RNS Number : 8860F
Jubilee Metals Group PLC
24 March 2022

**Registration number (4459850)**
**Altx share code: JBL**
**AIM share code: JLP**
**ISIN: GB0031852162**

***Dissemination of a Regulatory Announcement that contains inside information according to UK Market Abuse Regulations. Not for release, publication or distribution in whole or in part in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction. On publication of this announcement via a regulatory information service, this information is considered to be in the public domain.***

**Jubilee Metals Group PLC**
**("Jubilee" or "the Company" or "the Group")**

**UNAUDITED CONDENSED INTERIM RESULTS**
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

Jubilee, the AIM and Altx traded metals processing company, announces its unaudited interim results for the six months ended 31 December 2021 ("H2 CY2021"). The results follow the operational update released on 8 February 2022. The period under review marks a period of significant investment, with of £ 35 million (ZAR 750 million) having been invested into both the South African and Zambian operations as the Company lays the foundation for sustained growth in South Africa while rapidly nearing the completion of its Southern Copper Refining Strategy in Zambia, targeted to deliver more than 10 000 tonnes of copper per annum.

The period review included the completion of the construction of the Company's now fully integrated, world-class, Inyoni chrome and PGM facility in South Africa during November 2021 and ramping up of the upgraded facility to reach full production during December 2021. In addition, the Group continued to further deliver on its Southern Copper Refining Strategy in Zambia with increased interim copper production and the new Roan copper concentrator entering its commissioning phase post the period under review, expected to fully ramp up its production during May 2022.

H2 CY2021 results are compared with the period for the six months ended 31 December 2020 ("H2 CY2020"). All amounts in this announcement are converted at average conversion rates for the period for income statement purposes and at the period end spot rate for balance sheet purposes, unless stated otherwise.

**Highlights**

**Period under review**

- Major milestone reached as Jubilee completed its fully integrated, world-class, Inyoni chrome and PGM facility in South Africa ("Inyoni Facility") in November 2021 and ramping back up to full production during December 2021
- The new integrated Inyoni Facility further increases the Company's access to chrome processing capacity, to approximately 3 million tonnes annually, making Jubilee one of the world's largest chrome processors in operation. It also increases the Inyoni PGM production potential capacity to the equivalent of 44 000 PGM ounces per annum, offsetting any short-term production loss linked to the construction phase during the period, with the potential of sustained long-term growth
- The proportion of PGM ounces now produced that are fully attributable to Jubilee has significantly increased compared with the considerable dilution of earnings caused historically by the Windsor PGM JV, where 40% of earnings was attributable to the JV partner
- A period of substantial investment for the future with a total of £ 35 million invested (ZAR 750 million); of which, £ 20.5 million (ZAR 442 million) was invested in the expansion of Jubilee's Inyoni chrome and PGM facility in South Africa and a further £ 14.5 million (ZAR 311 million) invested in Jubilee's copper projects in Zambia, more specifically Project Roan, signals the implementation of the fully integrated Southern Copper Refining Strategy
- Group revenue up 18% to £ 63 million (ZAR 1.3 billion) driven mainly by the sharp growth in chrome processing capacity that is the facilitator for the increased production of the PGM rich feed stream for the

expanded Inyoni Facility
- Despite the significant investment to sustain growth, the Company strengthened its working capital position; cash and cash equivalents increased to £21.5 million (ZAR 462 million) (30 June 2021: £ 20 million (ZAR 389 million)), with short term assets covering a healthy 199% of short-term liabilities
- The Group's balance sheet continued to strengthen substantially, with total assets increasing by 30% to £ 253 million (ZAR 5.4 billion) (30 June 2021: £ 195 million (ZAR 3.9 billion))
- Total equity increased by 34% to £ 184 million (ZAR 4 billion), (30 June 2021: £ 137 million (ZAR 2.7 billion)), maintaining a strong equity ratio of 73% compared with 70% as at 30 June 2021
- The Group's gearing remains low, with the net cash position and current assets covering 154% of total liabilities compared with 147% as at 30 June 2021. Post the period under review, these parameters strengthened even further

**Post the period under review**

- Southern Copper Refining Strategy continues to deliver with increased interim copper production and Project Roan entering its commissioning phase targeting to complete the operational ramp up during May 2022
- Settled entire long-term historical debt balance leaving the balance sheet completely long-term debt free and paving the way for Jubilee to leverage its balance sheet for structured debt funding on significantly better terms of its Northern Zambian Copper Strategy which is set to more than double its copper production and introduce and materially expand cobalt production
- Group safety performance maintained with LTIFR equalling 0.323 for the period and zero group fatalities recorded
- The Northern Copper Refining Strategy is currently targeting an additional 15 000 tonnes of copper per annum, but also holds the potential to substantially increase this target on the back of Jubilee's recognised brand of process excellence in the recovery of metals from waste and the vast opportunities offered in waste recovery in Zambia

**Leon Coetzer, CEO of Jubilee, commented:** *"The first half of the financial year saw the Group ramp-up our investment into both our South African and Zambian operations.*

*"In South Africa we completed the new fully integrated Inyoni chrome and PGM operations to deliver not only a facility able to process a variety of sourced feed materials, fully attributable to us, but also reducing Jubilee's reliance on its Windsor JV agreement to produce its declared PGM ounces. The transformed Inyoni Facility is a state-of-the-art plant that is uniquely able to process a wide variety of chrome and PGM containing ores. It means that we are now able to enter into contracts with multiple suppliers of feedstock, from tailings to mine production, and process it all through the same facility while also making us a very significant player in the chrome market. This in turn reduces the risks associated with a single major contract, but also allows us to pursue lucrative opportunities that we were not able to before. Most importantly, this facility makes Jubilee a very efficient metal production company globally, including benefits from elements like water usage, to higher efficiency of grinding, far outperforming conventional mining on a number of metrics.*

*"The benefits from the completion of our Inyoni Facility have been seen already and the second half of the financial year has started strongly with monthly production levels being reflective of the new facility as it reaches full design capacity.*

*"In Zambia, Project Roan's integrated copper concentrator nears completion with early commissioning activities underway at the time of writing and the ramp-up of production set to commence during May. The Roan concentrator will have the ability to produce an additional 10 000 tonnes of copper units annually which will be refined at the Sable Refinery, delivering the fully integrated Southern Copper Refining Strategy as we move our project focus to the Northern Refining Strategy.*

*"Project Lechwe, which forms the first link in the integrated Northern Refining Strategy,* is *the Company's second planned copper processing facility in Zambia and final pilot runs are under way to confirm the design work. Project Lechwe targets to reach the production of 7 500 copper units per annum by the second quarter of calendar 2023. The Northern Refining Strategy currently targets the production of an additional 15 000 tonnes of copper but offers the potential to be significantly expanded based on the sheer size of opportunities offered in copper and cobalt recovery from waste in Zambia. Jubilee's recognised brand in process excellence together with its in-country track record, places the Company in a commanding position to capitalise on these opportunities.*

*"Given these successes, in December we were also able to reveal plans for the roll-out of a global expansion strategy going into 2022. In developing this global strategy, Jubilee will seek to leverage the unique and proven intellectual capital it has developed over the past 10 years and from which it has already created two successful metal recovery businesses, to deploy its metal processing expertise in other jurisdictions and grow internationally.*

