner with strategic owners of rights and waste material to form joint operations where Jubilee plays the important role of operator and in some instances funder.

The Group meets its day-to-day working capital requirements through cash generated from operations. The Group's current operational projects are all fully funded and self-sustaining.

The current global economic climate creates to some extent uncertainty particularly over:

(a) the trading price of metals; and

(b) the exchange rate fluctuation between the US$ and the ZAR and thus the consequence for the cost of the company's raw materials as well as the price at which product can be sold.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, commodity prices and currency fluctuations, indicates that the Group should be able to operate within the level of its current cash flow earnings forecasted for the next twelve months.

The Group is adequately funded and has access to further equity placings, which together with contracts with several high-profile customers strengthens the Group's ability to meet its day-to-day working capital requirements, including its capital expenditure requirements. Therefore, the directors believe that the Group is suitably funded and placed to manage its business risks successfully despite identified economic uncertainties.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, thus continuing to adopt the going concern basis of accounting in preparing the annual financial statements.

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34. Events after the reporting period

34.1 Jubilee and Mopani Copper Mines Plc enter into binding MOU for Refining Facility for Copper

On 24 August 2021 Jubilee executed a binding Memorandum of Understanding with Mopani Copper Mines Plc, a subsidiary of ZCCM Investment Holdings Plc in Zambia, ("Mopani", "ZCCM" and collectively the "Parties") for the implementation of additional copper and cobalt refining capacity through the recapitalisation of existing refining capacity placed under care and maintenance by Mopani (the "Agreement"). This additional refining capacity targets to increase Jubilee's existing copper refining capacity by a further 17 000 tonnes of copper per annum (the "Project") and, together with the Sable Refinery, increases the Group's total potential refining capacity to in excess of 31 000 tonnes per annum. The Project will establish Jubilee's Northern Zambian refining footprint for the refining of the copper and cobalt concentrates produced at Jubilee's Kitwe and the Luanshya copper and cobalt tailings. Jubilee's Sable Refinery will be dedicated to the refining of concentrates produced by its Project Roan currently under construction and set to commence commissioning by January 2022 as well as its copper tailings at Kabwe and contracted third party ore suppliers.

As previously announced, during 2020 Jubilee entered into joint venture agreements to secure rights to process over 300 million tonnes of copper and cobalt containing tailings in Zambia. The copper and cobalt tailings are located in three central locations in Zambia. With the addition of the refinery at Mopani the project naming convention has been updated for clarity as follows:

- Southern Refinery Strategy (14 000 tpa capacity) which incorporates the Sable Refinery together with Project Roan located in the Ndola area; and
- Northern Refinery Strategy (17 000 tpa capacity) which incorporates the newly targeted refinery at Mopani, called Leopard together with the copper tailings project in the Luanshya area, called Project Lechwe (previously Elephant 1), as well as the copper and cobalt tailings in the Kitwe area called Project Elephant (previously called Elephant 2). Jubilee has secured additional copper and cobalt tailings at Mufulira which is currently being sampled to confirm the quantity and quality and will form part of the Project Elephant resource.

Jubilee is planning to construct a processing facility at each of the three locations. The first of the processing facilities is under construction at Project Roan, which targets a ramp-up over three phase to reach full production to a rate of approximate 10 000 tonnes of equivalent copper units per annum with commissioning scheduled to commence in January 2022 and reaching full production by end of Q2 2022. Roan commenced with the delivery of early concentrate as part of its phase 1 commissioning to Sable Refinery in April of this year.

The completion of the design work for the Company's second copper processing facility, Project Lechwe, whereby Jubilee has secured the rights to approximately 160 million tonnes of copper containing surface tailings, is progressing well and remains on track. Project Lechwe targets to commence production during Q4 2022 targeting a production rate of 7 500 copper units per annum as part of the Northern Refinery Strategy.

34.2 Agreements to acquire ownership in Zambia Copper and Cobalt Tailings Projects and Placing

Jubilee announced significant further progress at its Copper and Cobalt tailings projects in Zambia with the successful execution of three strategic transactions (the "Transactions") which significantly increases its beneficial interest across the Group's copper and cobalt tailings projects in Zambia. The Transactions include Project Elephant (Kitwe Tailings Project), Project Roan (Ndola Tailings Project) and the Mufulira Project (collectively, the "Projects"). Completion of the Transactions is subject to fulfilment of certain conditions precedent that are normal for transactions of this nature including regulatory approvals and consent.

34. Events after the reporting period continued

At completion of the Transactions, Jubilee will hold a 100% interest across its integrated Southern Refining Strategy which includes the Sable copper and cobalt refinery (14 000 tonnes per annum copper capacity) together with Project Roan (10 000 tonnes per annum copper concentrator). In addition, Jubilee increases its beneficial interest across its Northern Refining Strategy, with Project Elephant's TD52 portion to 80.75% (highest copper and cobalt concentration of all tailings within Project elephant) which is specifically targeted by the accelerated development of Jubilee's cobalt extraction process, Jubilee's beneficial interest at the Mufulira Project increasing to 97%.

Combined, the Transactions have an aggregate value of c. US$ 24.77 million (c. £ 17.83 million) and offers Jubilee the flexibility to better schedule the development of the various tailings projects. As such Jubilee will increase its investment into the Southern Refining Strategy by expanding Sable Refinery to increase the copper sulphide recovery circuit as well as expanding the cobalt recovery circuit.

