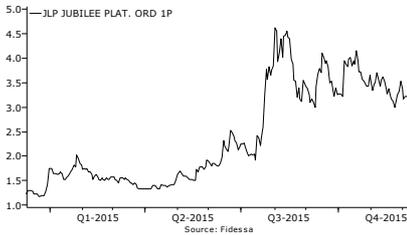


10<sup>th</sup> December 2015

## Jubilee Platinum Ltd (JPL.L, JBL.J)



**Price:** 3.50p

12m High 5.45p

12 m Low 1.02p

Mkt cap £30.59m

Shares 750m

Sector Mining

Market London (AIM)

Brokers Daniel Stewart & Co PLC  
Beaufort Securities Limited

Website [www.jubileeplatinum.com](http://www.jubileeplatinum.com)

**Description:** Jubilee is a junior platinum miner with exclusive access to proprietary mineral processing and refining technologies. With a strategy of capital growth through tailings reprocessing, part funding primary mine development it hopes to leverage its skills and build a mid-tier vertically integrated platinum group specialist.

**Capital growth realised on sale of assets. Chrome-Platinum concentrate production from tailings resource due Q1 2016.**

Dual-listed Jubilee Platinum is a South African Platinum production specialist, building supply chain capacity from 'Mine-to-Metal'. With a 63% share of an estimated 70 million ounce Platinum Group Element resource on the Bushveld Complex, and exclusive rights over the ConRoast smelting technology, the company is attempting to build a mid-tier independent platinum producer, step-by-step. The most recent step is towards chrome-platinum concentrate production from a tailings resource.

**Strategy:** Following the sale of the Middleburg smelter and power generation assets, JPL is now a more streamlined group with greater focus on production of metals from primary (mined) and secondary (mine waste) resources. The capital released will be directed towards the building of the first tailings concentrator on the Dilokong Chrome Mines (DCM) site.

**Portfolio:** Initial 85% cash payment (£4.6m) from the planned sale of interests in the Middleburg assets has been received. The balance is in escrow pending two warranty periods. JPL retains its mineral development assets and continues to investigate potential new tailings resources.

**Valuation:** This is still a long-term play currently trading at an option value when compared to the potential in-production value of its Tjate project.

**Risks:** The risks of platinum mining in South Africa are well known in industrial, geological, metallurgical and macro-economic terms. The current main risks for the chrome-platinum concentrate production from tailings are construction cost over-runs and metals pricing, both of which the company has acted to minimise with offsite plant pre-construction and an improved off-take pricing formula. Concentrator commissioning is planned to start in Jan 2016.

**Investment summary:** JPL has shown competence in delivering capital appreciation through operations as a ferro-alloys smelter and power generator. It is now switching focus to the core area of company expertise, minerals production. Once completed, the switch to surface miner should bring a substantial uplift in revenues, even at the current low metal prices. With current miners hit by prices and production issues, metal refiners in SA are seeking compatible local concentrates to meet continuing demand.

Jun Year End (£, millions)	FY11	FY12	FY13	FY14	FY15
Revenue	5.5	3.73	4.75	4.04	5.21
Operating Profit/(Loss)	-6.51	-8.22	-7.08	-5.15	-3.39
Net Interest	0.65	0.58	0.27	0.43	0.13
Profit Before Tax	-7.01	-8.55	-7.33	-5.57	-3.39
Profit After Tax	-7.59	-7.88	-7.47	-5.55	-3.44
Revenue per Share (p)	2.15	1.33	1.47	0.95	0.69
Earnings per Share (p)	-2.67	-2.43	-2.41	-1.27	-0.55
Net (debt)/cash	0.5	-2.01	-1.39	-1.84	-1.34
P/E (x)	-8.15	-4.17	-2.44	-1.2	-6.36

**Ian Falconer**

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