*"With our strong balance sheet, including a healthy cash position, able to facilitate our growth, I firmly believe that our ability to process ore from multiple sources through a single, centralised processing unit, while at the same time cleaning up historical environmental mine tailings liabilities to the benefit of all stakeholders, will both create opportunities and give Jubilee a competitive advantage as it pursues further international opportunities.*

*"With our global metals processing strategy in mind, and with a strong balance sheet position, we are confident that any future bank and structured funding can be secured on substantially better terms to advance our Zambian Copper Strategy and growth.*

*"This interim period has been one of the most significant to date for Jubilee, and with the newly constructed and commissioned fully integrated Inyoni Facility now fully operational, we have a tremendous platform for future growth which firmly demonstrates the skills and expertise that your company has as we continue to broaden operations. The recent conversion to equity of all historical debt is another reinforcement of the success of our strategy in Zambia too, and we are excited for our processing facilities there to come on line in the coming weeks and to continue the roll out of our global metals processing strategy over the year ahead."*

**GROUP FINANCIAL AND OPERATIONAL PERFORMANCE:**

The increase in group revenue was mainly as a result of a sharp increase in the chrome production output which, is subject to a fixed contracted earnings margin and acts as a feeder to the PGM operations. Chrome revenue contributed to 48% of total group revenue for the period under review compared to 22% for the comparable period. This increased revenue has the impact of reducing overall group earnings margin due to the fixed margin contract.

The reduction in group attributable earnings was mainly as a result of the planned Inyoni PGM plant operational downtime to allow for the construction and re-commissioning of the new integrated Inyoni Facility. This resulted in the Inyoni PGM facility being available at 100% of its operating capacity for only 41% during the period under review. A further contributor to lower earnings was the lower average PGM basket price realised per ounce sold which, reduced by 35% over the period but showed a strong recovery at the end of the period which, was sustained post the period under review. Total PGM ounces sold includes the sale, in part, of the PGM in-process stock released through the stoppage of the Inyoni Facility.

The increase in the PGM unit cost per ounce to US$ 822 was mainly driven by a transport cost component of US$ 262 per ounce (included in the US$ 822) incurred for PGM ounces transported from the Eastern Limb Region until such time as a dedicated PGM facility is secured in the Eastern Limb Region.

| | Unit | 6m to 31 Dec 2021 | 6m to 31 Dec 2020 | 12m to 30 Jun 2021 |
|---|---|---|---|---|
| **GROUP** | | | | |
| Revenue | £'000 | 63 265 | 53 438 | 132 845 |
| Attributable earnings^(i) | £'000 | 19 540 | 30 946 | 71 112 |
| Adjusted attributable earnings margin^(ii) | % | 31 | 58 | 54 |
| EBITDA | £'000 | 13 664 | 28 850 | 50 335 |
| Adjusted EBITDA ^(iii) | £'000 | 14 916 | 29 325 | 52 153 |
| Adjusted EBITDA margin | % | 24 | 55 | 39 |
| **PGM** | | | | |
| PGM £ revenue | £'000 | 24 330 | 36 593 | 88 754 |
| PGM US$ revenue | US$'000 | 33 163 | 47 791 | 112 779 |
| Attributable PGM £ earnings | £'000 | 13 064 | 26 387 | 62 847 |
| Attributable PGM US$ earnings | US$'000 | 17 807 | 34 462 | 84 632 |
| Attributable PGM US$ earnings margin | % | 54 | 72 | 75 |
| Total attributable PGM ounces sold comprising: | oz | 20 316 | 28 187 | 50 162 |
| PGM ounces sold | oz | 14 316 | 28 187 | 50 162 |
| PGM in-process stock sold | oz | 6 000 | - | - |
| PGM US$ revenue per ounce^(iv) comprising: | US$/oz | 1 632 | 1 696 | 2 248 |
| PGM ounces sold | US$/oz | 2 073 | - | - |
| PGM in-process stock sold | US$/oz | 581 | - | - |
| PGM attributable US$ earnings per ounce^(iv) | US$/oz | 818 | 1 223 | 1 687 |

| | | | | |
|---|---|---|---|---|
| Total adjusted PGM production US$ unit cost comprising: | US$/oz | 822 | 470 | 537 |
| Processing cost(v) | US$/oz | 560 | 470 | 537 |
| Transport(vi) | US$/oz | 262 | - | - |
| **CHROME** | | | | |
| Chrome £ revenue | £'000 | 30 436 | 11 565 | 34 506 |
| Chrome US$ revenue(vii) | US$'000 | 41 487 | 15 105 | 47 004 |
| Attributable chrome £ earnings | £'000 | 3 217 | 1 320 | 3 082 |
| Attributable chrome US$ earnings | US$'000 | 4 385 | 1 724 | 4 150 |
| Attributable chrome earnings margin | % | 11 | 11 | 9 |
| Attributable chrome tonnes sold | tonnes | 619 900 | 282 885 | 727 264 |
| Chrome US$ revenue per tonne sold | US$/t | 67 | 53 | 64 |
| Chrome attributable US$ earnings per tonne sold | US$/t | 7 | 5 | 6 |
| **COPPER** | | | | |
| Copper £ revenue | £'000 | 8 499 | 3 791 | 8 919 |
| Copper US$ revenue | US$'000 | 11 584 | 4 951 | 12 011 |
| Attributable copper £ earnings | £'000 | 3 260 | 1 793 | 3 690 |
| Attributable copper US$ earnings | US$'000 | 4 443 | 2 342 | 4 969 |
| Attributable copper earnings margin | % | 38 | 47 | 41 |
| Attributable copper tonnes sold | tonnes | 1 216 | 705 | 1 460 |
| Copper US$ revenue per tonne sold | US$/t | 9 527 | 7 023 | 8 226 |
| Copper attributable US$ earnings per tonne | US$/t | 3 654 | 3 322 | 3 403 |

*(i) Attributable earnings refer to earnings attributable to the group based on its contractual rights in each project.*

*(ii) The increased contribution of chrome to overall group revenue has the impact of reducing the overall group earnings margin due to the fixed margin contract on chrome.*

*(iii) Adjusted EBITDA refers to EBITDA adjusted for non-cash expenses including impairments, gain on bargain purchase and foreign exchange differences.*

*(iv) PGM US$ revenue and attributable earnings per ounce exclude revenue and costs associated with the sale of 6 000 ounces of in-process stock released as part of the recommissioning of the Inyoni Facility.*

*(v) Adjusted PGM production unit cost includes all direct and indirect processing costs attributable to the production of PGMs. The period under review also includes all operating costs for the Windsor PGM Joint Venture allocated to the Jubilee attributable PGM ounces.*

*(vi) Transport costs incurred for the PGM ounces transported from the Eastern Limb Region until such time as a dedicated PGM facility is secured in the Eastern Limb Region.*

*(vii) Chrome revenue is recognised on an ex-works basis after costs of export logistics including freight, shipping and marketing.*

## INTERIM PERIOD REVIEW

**Combined Operational and Financial update**

The Company saw the culmination of a continued period of planned substantial infrastructure investment and integration across its projects, which resulted in scheduled operational downtime at the chrome and PGM operations to facilitate the construction and integration of new processing circuits. Now completed, the newly constructed and commissioned fully integrated Inyoni Facility has set a tremendous platform for future growth for the Company. It sets the example of the type of facility that the Company plans to develop as it expands its chrome and PGM operational footprint in the Eastern Limb of the Bushveld complex in South Africa. This is a strategic development, demonstrating Jubilee's ability to continue to grow its business by re-investing its earnings into high growth projects.