Accordingly, the Company successfully completed an equity placing to raise gross proceeds of c. £ 30 million (c. US$ 41.8 million) by way of a placing of new ordinary shares at a price of 16.03 pence per share, which will be applied to satisfy the consideration in respect of the Transactions and towards the expansion of Sable Refinery while accelerating the capitalisation and progress of Project Lechwe and Project Elephant.

Annexure to the annual financial statements

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 1/2021 issued by the South African Institute of Chartered Accountants (SAICA).

In compliance with paragraph 18.19 (c) of the JSE Listings Requirements the table below represents the Group's Headline earnings and a reconciliation of the Group's loss reported and headline earnings used in the calculation of headline earnings per share:

Reconciliation of headline earnings per share

	June 2021		June 2020	
	Gross £'000	Net £'000	Gross £'000	Net £'000
Earnings for the period attributable to ordinary shareholders		**39 600**	–	18 320
De-recognition of other financial assets through profit or loss		**–**	5 021	4 067
Gain on bargain purchase		**–**	(6 607)	(6 607)
Share of impairment loss from equity accounted associate	**31**	**24**	1 964	1 375
Fair value adjustments	**1 161**	**1 161**	–	–
Headline earnings from continuing operations		**40 785**		17 155
Weighted average number of shares in issue ('000)		**2 185 346**		1 955 965
Diluted weighted average number of shares in issue ('000)		**2 226 089**		1 975 264
Headline earnings per share from continuing operations (pence)		**1.87**		0.88
Headline earnings per share from continuing operations (ZAR cents)		**38.62**		17.30
Diluted headline earnings per share from continuing operations (pence)		**1.83**		0.87
Diluted headline earnings per share from continuing operations (ZAR cents)		**37.92**		17.13
Average conversion rate used for the period under review £:ZAR		**0.048**		0.051

Shareholder analysis

as at 30 June 2021

Register date: 30 June 2021
Issued share capital: 2 242 509 468

Shareholder spread	Number of shareholders	Number of shares	%
1 – 5 000 shares	640	939 593	0.04
5 001 – 10 000 shares	113	874 716	0.04
10 001 – 50 000 shares	156	3 771 123	0.17
50 001 – 100 000 shares	63	4 676 232	0.21
100 001 – 1 000 000 shares	101	39 662 259	1.77
1 000 001 shares and over	94	2 192 585 545	97.77
	1 167	2 242 509 468	100

Distribution of shareholders	Number of shareholders	%	Number of shares	%
Private shareholders	779	66.75	295 183 691	13.16
Deceased accounts	12	1.03	26 746	0.03
Nominee companies	351	30.08	1 936 797 937	86.36
Limited companies	12	1.03	3 913 368	0.17
Bank and bank nominees	7	0.60	1 297 802	0.05
Other institutions	5	0.43	5 288 330	0.23
Family Interests	1	0.08	1 594	0.00
	1 167	100	2 242 509 468	100

Public/non-public shareholders	Number of shareholders	%	Number of shares	%
Non-public shareholders				
Directors and associates of the Company holdings	3		3 755 194	0.17
Public shareholders	1 164		2 238 754 274	99.83
	1 167		2 242 509 468	100

Administrative information

Directors	Colin Bird *(Non-Executive Chairman)* Dr NM Phosa *(Non-Executive Director)* Leon Coetzer *(Chief Executive Officer)* Dr Evan Kirby *(Technical Director)* Christopher Molefe *(Non-Executive Director)* Nicholas Taylor *(Non-Executive Director)*	
Secretary	Link Company Matters Limited 34 Beckenham Road Beckenham, Kent, BR3 4TU	
Registered office	**United Kingdom** 1st Floor 7/8 Kendrick Mews London, SW7 3HG	**South Africa** Ground Floor Support Services Place Jigsaw Office Park 7 Einstein Street, Highveld Techno Park Centurion, 0157
Auditors	Crowe U.K. LLP 55 Ludgate Hill London, EC4M 7JW	
Nominated adviser	Spark Advisory Partners Limited 5 St. John's Lane London, EC1M 4BH	
Joint brokers	Shard Capital Partners LLP 23rd Floor, 20 Fenchurch Street London, EC3M 3BY	WHIreland 3rd Floor, Royal House, 28 Sovereign St Leeds, LS1 4BJ
Sponsor	Sasfin Capital 29 Scott Street, Waverley Johannesburg, 2090	
Investor relations	Tavistock 1 Cornhill, London EC3V 3ND	
Bankers	National Westminster Bank PLC 246 Regent Street London W1B 3PB	
Registrars	**United Kingdom** Link Group Central Square 29 Wellington Street, Leeds LS1 4DL	**South Africa** Computershare Investor Services Pty Ltd Rosebank Towers, 15 Biermann Ave Rosebank, 2196
Solicitors	**United Kingdom** Fladgate LLP 16 Great Queen Street London, WC2B 5DG	**South Africa** AJH Attorneys Ground Floor, Kingston House 20 Georgian Crescent East Bryanston, 2021

For your notes

Jubilee
Metals Group

Registered Office

United Kingdom
1st Floor
7/8 Kendrick Mews
London, SW7 3HG

South Africa
Ground Floor
Support Services Place
Jigsaw Office Park
7 Einstein Street
Highveld Techno Park
Centurion, 0157