

28 July 2004
AIM: JLP
Jubilee Platinum Plc
(“Jubilee” or “the Company”)

Proposed Purchase Announcement

Highlights

- Jubilee raises £3.1m before expenses (£2.73m after expenses) in a conditional placing (the “Placing”) with UK institutions arranged and underwritten by Numis Securities Limited (“Numis”)
- £2.495m of placing proceeds to fund proposed purchase (the “Proposed Acquisition”) by Jubilee of 49.9% of New Platinum Corporation (Pty) Ltd (“NPC”)
- NPC owns 50% of Tjate Platinum Corporation (Pty) Limited (“Tjate”) - Tjate property postulated to contain some 65m ozs of PGMs and gold
- Jubilee plans to invest up to R30m (£2.6m) in NPC in order to fund a Bankable Feasibility Study at Tjate (the “Proposed Investment”)
- Jubilee’s additional investment of up to R30m in NPC will be made by way of subscription for preference shares carrying rights to receive up to 70% of any dividends and distributions made by NPC
- New African Mining Fund (“NAMF”) has indicated that, subject to its own investment committee approval, it will invest up to R15m (£1.30m) in Jubilee’s South African subsidiary in connection with the Tjate transaction and its development
- Jubilee continues in talks with other parties with a view to increasing its effective holding in Tjate
- The Proposed Acquisition and the Proposed Investment are conditional *inter alia* upon the Placing becoming unconditional.

Introduction

On 13 May 2004, Jubilee announced that it had entered into a Sale of Shares and Claims Agreement (the “Original NPC Agreement”) with the owners of NPC (the “Sellers”), which allowed for the purchase of 51 per cent of issued share capital of NPC for the South African Rand equivalent of £2.55 million. NPC holds a 50 per cent interest in Tjate, a company which holds the rights to prospect for all precious metals and base metal minerals on the farms Quartzhill 542KS, Fernkloof 539KS and Dsjate 249KT (“the Tjate Property”), located in the Eastern Limb of the South African Bushveld Complex.

Revised NPC Agreement

The Original NPC Agreement has now been superseded. Jubilee and the Sellers have now entered into a new conditional agreement (the “Revised NPC Agreement”) in terms of which the Jubilee group will acquire 49.9 per cent of the issued share capital of NPC for the South African Rand equivalent of £2.495 million. It is envisaged that the 49.9 per cent interest in NPC will be acquired by Jubilee’s South African subsidiary, Clidet No 469 (Proprietary) Limited (“Jubilee SA”). On completion of the Proposed Acquisition, Jubilee SA would have an indirect 24.95 per cent interest in Tjate.

The Revised NPC Agreement is conditional upon *inter alia* (i) the Proposed Acquisition being approved by the South African Department of Minerals and Energy (“DME”) and (ii) the Placing becoming unconditional. Also, the Proposed Acquisition will not proceed without the DME granting an extension to the time within which work must commence on the Tjate property under the prospecting permit. The DME has confirmed in writing that it does not foresee any future problems with the transaction and the Company has no reason to believe that the extension will not be granted in respect of the permit.

Preference Shares

Under the Original NPC Agreement, Jubilee also had a call option to acquire all or part of the remaining issued share capital of NPC (the "NPC Call Option") and the Sellers had a put option to sell all or part of the remaining issued share capital of NPC to Jubilee (the "NPC Put Option"). Under the Revised NPC Agreement, Jubilee has foregone the NPC Call Option and the Sellers have foregone the NPC Put Option.

NPC and Jubilee have agreed that, subject to certain conditions, the Jubilee group will be entitled to subscribe for preference shares in NPC in respect of amounts committed by the Jubilee group to fund the Bankable Feasibility Study at Tjate (the "Feasibility Study").

Subject to NPC negotiating a suitable funding agreement with Tjate, the Jubilee group plans to contribute up to R30 million (£2.6 million) to fund the Feasibility Study. On the basis of a contribution at the maximum level of R30 million, the preference shares to be issued would entitle the Jubilee group to receive 70 per cent of all dividends and other distributions paid by NPC. These rights would be in addition to those attaching to Jubilee SA's ownership of 49.9 per cent of the equity in NPC. The number of preference shares subscribed for by the Jubilee group in the Proposed Investment (and therefore the amounts invested and the dividends to be received) will depend upon the sum which the Jubilee group finally agrees may be committed by NPC to fund the Feasibility Study.

It is further proposed that the Jubilee group will subscribe for a separate preference share at a nominal price, which will entitle Jubilee SA to a preferential payment of R30 million (£2.6 million) in certain circumstances including on the sale of any of NPC's shares in or claims against Tjate.

NPC Board

Under a Shareholders Agreement with NPC and the Sellers, Jubilee will be entitled to appoint three out of the five directors of NPC and the chairman.

