

FIRST LIGHT

Jubilee Metals (JLP) – Corporate – Operational update

Market Cap £375m Share Price 14.2p

Jubilee today provides an operational update on the ongoing commissioning at the new Inyoni chrome and PGM plants with Jubilee building up to steady state production for nameplate capacity of 1.2Mt chrome concentrate and 44koz PGM production per year. Remember processing chrome creates the upgraded PGM tailings for Jubilee to recover the PGMs (Jubilee being paid a small margin to preconcentrate its own feed) and with the expanded Inyoni there is no need to share the PGM revenues via a JV structure and still leaving Jubilee as a producer of scale. The fine and ultra-fine chrome plants are also working well – recovering both additional chrome and raising the PGM grade even higher (higher grades equals higher recoveries). Current costs are \$631/oz PGM (including the chrome by-product credit) leaving Jubilee a healthy profit margin from its current net basket price (WHIe) of ~\$1,950/oz.

Jubilee also reports on progress in Zambia having nearly completed its Roan facility (Southern refinery strategy) where Jubilee has nearly finished construction of a raw materials plant to allow for an ongoing 12kt/yr of copper cathode and is also adding in a 1.2kt/yr cobalt recovery circuit. Ramp up for the copper and cobalt circuit is expected to be completed in July this year, after short delays due to supply chain issues outside of Jubilees control. Jubilee is still examining its plans for its Northern Refinery strategy, but production from this area in northern Zambia will see Jubilee become a significant producer of copper (cathode and concentrate) and cobalt. A timeline to this next stage of Zambian production will help crystallise the economic forecasts and the potential cash flow we see only too well.

WHI View: A very positive update today from Jubilee. In taking on two projects in two different countries a management team can run the risk of spreading itself too thin – not the case for Jubilee who have a depth of technical management to ensure projects are kept on track and on budget. We choose to leave our forecasts and fair value unchanged today and see earnings at a similar level in FY22 as in FY21 at ~1.9p/sh and a fair value of 29p/sh. We still expect significant expansions in revenues and profits starting from next financial year FY23 as the benefits of an increased Zambian division sees Jubilee grow into a truly multinational, multi-commodity company.

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Marketing Communication

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Underperform	0	0.0	0	0.0
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Total	65.0	100.0	63.0	100.0

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Company Name	Table of interest number	12-month recommendation history	Date
Jubilee Metals (JLP)	2,3,4,5,7,10	Corporate	28.01.20

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