



Jubilee Platinum - Offer for Braemore Resources

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Jubilee Platinum* (JLP) has announced its firm intention to make an offer to acquire the entire issued and to be issued share capital of Braemore by way of a Scheme arrangement. The proposed acquisition will be undertaken by an all-equity transaction where Braemore shareholders will receive 1 Jubilee share for every 15.818 Braemore shares. The offer values Braemore at 3.29p per share or Braemore and Jubilee have agreed to co-operate with each other to implement the scheme. Jubilee has agreed to fund Braemore's operating costs, up to £2 million, whilst the scheme of arrangement is being implemented. In addition Jubilee will pay an additional £1.4 million owed to the owner of the rights to ConRoast technology. Once the scheme becomes effective, Braemore will become a wholly owned subsidiary of Jubilee and Braemore's listing on AIM and the JSE will be cancelled.

The merger of the two companies will provide Jubilee's Tjate Project with add-on smelting and refining capability by targeting the production of high quality Platinum Group Metal product with an increase in value, therein enhancing the NPV of the project. The enlarged entity will combine access to Jubilee's development assets in the Bushveld Igneous Complex in South Africa with Braemore's exclusive rights to the proprietary ConRoast technology for the smelting and hydrometallurgical refining of Platinum Group Metals and base metals. Any such further value added to any tailings retreatment should result in the company gaining access to early cashflow generation to support the general activities of the group.

This is an exciting deal for the company and I believe the combined company will allow for complementary mining and processing assets. This will position the group well to exploit the synergies between them. The agreement will undoubtedly aid the development of the company's world class Tjate project. This announcement has explained the mysterious announcement made by the company on 29th June 2009. The shares have fallen since that statement, but this should add further value to an excellent company. At 44p the shares remain a **"buy"** as the enlarged company remains asset rich backed by significant cash. I maintain the shares are cheap and are worth at least 150p.