During this period, the Company maintained its contractual obligations to deliver the required PGM production despite its Inyoni PGM operation only being partially operational to achieve 20 316 PGM ounces sold for H2 CY2021 (H1 CY2021: 21 975 ounces). The PGM results are skewed and impacted by the staged decommissioning and re-commissioning of the Inyoni Facility over the reporting period resulting in the one-off release of a quantity of in-process lower-grade PGM inventories and refilling of the operational pipeline over the period. The total PGM ounces sold included in-process stock released as part of the recommissioning of the Inyoni Facility. The in-process stock was sold as a lower-grade PGM material and prior to the completion of the newly commissioned final product cleaning circuit. This release of inventory does not reflect the normally incurred full operational revenues and cost and therefore skews the overall PGM unit cost and PGM revenues delivered. These ounces are therefore excluded from the calculation of the reported PGM unit cost.

Chrome operations achieved 609 734 chrome concentrate tonnes for H2 CY2021 (431 390 tonnes during H1 CY2021) on the back of increased operational capacities following the commissioning of the new OBB chrome beneficiation circuit, which was fully integrated with the Inyoni Facility during the period under review. The significant increase in chrome production resulted in an increase of 18% in revenue compared with the previous six-month reporting period and increasing its contribution to overall Group revenue to 48% up from 22% during the comparable six- month period. The chrome operations operate on a fixed margin contract of approximately 11% and is the facilitator to the production of increased PGM rich discard that is processed by the newly expanded Inyoni Facility.

In Zambia, copper production during the period increased to 1 314 tonnes of copper (H1 CY2021: 774 tonnes) as part of ensuring operational readiness to accept first copper concentrate production from Project Roan. Project Roan's integrated copper concentrator neared completion during the reporting period with early commissioning activities underway at the time of writing. The Roan concentrator is targeted to ramp up during the current period to deliver a targeted 10 000 tonnes of copper units annually. The fully operational Sable Refinery delivered increased positive earnings as part of its operational readiness activities with attributable operational earnings of £ 3.3 million for H2 CY2021, compared with £ 1.8 million for H1 CY2021.

As announced on 7 March 2022, post the period under review, Jubilee received notice from ACAM LP ("ACAM") to convert its remaining convertible loan notes ("Loan Notes"), totalling US$ 7.8 million (£5.89 million) of principal debt and accrued interest, into new ordinary shares in the Company. The ACAM convertible loan notes formed a key part in the funding of the acquisition and successful recapitalisation of Jubilee's Sable Refinery which launched the Zambian copper strategy. The conversion welcomes ACAM as a strategic shareholder with keen interest to further support Jubilee's copper ambitions. The settlement of all long-term debt and release of the associated security, paves the way for Jubilee to leverage its balance sheet for structured debt funding of its Zambian Copper Strategy. Both the Company's Zambian and its South African operations carry no further long term secured debt.

**PGM Operations - South Africa**

Jubilee's PGM operations consist of the Inyoni PGM operations and the Windsor PGM JV (operated under a JV agreement with Eland Platinum). Jubilee successfully completed and commissioned the Inyoni Facility during November 2021. This investment has materially increased the Group's production capacity of PGM ounces and, most importantly, increases the proportion of the ounces produced that are fully attributable to Jubilee along with the associated earnings compared with the considerable dilution of earnings caused by the Windsor PGM JV where 40% of earnings was attributable to the JV partner.

The Inyoni Facility integrates the new 80 000 tonnes per month OBB Chrome Plant with the expanded and upgraded Inyoni PGM operations. The Inyoni PGM operations were also expanded to increase processing capacity by 45% to 75 000 tonnes per month and to diversify capacity with the addition of a multi feed blending circuit and additional PGM recovery circuit. This has allowed for the feeding and recovering of PGMs from a wide variety of feed material. This new fully integrated chrome and PGM circuit has overcome the historical limitations of only being able to process material from the then Hernic operations and historical waste. The new integrated chrome and PGM facility increases Jubilee's Inyoni operational capacity to 615 000 tonnes per annum of chrome concentrate and 44 000 ounces of PGM per annum. This increased Inyoni capacity reduces Jubilee reliance on the Windsor PGM JV, reducing future earnings dilution and exposure to significantly reduced efficiencies. Jubilee now holds an annual PGM capacity that consists of up to 44 000 PGM ounces at Inyoni (previously only 30 000 PGM ounces) with the additional option of accessing the Windsor PGM JV at a capacity of 16 000 PGM ounces - this represents a material increase in the anticipated production of PGM ounces which will be 100% attributable to Jubilee. Following the recommissioning of the Inyoni Facility and the restocking of the in-process pipeline, the expected production target for the full financial period is readjusted to between 43 000 to 48 000 PGM ounces depending on the supplementary production achieved for the remaining period through the Windsor PGM JV (as previously announced).

The investment by Jubilee into the completed integrated project totalled £ 20.5 million (ZAR 442 million) and illustrates Jubilee's continued commitment to investing into its operations to create the foundation for sustained future growth.

As announced on the 3rd and 4th of June 2021, Jubilee's current PGM operational footprint has been largely focused on the Western Limb, a single area of the two main PGM areas in South Africa. The Eastern Limb has been a key focus for Jubilee to expand its PGM reach and operational capacity following the completion of its fully integrated Inyoni facility. Jubilee secured additional PGM Supply Agreements for the supply of material from the Eastern Limb, giving Jubilee access to the Eastern Limb by offering a platform to establish a dedicated integrated chrome and PGM facility and to pursue further growth opportunities.

The Eastern Limb PGM Supply Agreements are mostly based on the LG6 chrome reef known for its high rhodium and palladium content accounting for approximately 12% in the case of rhodium and 20% in the case of palladium of a produced PGM ounce compared with as low as 7% and 16% respectively of other chrome reefs. The PGM Supply Agreements have secured the rights to long term PGM feed supply with the potential to produce up to 14 500 PGM ounces per annum, with further growth opportunities available. Jubilee will initially process the increased PGM feed at the Company's Inyoni Facility, while pursuing the implementation of a dedicated processing facility in the Eastern Limb. The temporary increase in costs to transport this material to our Western Limb Inyoni Facility is offset by the strategic investment to secure material for the Eastern Limb strategy and the long-term growth it offers.

During the period, the Company maintained its contractual obligations to deliver the required PGM production, despite its Inyoni PGM operation only being partially operational, to achieve 20 316 PGM ounces sold for H2 CY2021 (H1 CY2021: 21 975 ounces). The PGM results are skewed and impacted by the staged decommissioning and recommissioning of the new integrated Inyoni facility over the reporting period resulting in the one-off release of certain lower PGM grade inventories and the refilling of the operational pipeline over the period. The total PGM ounces sold included in-process stock released as part of the recommissioning of the expanded and upgraded PGM facility. The in-process stock was sold as a lower grade PGM material and prior to the completion of the newly commissioned final product cleaning circuit. This release of stock, which does not reflect the normal incurred full operational cost, skews the PGM unit cost and PGM revenues delivered. These ounces are excluded from the calculation of the reported PGM unit cost below.

