

Jubilee Metals Group PLC  
("Jubilee" or the "Company")  
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## **Six Month Operations Update H1 2020**

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Jubilee, the AIM and AltX traded metals processing company, is pleased to announce its unaudited operational results for the six month period ended 30 June 2020 ("H1 2020").

### **Highlights**

- Jubilee delivers sixth consecutive six-monthly period of double digit growth with a 54% increase in combined<sup>2</sup> H1 2020 operational earnings to GBP 12.8 million (74% increase to ZAR 266.5 million) from H2 2019
- Earnings growth achieved notwithstanding the loss of the equivalent of approximately 2 months' of operational time due to restrictions under COVID-19 regulations
- 18% increase in combined<sup>2</sup> H1 2020 revenue to GBP 29.4 million (33% increase to ZAR 615 million) from H2 2019
- Jubilee's cash position increased to GBP 10.8 million (ZAR 230.5 million)
- Jubilee's increased cash position was maintained despite settling of the final payment of GBP 1.4 (ZAR 30.6 million) for the acquisition of additional PGM and chrome rights, as well as settling historical debt of GBP 2.5 million (ZAR 53.9 million) while maintaining the capitalisation of the Zambian Sable Refinery
- All operations have returned to 100% capacity while maintaining strict health and safety measures
- Jubilee commenced production of both copper cathode and cobalt concentrate at its Sable Refinery
- Jubilee secures the rights to approximately 150 million tonnes of copper containing surface tailings targeted to be refined at the Sable Refinery
- Jubilee targets to reach 25 000 tonnes of copper per annum within the next 4 years

### **PGM Operations**

- PGM project operational earnings up 54% to GBP 12.5 million (74% increase to ZAR 262 million) from H2 2019
- PGM project revenue up 31% to GBP 21 million (48% increase to ZAR 439 million) from H2 2019

- Jubilee's operations being at surface enabled the Company to pro-actively implement safety measures to align with the required COVID-19 regulations
- PGM concentrate delivered reached 19 682 ounces (7% lower than that of H2 2019 due to COVID-19 restrictions)
- PGM results are net of 40% of the Windsor PGM results attributable to its joint venture partner

### **Chrome Operations**

- Chrome project earnings up 32% to GBP 0.2 million (up 49% to ZAR 4.7 million) from H2 2019 despite suppressed chrome metal prices during the period
- Chrome project revenue down 5% to GBP 8.4 million (up 7% to ZAR 176 million) from H2 2019
- Chrome concentrate produced up 3% to 191 995 tonnes for H1 2020
- Following the acquisition of PGM surface tailings, Inyoni Operations commenced with the production of chrome in November 2019 with a total of 21 018 tonnes of concentrate produced for H1 2020
- Jubilee commenced with the relocation of its ground breaking fine chrome facility to its much larger Windsor and Inyoni Operations to contribute more significantly to group earnings and overcome the delays in the potential roll-out of the solution caused by extended equipment delivery time lines during the period as a result of COVID-19

### **Integrated Kabwe Operations**

- Commenced production of copper cathode and cobalt concentrate
- Secured the rights to 150 million tonnes copper containing surface tailings in Zambia offering a long term sustainable earnings profile to the Zambian business
- Continues to actively engage with third party suppliers of both copper and zinc ore as part of the expansion of the Integrated Kabwe Project

1- Combined revenue and earnings exclude revenue and earnings attributable to joint venture partners

2- PGM - 6 Element Platinum Group Metals including platinum, palladium, rhodium, ruthenium, osmium and gold

3- All amounts in this announcement are converted at average conversion rates for the period for income statement purposes and at the period end spot rate for balance sheet purposes

**Leon Coetzer, Chief Executive Officer, commented:** *"I am proud to be leading such a committed Jubilee team that has delivered yet another exceptional performance. The growth in our operational earnings of 54% signals the sixth consecutive six-monthly period of double digit growth for the Company.*

*"During the six month period we have achieved a number of key milestones to both grow our PGM and Chrome production footprint while also replicating the success in these commodities in Zambia with the roll-out of our Copper strategy.*

*"The Group is demonstrating clear potential to continue to grow earnings over the next reporting period on the back of the commissioning of both of our copper and cobalt refining circuits and the expected ramp-up of our copper production.*

