

## MORNING COMMENT

### Jubilee Metals

#### 9 months production and corporate update

Jubilee yesterday provided a Q3 update for production from its South African PGM-chrome operations and its copper producing units in Zambia. In South Africa production of 11.4koz of PGM with 9koz from its own unit at Inyoni, plus a further 2.4koz from its JV with a neighbouring plant using spare tailings material. Chrome production was 310kt. In Zambia, with production ramp-up at its Roan concentrator back on track after water and electricity problems were resolved in February, sold production of copper cathode was 494t through the Sable refinery. At full production, Sable is expected to produce 550t/month of copper with a 130t/month from 3<sup>rd</sup> party sources. Plans were also announced for a new chrome-PGM project on the Eastern limb of the Bushveld expected in Q3 CY2023. The plan for the larger Northern Copper Refinery project in Zambia will be announced in the June quarter – Q4 FY2023. All-in-all, Jubilee is back on track with a stable production outlook and growth projects in both countries.

**Stable production outlook:** Jubilee has provided a quarterly update which supports its full year guidance. We expect production guidance to be met (or exceeded) which sets up the company nicely to begin its growth profile once again in our opinion. Production is profitable and with gains expected, in our view, in PGM basket prices and in the copper price, the outlook looks increasingly robust.

**Table 1: Jubilee - Key production statistics Q3 FY 2023 (March quarter)**

	3 Months	H1 FY2023	9 months	FY2023 guidance
<b>Production</b>				
PGM (koz)	11.4	18.2	29.6	
Inyoni	9.0	18.2	27.2	38.0
3 <sup>rd</sup> party JV	2.4		2.4	Up to 8.0*
Chrome (kt)	310	634	944	1,200
Copper (t)	494~	915	1,409	3.0
<b>Unit revenue</b>				
PGM revenue (\$/oz PGM)	1,285	1,453		
Chrome revenue (\$/oz PGM)	2,317	2,292		
Copper revenue (\$/t copper)	8,459	7,953		
<b>Unit cost</b>				
PGM (net cost after chrome credits)	383	608		
Copper	6,236	7,953		
<b>Unit earnings</b>				
PGM (\$/oz PGM)	902	845		
Copper (\$/t)	2,223	1,485		

Source: WH Ireland Research, Jubilee Metals \* option to add a further 8kz PGM oz from third party processing agreements dependent on stock and power availability ~ sold number - Includes total copper tonnes sold inclusive of Roan produced tonnes which are capitalised prior to full commercialisation of the project expected by end May 2023

**Growth projects:** We expect growth organically at Inyoni and Roan/Sable as projects are bedded in and operational efficiencies can be realised. Cobalt production as an option can also be introduced at Sable once the cobalt price allows (it has lost 76% of its value since its high price in April 2022). Production growth is expected in South Africa from a new 25koz/yr PGM facility with ground-breaking on a new site to begin construction of the chrome treatment facilities expected in Q3 CY2023; this is the requisite first stage to upgrade the PGMs in tailings to acceptable levels. In Zambia further clarity in the 'Northern Refining Strategy' (to complement Roan and Sable in the South) is expected during the June quarter FY 2023.

**WHI View:** The Jubilee investment case is strong with multi-commodity production from two mining jurisdictions using good technical control of processing technology to process waste materials (and Run Of Mine ore); low-cost production into a high price environment promises strong revenues and profits and high returns to shareholders. The Northern Refinery project

## CORPORATE

Share Price (last close) 9.1p

Ticker	JLP
Index	AIM
Sector	Mining
Market Cap	£250m

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in Zambia will be the game changer in our opinion.

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Speculative Buy	0	0.0	0	0.0
Outperform	0	0.0	0	0.0
Market Perform	0	0.0	0	0.0
Underperform	0	0.0	0	0.0
Sell	0	0.0	0	0.0
<b>Total</b>	<b>66.0</b>	<b>100.0</b>	<b>66.0</b>	<b>100.0</b>

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

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