Operational project unit costs expressed as US$ per PGM ounce produced consisted of US$ 560 per ounce processing unit cost and a US$ 262 per PGM ounce transport cost for the material sourced from the Eastern Limb. The average PGM basket price realised per ounce sold reduced by 35% over the period but showed a strong recovery at the end of the period under review which, was sustained post the period under review.

The table below presents the combined unaudited operational revenue and operational earnings performance for PGMs for H2 CY2021:

| **PGM** | PGM ounces delivered | Project revenue (£'000) | Project revenue (ZAR'000) | Project earnings (£'000) | Project earnings (ZAR'000) | Jubilee attributable earnings (£'000) | Jubilee attributable earnings (ZAR'000) | Unit cost / PGM oz (US$) |
|---|---|---|---|---|---|---|---|---|
| **H2 CY2020** | 28 187 | 36 593 | 776 032 | 26 959 | 572 782 | 26 387 | 560 450 | 470 |
| **H1 CY2021** | 21 975 | 47 155 | 956 869 | 36 725 | 746 657 | 36 459 | 741 335 | 658 |
| **H2 CY2021** | 20 316 | 24 330 | 497 640 | 14 966 | 306 117 | 13 064 | 267 208 | 822[(i)] |

*(i) Unit cost includes a transport cost component of US$ 262 per PGM ounce to source material from the Eastern Limb*

**Chrome Operations - South Africa**

In November 2020, Jubilee commenced the construction of an additional 80 000 tonnes per month OBB Chrome Plant, which on completion increased Jubilee's overall processing capacity to 250 000 tonnes of chrome ore and tailings per month (includes the Windsor 8 Chrome Plant, completed in 2020). The facility consists of four integrated chrome recovery circuits to maximise chrome efficiencies, which includes Jubilee's fine chrome operation.

The final integration of the new OBB Chrome Plant into the Inyoni Facility was completed in November 2021. The operational levels of the OBB Chrome Plant were largely maintained during the rebuild and commissioning of the Inyoni Facility, with the produced PGM discard from the OBB Chrome Plant stockpiled for later reintroduction into the Inyoni Facility.

Production of chrome concentrate increased by 41% to 609 734 tonnes, illustrating the early contribution from the new OBB Chrome Plant, which was brought on-line at the end of Q2 2021 and ramped-up during Q3 2021 before being integrated with the Inyoni Facility during November 2021. The increased chrome processing capacity directly contributes to increased PGM feed supply as a tailings stream produced from the chrome processing circuit. Chrome operational earnings for H2 CY2021 increased by 83% to £ 3.2 million from H1 CY2021. Chrome revenue for H2 CY2021 increased by 30% to £ 30 million from H1 CY2021.

The table below presents the combined unaudited operational revenue and operational earnings performance for chrome for H2 CY2021:

| **CHROME** | Chromite concentrate produced Tonnes | Project revenue (£'000) | Project revenue (ZAR'000) | Project and Jubilee attributable earnings (£'000) | Project and Jubilee attributable earnings (ZAR'000) |
|---|---|---|---|---|---|
| **H2 CY2020** | 319 834 | 11 565 | 244 435 | 1 320 | 28 522 |
| **H1 CY2021** | 431 390 | 23 340 | 468 153 | 1 762 | 35 576 |
| **H2 CY2021** | 609 734 | 30 436 | 622 548 | 3 217 | 65 794 |

Chrome prices continued to be volatile during the period under review due to the disruptions in the supply chain over the sixth-month period. These price fluctuations are expected to continue over the next six months as the world emerges from the Covid-19 pandemic and supply and demand fundamentals are better matched.

**Copper Operations - Zambia**
The roll-out of Jubilee's copper and cobalt strategy offers the potential of significant continued earnings growth in addition to the achievements of its PGM and chrome operations.

The Company's Kabwe Project, combined with its multi-metal Sable Refinery, establishes Jubilee's fully integrated multi-metal recovery and refining operational footprint in Zambia. 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 approximately 300 million tonnes of copper and cobalt tailings secured in 2020.

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 named Project Roan, Project Lechwe and Project Elephant.

Jubilee aims to construct a processing facility at each of the three locations. The scope of the processing facilities will be determined by the refining capacity at its Sable Refinery, currently standing at 14 000 tonnes per annum. Jubilee has a set target to expand its access to refining capacity, to achieve a targeted 25 000 tonnes of copper units per annum. During H1 2021, the first of the processing facilities entered its construction phase at Project Roan, which targets an annual production rate of 10 000 tonnes of equivalent copper units.

The Project Roan copper concentrator neared completion during the reporting period with early commissioning activities commencing. The completion of construction has commenced well post the period, with the final integration of the copper oxide and copper sulphide circuit targeted for completion during March 2022 to commence the ramp-up of the fully integrated circuit by May 2022.

Copper production at Jubilee's Sable Refinery increased by 70% to 1 314 tonnes compared with 774 tonnes for H1 CY2021 as part of the process to ensure operational readiness to accept first copper concentrate production from Jubilee's Project Roan.

The Sable Refinery reported revenues from the sale of copper cathode of £ 8.5 million (ZAR 174 million) up 66% from H1 CY2021 and positive earnings as part of its operational readiness activities with attributable operational earnings of £ 3.3 million (ZAR 67 million) up 72% from H1 CY2021.

**Project Lechwe Update - Zambia**
During the period, the completion of the design work for the Company's second copper processing facility, Project Lechwe, whereby Jubilee has secured the rights to approximately 150 million tonnes of copper containing surface tailings, further progressed with final pilot runs under way to confirm the design work. Project Lechwe targets to reach the production of 7 500 copper units per annum in addition to Project Roan by Q2 of CY2023.

The table below presents the combined unaudited operational revenue and operational earnings performance for copper for H2 CY2021:

| **COPPER** | Copper units produced Tonnes | Project revenue (£'000) | Project revenue (ZAR'000) | Project and Jubilee attributable earnings (£'000) | Project and Jubilee attributable earnings (ZAR'000) |
|---|---|---|---|---|---|
| **H2 CY2020** | 614 | 3 791 | 80 648 | 1 793 | 38 365 |
| **H1 CY2021** | 774 | 5 128 | 101 824 | 1 897 | 37 732 |
| **H2 CY2021** | 1 314 | 8 499 | 173 847 | 3 260 | 66 676 |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Sustainability is core to the Company's 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.

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:

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

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:

**SDG 3: Good Health and Wellbeing** - 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. Group safety performance maintained with LTIFR equalled 0.323 for the period and zero group fatalities recorded.

**SDG 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 number of community residents, assist groups of students from local communities with portable skills training, and sponsor children with much needed stationery supplies.

**SDG 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.

**SDG 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.

**SDG 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 Jubilees principle activity, we are at the forefront of global efforts to reduce carbon emissions and tackle climate change.

Water consumption rate per PGM ounce produced was 3.23 $m^3$/oz for the period under review.
Power consumption per PGM ounce produced was 770 KWh/oz

**SDG 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 ae at the forefront of global efforts to reduce carbon emissions and tackle climate change.