*"I am particularly pleased with our copper transaction where we secured the rights to approximately 150 million tonnes of copper containing surface material ("Project Elephant"). This transaction forms*

*a key part of our copper strategy which will target the production of copper concentrates at selected resources to then be further refined to pure metal at our Sable Refinery.*

*“We have targeted a second copper resource which if successfully concluded holds the potential to be brought into operation well in advance of our Project Elephant. This would secure a sustained copper ramp-up prior to Project Elephant being commissioned. We have set ourselves a target to achieve the production of 25 000 tonnes of copper per annum within the next 4 years.*

*“Our presence in Zambia over the past year since the acquisition of the Sable Refinery re-asserted our belief that many opportunities exist to expand our business model into all aspects of copper in the country. Zambia contains vast quantities of copper tailings requiring Jubilee's skills to unlock these opportunities. Jubilee is perfectly poised to play a commanding role in this area.*

*“The COVID-19 pandemic has brought with it a number of challenges over the last 6 months, however the manner in which Jubilee has been able to react and find solutions is testimony to the ingenuity of the Jubilee team and lies at the heart of 'The Jubilee Way'.”*

### **Combined Operational and Financial update**

Jubilee has maintained its strong growth trajectory in H1 2020, delivering yet another significant increase in earnings which is up 54% from the previous period. The growth in both revenue and earnings was delivered despite the operational interruptions and challenges posed by the current COVID-19 pandemic.

Beyond growth in revenue and earnings Jubilee has continued to strengthen its asset base, this time in Zambia. This aligns with the Company's strategy to target other geographical areas and metals including copper tailings resources in Zambia. On 18 June 2020, Jubilee announced that it had entered into a Joint Venture agreement with the mining rights holder, Star Tanganika Limited, to process approximately 150 million tonnes of copper containing surface tailings targeted to be upgraded at site and refined at its Sable Refinery in Zambia. The project will target the production of copper concentrate through a dedicated new copper concentrating facility ("Project Elephant") targeted to be constructed over the next 24 months. Project Elephant alone holds the potential to produce copper concentrates in excess of the total Sable Refinery capacity of 14 000 tonnes per annum of copper cathode. It is the Company's objective to increase the capacity to in excess of 25 000 tonnes of copper per annum over time based on feed sources and projects currently under review. Based on current operating margins maintained at the Sable Refinery for the production of copper cathode, combined with the performance of Jubilee's large scale piloting test programme on copper tailings, the project holds the potential to more than double Jubilee's current earnings profile. The ramp-up of the copper circuit was implemented to position the Company to capitalize on the positive sentiment returning to the copper industry which is expected to reflect in metal prices.

Jubilee has identified further copper containing resource which hold the potential to be brought into operation well in advance of Project Elephant. Such targeted projects offer Jubilee the potential to secure a sustained increase in copper production well in advance of commencing operation at Project Elephant.

The addition of the copper tailings in Zambia followed the significant increase in access to chrome and PGM surface material with the acquisition of all historical and future PGM tailings and all historical chrome rights at the Inyoni Operations, located in the Bushveld Complex, in November 2019. The

acquisition transformed the Company's Inyoni Operations from a co-operation processing agreement to owning 100% of the rights to PGM and chrome earnings from the current and future tailings produced at Jubilee's Inyoni Operations, without additional risk to the Company. Jubilee has also acquired all rights to a further c. 1 000 000 tonnes of PGM rich material located close to the Company's Windsor Chrome Operations. Jubilee was able to minimise the impact on its operations despite the temporary shutdown of the Inyoni PGM and Windsor PGM JV Operations, which have now returned to full capacity, delivering 19 682 ounces of PGM concentrate for H1 2020 (accounting only for 60% of ounces delivered and attributable to Jubilee from the Windsor PGM Operation).

In March 2020 Jubilee announced the temporary shutdown of its South African operations in line with the rules and regulations enforced by the South African authorities as a result of the COVID-19 pandemic. Jubilee took measures to minimise the negative financial effects and where possible cushion the effect on employees and in April 2020 Jubilee announced that all of its projects had recommenced operations excluding the Dilokong Chrome Mine ("DCM"). In May 2020, following a review to further optimise earnings, it was concluded that the leading fine chrome facility which was situated at DCM for the development and testing of the Company's renowned fine chrome facility, would be best placed at the Company's much larger Inyoni or Windsor chrome Operations to maximise earnings from this unique facility. The relocation process is expected to be completed by the end of August 2020 and is expected to significantly enhance Jubilee's chrome operational outputs.

