



Jubilee Platinum - Placing

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Jubilee Platinum* (JLP) has announced a placing of 44,166,666 new shares at 30p each with institutional investors to raise approximately £13.25 million. The funds, conditional on the acquisition of Braemore Resources proceeding as planned and shareholder approval, will allow Jubilee *“to accelerate the integration and development of the enlarged Company's assets following the completion of the acquisition of Braemore”*.

Since I have been stressing that a 150p valuation for Jubilee shares is far from unrealistic and the shares presently trade at 37p, the placing is evidently dilutive and that it was unsurprisingly 'well supported' rather begs the question of why broker FinnCap conducted it at an admitted '23% discount to the 30 day weighted average traded price of Jubilee's shares on AIM'. This is especially so since the same company has today released a note arguing that Jubilee shares are worth 86p each. I would have liked to see FinnCap have to work rather harder to 'earn' what will likely be an exorbitant fee for the placing.

A number of readers have commented that on a recent issue of *Board Talk* recorded on July 24th - Colin Bird said he would not wish to raise money at 37p, dilute, etc, etc. Well I suppose that raising money at 30p is not raising money at 37p. I suppose life can change rapidly but it is - shall I say - not quite what I had expected to happen. As such I cannot say that today's news makes me happy at one level - it came as an unwelcome surprise.

However, despite this, the new funds do provide Jubilee with the opportunity to expedite near-term cash flows and the company is now cashed-up, with the Braemore deal set to provide those near-term cash flows as well as offering significant longer-term promise – including materially boosting the economics of Jubilee's Tjate project (see July's webcast with Colin Bird for discussion of this). As such, I continue to believe that Jubilee will prove a multi-bagger from current levels although this volte face leaves it with a credibility issue in the eyes of some shareholders which it must address. Post dilution my valuation falls to c120p but at 37p, the upside is enough to justify a maintained stance - I say this through slightly gritted teeth - of **"buy"**.