**SDG 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.

**Environment**
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.

**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.

For further information visit www.jubileemetalsgroup.com, follow Jubilee on Twitter (@Jubilee_Metals) or

**Jubilee Metals Group PLC**
Colin Bird/Leon Coetzer
Tel +44 (0) 20 7584 2155 / Tel +27 (0) 11 465 1913

**Nominated Adviser**- SPARK Advisory Partners Limited
Andrew Emmott/James Keeshan
Tel: +44 (0) 20 3368 3555

**Broker**- Shard Capital Partners LLP
Damon Heath/Erik Woolgar
Tel +44 (0) 20 7186 9900

**Joint Broker**- WHIreland
Harry Ansell/Katy Mitchell
Tel: +44 (0) 20 7220 1670/+44 (0) 113 394 6618

**JSE Sponsor - Questco** Corporate Advisory Proprietary Limited
Sharon Owens
Tel: +27 (11) 011 9212

**PR & IR Adviser**- Tavistock
Jos Simson/ Gareth Tredway/Charles Vivian
Tel: +44 (0) 207 920 3150

**UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

**Consolidated Statements of Comprehensive Income for the six months ended 31 December 2021**

| | | Unaudited | Unaudited | Audited |
|---|---|---|---|---|
| | | 6 months to | 6 months to | 12 months to |
| | | 31 December | 31 December | ended 30 June |
| | | 2021 | 2020 | 2021 |
| | Note | £ '000 | £ '000 | £ '000 |
| | | | | |
| Revenue | | 63 265 | 53 438 | 132 845 |
| Cost of sales | | (43 725) | (22 492) | (61 734) |
| **Gross profit** | | **19 540** | **30 946** | **71 111** |
| Operating costs | | (10 918) | (6 298) | (25 728) |
| Other income | | - | 850 | - |
| **Operating profit** | | **8 622** | **25 498** | **45 383** |
| Investment income | | 857 | 165 | 500 |
| Fair value adjustments | | 658 | - | (1 161) |
| Finance costs | | (753) | (1 167) | (1 674) |
| Share of loss from associates | | (48) | (57) | (24) |
| **Profit before taxation** | | **9 336** | **24 440** | **43 024** |
| Taxation | | (966) | (5 181) | (2 793) |
| **Profit for the period** | | **8 370** | **19 259** | **40 231** |
| **Attributable to:** | | | | |
| Owners of the parent | | **8 060** | **19 135** | **39 600** |
| Non-controlling interest | | 310 | 124 | 631 |
| | | **8 370** | **19 259** | **40 231** |

| | | | | |
|---|---|---|---|---|
| **Reconciliation of other comprehensive income:** | | | | |
| ***Other comprehensive income*** | | | | |
| **Profit for the period** | | **8 370** | **19 259** | **40 231** |
| *Loss on translation of foreign subsidiaries* | | *10 183* | *794* | *(3 864)* |
| **Total comprehensive income** | | ***18 553*** | ***20 053*** | ***36 368*** |
| **Attributable to:** | | | | |
| Owners of the parent | | 18 315 | 19 906 | 35 708 |
| Non-controlling interest | | 238 | 147 | 660 |
| | | ***18 553*** | ***20 053*** | ***36 368*** |
| | | | | |
| Weighted average number of shares ('000) | | 2 345 238 | 2 112 818 | 2 185 346 |
| Earnings per share (pence) | 2 | 0.34 | 0.91 | 1.81 |
| Diluted profit for the period | | **8 389** | **19 135** | **40 862** |
| Diluted weighted average number of shares ('000) | | 2 673 482 | 2 161 356 | 2 226 089 |
| Diluted earnings per share (pence) | | 0.31 | 0.89 | 1.78 |

**Consolidated Statements of Financial Position as at 31 December 2021**

| | | **Unaudited** | **Unaudited** | **Audited** |
|---|---|---|---|---|
| | | **6 months to** | **6 months to** | **12 months to** |
| | | **31 December** | **31 December** | **30 June** |
| | | **2021** | **2020** | **2021** |
| | **Note** | **£ '000** | **£ '000** | **£ '000** |
| **Assets** | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 52 211 | 22 740 | 33 011 |
| Intangible assets | | 61 898 | 70 482 | 58 831 |
| Investment in associate | | 379 | 394 | 427 |
| Investment in joint operations | 5 | 9 048 | - | - |
| Other financial assets | 6 | 12 381 | 5 378 | 7 234 |
| Deferred tax | | 10 709 | - | 9 464 |
| **Total non-current assets** | | **146 626** | **98 993** | **108 967** |
| | | | | |
| Current assets | | | | |
| Inventories | | 18 955 | 8 292 | 17 766 |
| Other financial assets | | 828 | - | 544 |
| Current tax | | 351 | - | 466 |
| Deferred tax | | - | 3 951 | - |
| Trade and other receivables | | 56 749 | 17 469 | 38 127 |
| Contract assets *(i)* | | 7 733 | 14 427 | 9 154 |
| Cash and cash equivalents | | 21 494 | 9 767 | 19 643 |
| **Total current assets** | | **106 110** | **53 906** | **85 700** |
| **Total assets** | | **252 736** | **152 899** | **194 667** |
| | | | | |
| **Equity and liabilities** | | | | |
| Share capital | 7 | 148 628 | 114 628 | 120 013 |
| Reserves | | 16 890 | 11 089 | 6 613 |
| Accumulated loss | | 14 814 | (14 066) | 6 754 |
| **Total equity before non-controlling interest** | | **180 332** | **111 650** | **133 380** |
| Non-controlling interest | | 3 401 | 2 626 | 3 163 |
| **Total equity** | | **183 733** | **114 276** | **136 543** |
| | | | | |
| Non-current liabilities | | | | |
| Other financial liabilities | | 2 804 | 9 575 | 2 804 |
| Deferred tax liability | | 11 419 | 10 312 | 14 997 |
| Long term provisions | | 1 067 | 544 | 721 |
| Lease liability | | 547 | 260 | 164 |
| **Total non-current liabilities** | | **15 837** | **20 692** | **18 686** |
| | | | | |
| Current liabilities | | | | |
| Other financial liabilities | | 5 298 | 1 062 | 5 337 |
| Trade and other payables | | 36 754 | 10 785 | 29 339 |
| Contract liabilities *(ii)* | | - | 3 676 | - |

| | | | | |
|---|---|---|---|---|
| Revolving credit facility | | 7 008 | - | 3 839 |
| Current tax payable | | 4 106 | 2 409 | 923 |
| **Total current liabilities** | | **53 166** | **17 931** | **39 438** |
| **Total liabilities** | | **69 003** | **38 623** | **58 124** |
| **Total equity and liabilities** | | **252 736** | **152 899** | **194 667** |

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

(ii) *Payments received in advance for concentrate that is only delivered and invoiced post the year end are recognised as contract liabilities*