Placing

In order to fund the consideration due under the Revised NPC Agreement in respect of the Proposed Acquisition and part of the Proposed Investment, the Company has today conditionally placed 15,500,000 new ordinary shares of 1p each ("New Shares") at a placing price of 20p per share with a number of UK institutions, to raise £3.1 million (before expenses) (£2.73 million after expenses). The Placing has been arranged by Numis, which has also underwritten the issue. The Placing is subject to a placing agreement between Jubilee and Numis becoming unconditional and not being terminated on or before 9 August 2004. The New Shares will rank *pari passu* in all respects with the existing Jubilee shares in issue. It is expected that dealings in the New Shares will commence on AIM on 2 August 2004.

Escrow Arrangement

Certain third parties in South Africa have claimed that the Sellers do not have valid title to the whole of the current issued share capital of NPC. Jubilee has taken steps to protect itself in the event that the transaction is in any way compromised by this dispute, *inter alia*, by the consideration payable to the Sellers under the NPC Agreement being held by Jubilee's UK lawyers in escrow pending resolution of the dispute. It is possible as a result of the dispute that the acquisition by Jubilee SA of 49.9 per cent of the issued share capital of NPC from the Sellers could be set aside. In this event or in the unlikely event that the DME does not approve the transaction or grant the requested extension in respect of the prospecting permit, the Revised NPC Agreement would terminate and the entire consideration of £2.495 million would be returned to Jubilee and would be applied by the Jubilee group on other projects and / or as general working capital. Jubilee will not advance any material amount to NPC for the Feasibility Study (or otherwise) by way of the Proposed Investment unless and until the dispute has been resolved.

NAMF

As described in Jubilee's announcement of 27 February 2004, NAMF has a right to subscribe for 10 per cent of the issued share capital of Jubilee SA before the Tjate transactions outlined above. Subject to approval by its internal investment committee, NAMF has indicated that it will invest up to R15m in Jubilee SA in connection with the NPC transaction and Jubilee's funding of the Tjate project.

Potential Joint Venture Interest

Jubilee is advised that NPC and the Sellers are in discussions with another UK public company ("Claimant") which has claimed that it is entitled to participate in NPC's interest in Tjate as a joint venture partner. The Claimant has alleged that it is entitled to a 30 per cent joint venture interest in NPC's rights in Tjate (representing a 15 per cent economic interest in Tjate). Under the Revised NPC Agreement, all costs incurred in relation to this claim are to be borne by the Sellers. Any participation interest due to the Claimant

will be paid out of amounts due to the Sellers in respect of their remaining shareholding in NPC at the time. Any shortfall will be payable by NPC. In the event of the claim succeeding or being settled, it is possible that Jubilee's economic interest in NPC (and indirectly its economic interest in Tjate) could be diluted. However, it is expected that the Claimant would be required to contribute to 15 per cent of the costs in relation to Tjate in order to avail itself of a corresponding participation interest.

Financial Information

NPC reported no turnover and a nil profit / loss in respect of the year ended 29 February 2004 and as at 29 February 2004 had net liabilities of R702,890 (£61,000). NPC has an interest free loan of R703,130 (£61,000) outstanding to New Diamond Holdings (Proprietary) Limited ("NDH"). NDH has agreed not to claim or accept repayment of its loan until such time as the fair value of NPC's assets exceed its liabilities. Tjate is a dormant shell company that has not traded. No accounts have ever been prepared or submitted by the company to the Registrar of Companies in South Africa.

Tjate Property

The Tjate Property is immediately down dip of Anglo American's Twickenham Mine and Impala Platinum's Marula Mine on the farm Winnaarshoek. Geological and mining consultancy Ddraig Minerals Development Ltd ("Draig") has concluded that the Tjate Property is located in an area of excellent geological potential and that little doubt exists that the Tjate Property is underlain by the economically important and well mapped Merensky and UG2 PGM bearing reefs. In its report dated 26 April 2004 Draig endorsed previous estimates of the platinum group metal ("PGM") resource on the Tjate Property, which estimate postulated some 65 million ounces of 5 PGE (platinum group elements) and gold.

Continuing Discussions

Jubilee continues discussions with other parties who hold interests in the 50 per cent of Tjate not owned by NPC with a view to increasing its effective holding in Tjate.

Option

As part of its remuneration and under the terms of its appointment in connection with the Placing, Numis will receive an option to subscribe for shares in Jubilee equivalent to one per cent of the enlarged issued share capital of Jubilee after the Placing, at the placing price of 20p per share, over the five years following the date of this announcement.

Colin Bird, Jubilee's chief executive said, *"This transaction represents a major step in Jubilee's development. The capital raising provides an endorsement by a number of UK investing institutions of our business plan. We are also very pleased to have the opportunity to acquire a significant position in the Tjate Property and continue to work to expand our involvement."*

Notes

In this announcement, the £ equivalent of amounts expressed in Rand has been calculated on the basis of an exchange rate of £1:R11.5.

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