



4th Floor
2 Cromwell Place
South Kensington
London, SW7 2JE
Tel: 020 7584 2155

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AIM: JLP
Jubilee Platinum Plc
("Jubilee" or "the Company")

Acquisition of Interest in Tjate

Highlights

- Jubilee agrees to acquire 35% of the enlarged issued ordinary share capital of Tjate Platinum Corporation (Pty) Limited ("Tjate") for ZAR 49 million (£4.34 million), as to 25% of the existing shares by acquisition and as to the balance by new share subscription
- Jubilee will pay ZAR 35 million (£3.1 million) for the 25% interest and will subscribe for the balance for ZAR 14 million (£1.20 million), in each case in cash
- Colin Bird will become chief executive of Tjate and project manager of the bankable feasibility study for an initial 2 year period
- Tjate owns the prospecting rights to three important contiguous farms in the Eastern Bushveld: Quartzhill 543KS, Fernkloof 539KS and Dsjate 249KT
- The farms are postulated to contain, below surface, some 65 million ounces of platinum group metals (PGM) and gold
- Minority protections for Jubilee in shareholders agreement relating to Tjate

Introduction

Jubilee refers to its announcements on 28 July and 3 September 2004 concerning the proposed purchase of 49.9% of New Platinum Corporation (Pty) Ltd ("NPC") ("the Proposed Acquisition"). NPC owns 50% of Tjate which holds the prospecting rights for all precious metals and base minerals on the farms Quartzhill 543 KS, Fernkloof 539KS and Dsjate 249KT ("the Tjate Property"), located in the Eastern Limb of the South African Bushveld Complex. Jubilee planned to invest up to ZAR30 million in NPC in order to fund a bankable feasibility study of the Tjate Property in return for which Jubilee expected to receive preference shares in NPC giving Jubilee an enhanced economic interest in Tjate.

After the remaining Tjate shareholders expressed their wish that it would be preferable for any new investor providing funding to Tjate to do so through a direct investment in Tjate rather than through another shareholder, Jubilee explained, in its announcement of 3 September 2004, that the agreement relating to the Proposed Acquisition had lapsed. However, Jubilee remained in discussions with all the existing shareholders of the issued share capital of Tjate with a view to the Jubilee Group taking a direct interest in Tjate.

New Agreements

Jubilee has now entered into agreements with all the shareholders of Tjate (including NPC) and with Tjate. Under these agreements, which are dated 1st December 2004 ("the New Agreements"), Jubilee will acquire 25% of the existing issued ordinary share capital of Tjate from the existing Tjate shareholders for an aggregate cash consideration of ZAR35 million (£3.1 million). The purchase of the 25% shareholding represents 15% from NPC and 10% from Matuba Holdings (Proprietary) Ltd (trading as the Sebata Kgomo Consortium) ("Sebata").

Jubilee has also undertaken to subscribe in cash for a further 10% in Tjate for ZAR13,999,900 ("the Ordinary Share Subscription"). The subscription price payable by Jubilee for the Ordinary Share Subscription may only be utilised by Tjate for the purpose of funding the bankable feasibility study. The Ordinary Share Subscription will take place over a period of time as funds are required for the bankable feasibility study and the amounts and timing of the subscription will be scheduled in agreement with the Tjate shareholders. Jubilee will also subscribe, at par (for a nominal consideration of ZAR1) for a redeemable preference share in Tjate ("the Jubilee Preference Share"). This preference share will be redeemed at a price of ZAR35 million on the sale of the whole or the majority of the assets of Tjate or, at Jubilee's election, in the event that Tjate is liquidated, placed under judicial management, commits an act of insolvency, is unable to pay its debts or compromises with its creditors.

Jubilee will have the right of first refusal to provide any further funding required for the bankable feasibility study.

After the completion of the New Agreements and following the full implementation of the Ordinary Share Subscription, Jubilee will hold 35% of the enlarged issued ordinary share capital of Tjate and the balance of the Tjate ordinary shares will be held by Sebata (36.67%), and by NPC (28.33%).

Under the New Agreements Sebata will also subscribe, at nominal consideration, for a preference share in Tjate which will rank behind the Jubilee Preference Share but which will otherwise have similar rights to those attached to the Jubilee Preference Share save that the redemption amount will be ZAR20 million (rather than ZAR35 million).

Jubilee will have the right to appoint two directors to the Tjate board of directors (out of a total of seven) and, for the first two years, Colin Bird, Jubilee's chief executive officer, will be the chief executive officer of Tjate and the project manager for the bankable feasibility study on the Tjate Property. Vincent Phaala, a representative of Sebata, will be the chairman of the Tjate board for the first two years. At the end of the two-year period, both Colin Bird and Vincent Phaala will cease to be chief executive officer and chairman of Tjate respectively, unless the majority of the Tjate Board wish them to do otherwise.

The New Agreements include a shareholders agreement which requires that most material matters relating to Tjate are subject to agreement by shareholders holding not less than 80% of the Tjate shares. Accordingly, for so long as Jubilee holds at least 20% of the ordinary shares of Tjate, Jubilee's agreement will be required on such matters.

Jubilee intends that its interest in Tjate will be transferred to its South African subsidiary Windsor Platinum Investments (Pty) Ltd. ("Windsor").

New Africa Mining Fund ("NAMF")

As described in Jubilee's announcement of 27 February 2004, NAMF has a right to subscribe for 10% of the issued share capital of Windsor before the Tjate transaction outlined above. Subject to approval by its internal investment committee, NAMF has indicated that it will invest up to ZAR15 million (£1.33 million) in Windsor in connection with the Tjate transaction.

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 ("Ddraig") 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 Ddraig endorsed previous estimates of the platinum group metal resource on the Tjate Property, which postulated some 65 million ounces of 5 PGM and gold.

Financial Information

Tjate is a dormant shelf company that has not traded. No accounts have ever been prepared or submitted by Tjate to the Registrar of Companies in South Africa.

Colin Bird, Jubilee's chief executive said, *"This transaction provides Jubilee with a strategic stake in an identified large scale platinum mining opportunity in South Africa. We look forward to working with our new partners to develop the position into a new generation fully Black Empowered operating mine."*

NOTES:

In this announcement, the £ equivalent of amounts expressed in South African Rand has been calculated on the basis of an exchange rate of £1:ZAR11.27.

For further information please contact:

Colin Bird

Jubilee Platinum plc
Tel +44 (0) 20 7584 2155

Cathy Malins / Annabel Leather

Parkgreen Communications Ltd
Tel +44 (0) 20 7493 3713