**Consolidated Statements of Changes in Equity as at 31 December 2021**

| **Figures in pound sterling (£ '000)** | **Share capital** | **Merger reserve** | **Share based payment reserve** | **Convertible instrument reserve** | **Currency translation reserve** | **Total reserves** | **Accumulated loss** | **Total attributable to parent of equity holders** | **Non-controlling interest** | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 July 2020** | **114 585** | **23 184** | **2 521** | **203** | **(15 590)** | **10 318** | **(33 201)** | **91 702** | **2 479** | **94 181** |
| Profit for the year | - | - | - | - | - | - | 39 600 | 39 600 | 660 | 40 260 |
| Other comprehensive income | - | - | - | - | (3 892) | (3 892) | - | (3 892) | - | (3 892) |
| Total comprehensive income for the period | **-** | **-** | **-** | **-** | **(3 892)** | **(3 892)** | **39 600** | **35 708** | **660** | **36 368** |
| Issue of share capital net of costs | 5 428 | | | - | - | - | - | 5 428 | - | 5 428 |
| Share warrants exercised | - | - | (233) | - | - | (233) | 233 | - | - | |
| Share warrants issued | - | - | 162 | - | - | 162 | - | 162 | - | 162 |
| Share options exercised/lapsed | - | - | (157) | - | - | (157) | 146 | (11) | - | (11) |
| Share options granted | - | - | 415 | - | - | 415 | - | 415 | - | 415 |
| Changes in ownership no control lost | - | - | - | - | - | | **(24)** | **(24)** | **24** | **-** |
| Total changes | **5 428** | **-** | **187** | **-** | **(3 892)** | **(3 705)** | **39 955** | **41 678** | **683** | **42 362** |
| **Balance at 1 July 2021** | **120 013** | **23 184** | **2 708** | **203** | **(19 482)** | **6 613** | **6 754** | **133 380** | **3 163** | **136 543** |
| Profit for the year | - | - | - | - | | | 8 060 | 8 060 | 238 | 8 298 |
| Other comprehensive income | - | - | - | - | 10 255 | 10 255 | - | 10 255 | - | 10 255 |
| Total comprehensive income for the period | - | - | - | - | **10 255** | **10 255** | **8 060** | **18 315** | **238** | **18 553** |
| Issue of share capital net of costs | 28 615 | - | - | - | - | - | - | 28 615 | | 28 615 |
| Share warrants issued | - | - | - | - | - | - | - | - | - | - |
| Share options | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| expired/exercised | | | | | | | | | | |
| Share options granted | - | - | 22 | - | - | 22 | - | 22 | - | 22 |
| Total changes | **28 615** | **-** | **22** | **-** | **10 255** | **10 277** | **8 060** | **46 952** | **238** | **47 190** |
| **Balance at 31 December 2021** | **148 628** | **23 184** | **2 730** | **203** | **(9 227)** | **16 890** | **14 814** | **180 332** | **3 401** | **183 733** |

**Consolidated Statements of Cash flow for the six months ended 31 December 2021**

| | Unaudited | Unaudited | Audited |
|---|---|---|---|
| | **6 months** | **6 months** | **12 months** |
| | **31 December** | **31 December** | **30 June** |
| | **2021** | **2020** | **2021** |
| | **£ '000** | **£ '000** | **£ '000** |
| Cash flows from operating activities | | | |
| Profit before taxation | 9 336 | 24 440 | 43 024 |
| *Adjustments for:* | | | |
| Depreciation and amortisation | 4 432 | 3 243 | 3 893 |
| (Profit)/loss on sale of non-current assets | - | (10) | 76 |
| Investment income | (858) | (73) | (500) |
| Finance cost | 753 | 1 167 | 1 674 |
| Results from equity accounted investments | 48 | 57 | 24 |
| Share based payments | 22 | - | 406 |
| Fair value adjustments | (658) | - | 1 161 |
| Other movements | 346 | - | 103 |
| Working capital changes | | | |
| (Increase)/decrease in inventories | (1 188) | (5 507) | (3 664) |
| (Increase)/decrease in receivables | (17 201) | (12 462) | (30 553) |
| Increase/(decrease) in payables | 7 416 | 507 | 17 359 |
| **Cash generated from operations** | **2 448** | **11 362** | **33 003** |
| Investment income | 858 | 73 | 500 |
| Finance cost | (753) | (1 167) | (1 674) |
| Tax paid | (210) | (3 580) | (8 035) |
| **Net cash from operating activities** | **2 343** | **6 689** | **23 794** |
| **Cash flows from investing activities** | | | |
| Purchase of intangible assets | (1 945) | (786) | (1 942) |
| Purchase of property, plant and equipment | (18 600) | (4 799) | (17 866) |
| Purchase of rights to copper tails | - | (1 606) | - |
| Sale of property, plant and equipment | - | 10 | (8) |
| Increase in other financial assets | (5 431) | (35) | - |
| Investment in joint operations | (9 047) | - | - |
| **Net cash used in investing activities** | **(35 023)** | **(7 216)** | **(19 816)** |
| **Cash flows from financing activities** | | | |
| Proceeds from share issues net of costs | 28 615 | 43 | 1 144 |
| Proceeds from revolving credit facilities | 3 169 | - | 3 839 |
| Proceeds from trade financing arrangements | - | - | 2 526 |
| Increase in loans to joint ventures | - | - | (4 372) |
| Finance lease payments | (341) | (150) | (220) |
| Increase/(decrease) in other financial liabilities | 618 | (1 253) | (1 795) |
| **Net cash generated from financing activities** | **32 061** | **(1 360)** | **1 123** |
| Net decrease in cash and cash equivalents | (619) | (1 887) | 5 101 |
| Cash and cash equivalents at beginning of the period | 19 643 | 9 948 | 9 948 |
| Effects of foreign exchange | 2 470 | 1 706 | 4 594 |
| **Cash and cash equivalents at the end of the period** | **21 494** | **9 767** | **19 643** |

**NOTES TO THE UNAUDITED INTERIM RESULTS**

**1. Basis of preparation**

The Group unaudited interim results for the 6 months ended 31 December 2021 have been prepared using the accounting policies applied by the company in its 30 June 2021 annual report which are in accordance with in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU ("IFRS, including the SAICA financial reporting guides as issued by the Accounting Practices Committee, IAS 34 - Interim Financial Reporting, the Listings Requirements of the JSE Limited, the AIM rules of the London Stock Exchange and the Companies Act 2006 (UK)). This condensed consolidated interim financial report does not include all notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements by Jubilee Metals Group PLC. All monetary information is presented in the presentation currency of the Company being Great British Pound. The Group's principal accounting policies and assumptions have been applied consistently over the current and prior comparative financial period. The financial information for the year ended 30 June 2021 contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

**2. Financial review**

Earnings per share for the six months ended 31 December 2021 are presented as follows:

| | **Unaudited 6 months to 31 December 2021** | **Unaudited 6 months to 31 December 2020** | **Audited 12 months to 30 June 2021** |
|---|---|---|---|
| Earnings for the period £ '000 | 8 060 | 19 135 | 39 600 |
| Weighted average number of shares in issue ('000) | 2 345 238 | 2 112 818 | 2 185 346 |
| Diluted weighted average number of shares in issue ('000) | 2 673 482 | 2 161 356 | 2 226 089 |
| Earnings per share (pence) | 0.34 | 0.91 | 1.81 |
| Diluted earnings per share (pence) | 0.31 | 0.89 | 1.78 |
| Earnings per share (ZAR cents) | 7.03 | 19.21 | 37.50 |
| Diluted earnings per share (ZAR cents) | 6.42 | 18.78 | 36.82 |

The Group reported a net asset value of 7.6 (2020: 5.4) pence per share (ZAR 162.6 (2020: ZAR 108.2 cents per share)) and a net tangible asset value per share of 5 pence (2020: 2.1) per share (ZAR 107.8 (2020: ZAR 41.5 cents per share)). The total number of shares in issue as at 31 December 2021 were 2 429 659 million (2020: 2 113 204 million).

