

Jubilee Platinum Bounces Back With Maiden Resource Numbers For The Tjate Platinum Project In South Africa

By Alastair Ford

Tjate has always been the flagship property which has underpinned [Jubilee Platinum](#). So says Jubilee chief executive Colin Bird when Minesite phones him up for a chat after Jubilee issued an upbeat assessment of the project's potential. Based on the analysis of core from 42 boreholes, independent consultants The Mineral Corporation have signed off on a SAMREC indicated and inferred resource of 22 million ounces 3PGE (platinum, palladium and rhodium) plus gold at an average grade of 5.24 grammes per tonne. Widening the platinum elements net to include iridium, ruthenium and osmium adds a further three million ounces to the project.

But that's not all. Based on the knowledge gleaned thus far, Jubilee now believes that across the three Tjate farms, all located on the eastern limb of South Africa's platinum-prolific Bushveld complex, the potential is for a project amounting to 70 million ounces 6PGE plus gold. All of which has come as a nice fillip to a company that was rather on the back foot earlier in the year, as markets turned against it, almost with a vengeance, and pummeled the shares from a June 2008 high of 65p down to a lowly 7p in March. The recovery since then has been equally spectacular, as the shares are now trading at a far healthier 45p. At that level the company has a market capitalization of close on £60 million, which, when you consider that in the last press release, Jubilee placed a potential US\$30 billion valuation on Tjate, doesn't look too demanding really.

It's not surprising, either, that Colin Bird is sounding a bit more cheerful now that he was sounding in March. Consummate professional that he is, he wasn't exactly sounding down-hearted back then, but being forced to talk up Jubilee's short term plans for a dump recovery operation at the expense of Tjate seemed somehow to sit unfavourably with a man who always knew he had a multi-billion dollar development property on his hands at Tjate. Still markets being what they were, assurances of near term cash flow in the shape of between US\$8 million and US\$12 million per year from the company's new chrome tailings re-treatment operations, held in joint venture with Benhaus Mining, did go some way to stemming the tide of selling. Even now it sounds a nice sold note when Colin emphasizes: "Our short term plans for production are very real".

Once-upon-a-time the savvy punter would have gone into the market for Jubilee shares on the basis that because Impala is mining down towards the Tjate deposit, sooner or later the company would have become a bid target. That may yet happen, but the odds are lengthening. At board level, Jubilee and Impala don't seem to be on the best of terms, though locally on the ground there's a fair amount of exchanging of ideas and information. In any case, what would get sold now wouldn't be Jubilee as whole, but simply the Tjate project on its own. "We'd never sell the whole of the company", says Colin firmly. All of which means that a bit of short term cash flow

would work wonders with market confidence and in terms of minimizing dilution if it turns out that Jubilee has to go all the way with Tjate on its own.

And, with these new resource numbers now on the table, that's now a very real prospect. For starters, the latest round of core analysis has showed up two higher grade areas of the famous platinum-bearing Merensky reef at 5.4 grammes per tonne over a mineable width of 1.46 metres. That's nice and helpful to the economics, and the company is now suggesting that Tjate could work as a standalone project with a 20 year mine life, treating 200,000 tonnes per month and producing approximately 320,000 ounces of 3PGE plus gold per year. So, next on the agenda, says Colin, will be for the company to establish the optimum position for a vertical shaft, to secure long-term electricity supplies, to do the mine design, and then to move to a bankable feasibility study. "It's all systems go", he says, confidently. Looks like [Jubilee Platinum](#) is back on top form, and raring to go.