



[Jubilee Platinum PLC](#) - JLP

Platinum Projects update

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Jubilee Platinum PLC
("Jubilee" or "Company")

Platinum Projects update

Mine-to-Metals specialist Jubilee Platinum plc (AIM: JLP, AltX: JBL) is pleased to provide, on behalf of its subsidiary, Jubilee Tailings Treatment Company Pty Ltd ("JTTC"), a performance, operational and financial update of its chrome recovery section of the Dilokong Chrome mine tailings project ("DCM Tailings" or "DCM Project").

Highlights

DCM Project

- Chromite concentrate production up 7.86% to 10 430 tons for the month of August 2016 compared with July 2016
- Expansion of new tailings deposit area after removal of chrome has commenced to allow for further increase in Chrome production from processing of surface material. Expected to be completed over 3 months.
- Project revenue generated from chromite concentrate sales up 7.02% to GBP 0.737 million for the month of August 2016 compared with July 2016 (ZAR 13.15 million, 9.47% increase)
- Chromite project earnings up 8.37% to GBP 0.559 million for the month of August 2016 compared to July 2016 (ZAR 9.98 million, 10.86% increase)
- Earnings attributable to Jubilee for the month of August 2016 from chromite concentrate production up 7.11% to GBP 0.314 million (ZAR 5.6 million, 9.57% increase) compared with the month of July 2016

Hernic Project

- Construction of the 660 000 tons per annum platinum and chromite processing plant continues to progress to schedule targeting commencement of commissioning in December 2016
- Project Capital expenditure to date of GBP 7.2 million (ZAR 127, 8 million) equivalent of 65% of total projected capital. This is commensurate with the percentage project completion

Leon Coetzer, Chief Executive commented:

"The DCM Project continues to achieve exceptional performance both in terms of revenue and earnings from chromite concentrate sales as well as operational performance. The month of August has shown further improvements from the stable operations achieved in July.

I am very pleased with the progress made on the construction of the Hernic project which remains on schedule and in budget. We refer shareholders to our website for updated project pictures of the construction site."

DCM OPERATIONAL AND FINANCIAL PERFORMANCE

August 2016 production sustained the production improvements achieved during July 2016 recording further increases in both the production rates and earnings from the chromite recovery process. The DCM chromite recovery process

from surface tailings alone has reached full operational stability. Further increases in operational throughput requires the expansion of the new tailings, post chromite removal, storage facility. The expansion of the facility has commenced and is expected to be completed over the next three months.

All chromite production to date at DCM continues to be from the processing of surface tailings alone. Stated Project earnings are net of operational cost and cost of chromite concentrate sales.

With operational stability reached the Company will in future provide quarterly updates on the operational performance of the DCM chromite recovery operation. The Company will however provide shareholders with updates on any material changes to the operation including the outcome of the platinum processing option study expected to be concluded by the end of September 2016.

	Chromite concentrate produced	Project revenue (GBP'000)	Project revenue (ZAR'000)	Project earnings (GBP'000)	Project earnings (ZAR'000)	Jubilee attributable project earnings (GBP'000)	Jubilee attributable project earnings (ZAR'000)
July 2016	9 670	688	12 011	516	9006	293	5 114
August 2016	10 430	737	13 149	559	9 984	314	5 603
% change month on month	7.86%	7.02%	9.47%	8.37%	10.86%	7.11%	9.57%
Q2 2016 (May, June 2016)	15 188	1,002	19,137	744	14,203	456	8,710
Q3 2016 (July, August 2016)	20 100	1 425	25 161	1 075	18 990	607	10 717
% change Q2 on Q3	32.34%	42.22%	31.48%	44.62%	33.71%	33.11%	23.05%
YTD since start of project in May 2016	35 288	2 427	44 298	1 819	33 192	1 063	19 427

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About ASA

Pollux Investment Holdings Pty Ltd ("Pollux"), a wholly owned subsidiary of Jubilee, holds the exclusive rights to beneficiate the platinum group metals ("PGM's") from the platinum-containing surface material at ASA Metals Proprietary Limited ("ASA") ("DCM Platinum Project, Processing Agreement").

The Company has targeted the construction of a New Processing Plant for the recovery of chrome and PGMs capable of processing up to 35 000 tons of surface material per month. The Company executed an addendum to the Processing Agreement ("Addendum"), whereby the Company is incentivised to accelerate the construction and commissioning of the New Processing Plant by targeting commencement of commissioning of the front end of the New Processing Plant early 2016. The Addendum significantly enhances and expedites the projected profitability of the project since both the chrome concentrate and platinum containing concentrate will now contribute to the overall profitability of the DCM Platinum Project. The Project is the first of the Company's Platinum Projects.

About the Hercul Project

Hercul Ferrochrome Proprietary Limited ("Hercul") is the world's 4th largest integrated ferrochrome producer with an estimated 3 million tons of platinum containing material at surface while Hercul continues to add further material to the surface stock.

The Company was selected as the exclusive party to beneficiate the chromite and PGMs contained in the Hercul Surface Material ("the Project") and address the project execution methodology as well as the operational and financial performance targets. The Project is the second of the Company's Two Projects.

The Hercul Surface Material has been independently fully drilled and assayed for chrome and PGM content. This has resulted in an independent resource statement of 1.7 million tons, of which approximately 90% of the resource is classified in the measured category under the internationally recognised SAMREC code. Hercul also has access to secondary surface stocks, which it has internally identified and could increase the surface stocks to in excess of 3 million tons through further drilling programmes. The total Project is estimated to contain total PGMs in excess of 224 000 (3PGM + Au) oz.

The Project will be the largest PGM beneficiation plant of surface chrome tailings in South Africa and is capable of producing annual revenues of GBP 18.2 million (ZAR 400 million) at an average metal basket price of USD 906 per (3PGM + Au) per oz. The financial and operational risks of the Project are significantly mitigated since the material is already at surface and requires neither the cost nor the risk associated with mining.

An extensive prefeasibility study has been concluded on the Project, which included both pilot scale and full commercial scale trials to confirm the design and operational parameters.

The Project is to be undertaken in four phases over an 11 month period; namely

ü Phase one - Bankable Feasibility Study and Engineering Design. -- Completed.

ü Phase two - Construction of the chrome and platinum processing plant ("Processing Plant"). -- On-going

ü Phase three - Commissioning and Ramp up of Processing Plant to design capacity of 55 000 tons per month.

ü Phase Four - Stable operation of the Processing Plant.

The Company has targeted a combined processing of platinum containing surface material over the two projects in excess of 900 000 tons per annum.

The ZAR-based debt funding for both surface projects equates to GBP 11.5 million (ZAR 255 million) before financing costs. The working capital required to bring the two surface projects into operation and to achieve positive earnings is estimated at GBP 3.4 million (ZAR 75 million).

This information is provided by RNS

The company news service from the London Stock Exchange

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