**3. Dividends**

No dividends were declared during the period under review (2020: nil).

**4. 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, focussed 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 of PGMs ("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.

**Segment report for the 6 months ended 31 December 2021**

| **Figures in pound sterling (£ '000)** | **Metals processing** | **Business development** | **Exploration** | **Corporate** | **Total** |
|---|---|---|---|---|---|
| Total revenues | 63 265 | - | - | - | 63 265 |
| Cost of sales | (43 707) | - | (18) | - | (43 725) |
| Forex losses | - | - | - | - | - |
| Profit/(loss) before taxation | 11 482 | (1 236) | (18) | (892) | 9 336 |
| Taxation | (966) | - | - | - | (966) |
| Profit/(loss) after taxation | 10 516 | (1 236) | (18) | (892) | 8 370 |
| Interest received | 849 | - | - | 9 | 858 |
| Interest paid | (753) | - | - | - | (753) |
| Depreciation and amortisation | (3 328) | (1 104) | - | - | (4 432) |
| Total assets | (204 735) | (2 733) | (33 146) | (12 122) | (252 736) |
| Total liabilities | 62 948 | - | 4 789 | 1 266 | 69 003 |

**Segment report for the 6 months ended 31 December 2020**

| **Figures in pound sterling (£ '000)** | **Metals processing** | **Exploration and development** | **Corporate** | **Total** |
|---|---|---|---|---|
| Total revenues | 53 438 | - | - | 53 438 |
| Cost of sales | (22 492) | - | - | (22 492) |
| Forex losses | 45 | - | (269) | (223) |
| Profit/(loss) before taxation | 25 236 | (8) | (789) | 24 440 |
| Taxation | (5 181) | - | - | (5 181) |
| Profit/(loss) after taxation | 20 056 | (8) | (789) | 19 259 |
| Interest received | 151 | - | 14 | 165 |
| Interest paid | (1 167) | - | - | (1 167) |
| Depreciation and amortisation | (3 237) | - | - | (3 237) |
| Total assets | (112 636) | (38 242) | (2 020) | (152 899) |
| Total liabilities | 33 462 | 4 596 | 565 | 38 623 |

**Segment report for the year ended 30 June 2021**

| **Figures in pound sterling (£ '000)** | **Metals processing** | **Business development** | **Exploration** | **Corporate** | **Total** |
|---|---|---|---|---|---|
| Total revenues | 132 845 | - | - | - | 132 845 |
| Cost of sales | (62 398) | 665 | - | - | (61 733) |
| Forex profits/(losses) | - | - | - | - | - |
| Profit/(loss) before taxation | 47 255 | 566 | (4) | (4 793) | 43 024 |
| Taxation | (2 793) | - | - | - | (2 793) |
| Profit/(loss) after taxation | 44 462 | 566 | (4) | (4 793) | 40 231 |
| Interest received | 480 | - | - | 20 | 500 |
| Interest paid | (1 674) | - | - | - | (1 674) |
| Depreciation and amortisation | (5 111) | - | - | - | (5 111) |
| Total assets | (154 960) | (3 630) | (34 627) | 145 | (193 071) |
| Total liabilities | 50 721 | - | 4 445 | 1 362 | 56 528 |

## 5. Investments in joint ventures

A joint venture is a joint arrangement in which Jubilee shares control and has rights to the assets, and obligations for the liabilities, relating to the joint venture agreement. During September 2021 Jubilee announced significant progress at its Copper and Cobalt tailings projects in Zambia with the successful execution of three strategic transactions (the "Transactions") which significantly increased Jubilee's beneficial interest across the Company'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.

At the period end Jubilee had the following investments in joint ventures:

| | **Unaudited** | **Unaudited** | **Audited** |
|---|---|---|---|
| | **6 months to** | **6 months to** | **12 months to** |
| | **31 December** | **31 December** | **30 June** |
| | **2021** | **2020** | **2021** |
| | **£'000** | **£'000** | **£'000** |
| | | | |
| Mufulira Project | 849 | - | - |
| Kitwe Tailings Project | 4 204 | - | - |
| Ndola Tailings Project | 3 995 | - | - |
| Total investments in joint ventures | **9 048** | - | - |

5.1 Mufulira Project

As a result of Transactions, Jubilee's interest in the Mufulira Project increased to a 97% beneficial interest in the project. The Mufulira Project material which is expected to hold similar characteristics to Project Elephant, is conveniently located near the processing facilities targeted for Project Elephant.

5.2 Kitwe Tailings Project

At Project Elephant (Northern Refinery Strategy), which is located in the Kitwe area and targets the production of 10 200 copper units per annum, Jubilee's subsidiary Braemore acquired a further 23% beneficial interest in the TD52 tailings dam portion of the overall project, increasing Jubilee's interest to 80.75%. TD52 holds the highest contained copper and cobalt within the larger Project Elephant's 114 million tonnes tailings resource at 0.7% Copper and 0.08% Cobalt.

5.3 Ndola Tailings Project

Project Roan (Southern Refinery Strategy) is rapidly nearing completion targeting to commence commissioning activities during Q2 of 2022. On completion, the transaction relating to Project Roan will increase Jubilee's beneficial interest from 80% to 100%. The Project Roan transaction further includes additional rights to an estimated further 6.6 million tonnes of copper tailings near the processing facility while holding the option to convert the lease agreement of the property where the processing facility is located to direct ownership of the property. As previously announced, Project Roan's processing facility is well under way which targets a ramp-up over three phases to reach full production to a rate of approximately 10 000 tonnes of equivalent copper units per annum.

## 6. Other financial assets

| | **Unaudited** | **Unaudited** | **Audited** |
|---|---|---|---|
| | **6 months to** | **6 months to** | **12 months to** |
| | **31 December** | **31 December** | **30 June** |
| | **2021** | **2020** | **2021** |
| | **£'000** | **£'000** | **£'000** |
| **At amortised cost** | | | |
| Horizon Corporation Limited - Star Tanganika | 4 027 | 3 161 | 3 710 |
| Horizon Mining Limited - Kitwe Project | 7 383 | - | 2 626 |
| Mash Rock Mining (Pty) Ltd | 435 | - | 420 |
| | **11 845** | 3 161 | 6 756 |
| **Loans and receivables** | | | |
| Amava Minerals | **593** | - | 544 |

| | | | |
|---|---|---|---|
| Kgato Investments (Pty) Ltd | **536** | 373 | 478 |
| Other | **235** | 1 844 | - |
| | **1 364** | 2 217 | 1 021 |
| | | | |
| **Total other financial assets** | **13 209** | 5 378 | 7 778 |
| | | | |
| Current assets | | | |
| Loans receivable | **828** | - | 544 |
| Non-current assets | | | |
| Loans receivable | **536** | 2 217 | 478 |
| At amortised cost | **11 845** | 3 161 | 6 756 |
| | **12 381** | 5 378 | 7 234 |
| | | | |
| **Total other financial assets** | **13 209** | 5 378 | 7 778 |

**7. Share Capital and warrants**

The share capital of the Company is divided into an unlimited number of ordinary shares of £0.01 each.

| | **Unaudited** | **Unaudited** | **Audited** |
|---|---|---|---|
| | **6 months** | **6 months** | **12 months** |
| | **ended 31 December** | **ended 31 December** | **ended 30 June** |
| | **2021** | **2020** | **2021** |
| | **£'000** | **£'000** | **£'000** |
| Ordinary shares of 1 pence each | 24 297 | 21 132 | 22 425 |
| Share premium | 124 331 | 93 496 | 97 588 |
| Total issued capital | **148 628** | **114 628** | **120 013** |

During the period under review the Company issued the following new Jubilee ordinary shares:

| | **Number of shares ('000)** | **Issue price (pence)** | **Purpose** |
|---|---|---|---|
| Opening balance | **2 242 510** | | |
| 21 September 2021 | 187 149 | 16.03 | Placing for cash |
| **Balance at the end of the period** | **2 429 659** | | |

During the period under review the Company issued 187 149 million new Jubilee shares to raise £ 30 million before expenses of £ 1.4 million which were recognised in the share premium account in accordance with section 610(2) of the United Kingdom Companies Act 2006.

Post the period under review the Company issued the following new Jubilee shares:

| | **Number of shares ('000)** | **Issue price (pence)** | **Purpose** |
|---|---|---|---|
| Opening balance | **2 429 659** | | |
| 11 March 2022 | 209 448 | 2.81 | Conversion of debt |
| 11 March 2022 | 2 944 | 3.38 | Warrant exercise |
| **Balance at the end of the period** | **2 642 051** | | |

**Warrants**

At the date of this report the Company had the following warrants outstanding:

| **Number of warrants** | **Issue date** | **Subscription price (pence)** | **Expiry date** | **Share price at issue date (pence)** |
|---|---|---|---|---|
| 63 661 944 | 2018/01/19 | 6.12 | 2023/01/19 | 3.55 |
| 10 000 000 | 2018/12/28 | 3.38 | 2023/01/19 | 2.40 |
| 7 818 750 | 2019/11/19 | 4.00 | 2022/11/19 | 4.13 |
| 750 000 | 2020/06/22 | 3.40 | 2023/06/22 | 3.90 |
| 4 036 431 | 2021/01/21 | 13.00 | 2024/01/21 | 13.20 |
| **86 267 125** | | | | |

At 30 June 2021 and 31 December 2021 the Company had the following warrants outstanding:

| Number of warrants | Issue date | Subscription price (pence) | Expiry date | Share price at issue date (pence) |
|---|---|---|---|---|
| 63 661 944 | 2018/01/19 | 6.12 | 2023/01/19 | 3.55 |
| 12 944 984 | 2018/12/28 | 3.38 | 2023/01/19 | 2.40 |
| 7 818 750 | 2019/11/19 | 4.00 | 2022/11/19 | 4.13 |
| 750 000 | 2020/06/22 | 3.40 | 2023/06/22 | 3.90 |
| 4 036 431 | 2021/01/21 | 13.00 | 2024/01/21 | 13.20 |
| **89 212 109** | | | | |

At 31 December 2020 the Company had the following warrants outstanding:

| Number of warrants | Issue date | Subscription price (pence) | Expiry date | Share price at issue date (pence) |
|---|---|---|---|---|
| 63 800 833 | 2018/01/19 | 6.12 | 2023/01/19 | 3.55 |
| 12 944 984 | 2018/12/28 | 3.38 | 2023/01/19 | 2.40 |
| 7 818 750 | 2019/11/19 | 4.00 | 2022/11/19 | 4.13 |
| 750 000 | 2020/06/22 | 3.40 | 2023/06/22 | 3.90 |
| **85 314 567** | | | | |

## 8. Going concern

The financial position of the Group, its cash flows, liquidity position and debt facilities are set out in the Group's condensed consolidated interim results for the six months ended 31 December 2021. The Group reported a cash position of £ 21.5 million at the period end (31 December 2020: £ 9.8 million and 30 June 2021: £ 19.6 million).

The Group maintained sufficient liquidity throughout the period under review. It also has access to external funding through revolving credit facilities and metal trade finance. After reviewing the effects of COVID-19, the financial position, operational performance, budgets and forecasts as well as the timing of cash flows, the directors are satisfied that the Company and the Group's liquidity position is sufficient to sustain its operations for the foreseeable future. For this reason, the Group continues to adopt the going-concern basis in the preparation of its financial statements, including these condensed consolidated interim financial statements.

## 9. Events after the reporting date

### 9.1 Conversion of Loan Notes

On 4 March 2022, further to the US$ 8 million (ZAR 127 million at current conversion rates) secured debt funded by ACAM LP on 21 March 2019, the Company has received notice from ACAM to convert all outstanding Loan Notes into equity totalling US$ 7.8 million (£5.89 million) (ZAR 127 million) into 209 448 million Conversion Shares at a price of 2.81 pence (ZAR 43 cents) per Conversion Share. This follows the conversion of Loan Notes totalling US$ 2.5 million (ZAR 38.5 million) into ordinary shares in the Company at a price of 2.81 pence (ZAR 43 cents) per ordinary share as announced on 15 January 2021, and therefore fully discharging the debt to ACAM.

### 9.2 Warrants exercised

The Company received notification from a warrant holder on 4 March 2022 to exercise 2 944 784 existing warrants of the Company, representing 0.11 % of the enlarged issued share capital of Jubilee at a price of 3.375 pence (ZAR 69 cents) per share amounting to a cash value of £ 99 393 (ZAR 2 027 617).

## 10. Unaudited results

These interim results have not been reviewed or audited by the Group's auditors.

**11. Interim report**

From the date of this report copies of the interim report are available for download from the Company's website www.jubileemetalsgroup.com

The financial information in this announcement is unaudited.

United Kingdom

24 March 2022

**Annexure 1**

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 | Unaudited | Unaudited | Audited |
|---|---|---|---|
| | 6 months to | 6 months to | 12 months to |
| | Dec-21 | Dec-20 | Jun-21 |
| | £ '000 | £ '000 | £ '000 |
| | | | |
| Profit attributable to ordinary equity holders of the parent | 8 060 | 19 135 | 39 600 |
| Adjusted for: | | | |
| Share of impairment loss of equity accounted associate | - | - | 31 |
| Fair value adjustments | (658) | - | 1 161 |
| Total tax effects of adjustments | - | - | (7) |
| Headline earnings | 7 402 | 19 135 | 40 785 |
| Weighted average number of shares in issue ('000) | 2 345 238 | 2 112 818 | 2 185 346 |
| Diluted weighted average number of shares in issue ('000) | 2 673 482 | 2 161 356 | 2 226 089 |
| Headline earnings per share (pence) | 0.32 | 0.91 | 1.87 |
| Headline earnings per share (ZAR cents) | 6.46 | 19.21 | 38.62 |
| Diluted headline earnings per share (pence) | 0.31 | 0.89 | 1.83 |
| Diluted headline earnings per share (ZAR cents) | 6.42 | 18.78 | 37.92 |
| Average conversion rate used for the period under review £:ZAR | 0.049 | 0.047 | 0.048 |