The table below presents the combined operational revenue and earnings performance for H1 2020:

<b>COMBINED</b>	Project revenue <sup>1</sup> (GBP'000)	Project revenue (ZAR'000) <sup>1</sup>	Jubilee attributable earnings <sup>1</sup> (GBP'000)	Jubilee attributable earnings (ZAR'000)
<b>H1 2019</b>	14.361	263.873	5.641 <sup>2</sup>	103.713
<b>H2 2019</b>	24.966	461.669	8.299	153.501
<b>H1 2020</b>	29.441	615.028	12.760	266.554

*1- Combined revenue and earnings excludes revenue and earnings attributable to joint venture partners*

### Chrome Operations update – South Africa

Jubilee's chrome operations include DCM Chrome, Windsor Chrome and Inyoni Chrome following the acquisition by Inyoni of the chrome rights in November 2019. Chrome earnings increased by 32% to GBP0.2 million (up 49% to ZAR 4.7 million) from H2 2019 despite chrome revenues reducing by 5% to GBP 8.5 million (up 7% to ZAR 176 million) from H2 2019. This increase was driven by efficiencies and adjusting third party ore supply agreements to better reflect the fluctuations in the chrome price.

The table below presents the combined operational revenue and earnings performance for chrome for H1 2020:

<b>CHROME</b>	Chromite concentrate produced Tonnes	Project revenue (GBP'000)	Project revenue (ZAR'000)	Jubilee attributable earnings (GBP'000)	Jubilee attributable earnings (ZAR'000)
<b>H1 2019</b>	164 936	6.599	121.188	1.576	28.907

<b>H2 2019</b>	186 249	8.881	164.138	169	3.134
<b>H1 2020</b>	191 995	8.422	175.938	223	4.660

Chrome prices remain volatile due to the disruptions in the supply chain over the sixth month period, and these price fluctuations are expected to continue over the next six months as the world emerges from the pandemic and supply and demand fundamentals are better matched.

#### **Platinum Group Metals (“PGM”) Operations update – South Africa**

Jubilee’s PGM operations consist of the Inyoni and Windsor PGM operations with a further PGM project awaiting approvals at DCM. PGM project revenue is up 31% to GBP 21 million (48% to ZAR 439 million) from H2 2019. PGM project operational earnings is up 54% to GBP 12.5 million (74% to ZAR 262 million) from H2 2019. The impact on PGM production due to the operating restrictions enforced under the COVID-19 regulations resulted in a slight decrease in PGM ounces delivered. Operations have since returned to full capacities.

The table below presents the combined operational revenue and earnings performance for PGMs for H1 2020:

<b>PGM</b>	Tailings processed tonnes	PGM ounces delivered	Project revenue (GBP'000)	Project revenue (ZAR'000)	Jubilee attributable earnings (GBP'000)	Jubilee attributable earnings (ZAR'000)	Unit cost / PGM oz (USD)
<b>H1 2019</b>	237 035	11 559	7.762	142.686	4.065	74.806	412
<b>H2 2019</b>	553 672	21 082	16.085	297.530	8.129	150.368	544
<b>H1 2020</b>	481 353	19 682	21.019	439.091	12.537	261.894	537

The PGM basket price remained buoyant with demand continuing to outweigh supply and the PGM basket price is expected to remain well supported.

#### **Integrated Kabwe Operations, Zambia – Copper, zinc, lead and vanadium update**

The Company’s Kabwe Project combined with its multi-metal Sable Refinery establishes Jubilee’s fully integrated multi-metal recovery and refining operational footprint in Zambia. The Sable Refinery, which acts as a central processing facility for third party material in the region, gives access to a current resource comprising of an estimated 150 million tonnes of copper tailings and 6.4 million tonnes of surface waste assets containing zinc, lead and vanadium pentoxide.

The acquisition of the Kabwe Project served as an entry point for Jubilee into Zambia presenting the Company with a very well-placed platform from which to pursue the various base metal opportunities presented by the country and to begin actively engaging with third party suppliers to develop strategic partnerships as part of the expansion of the Integrated Kabwe Operations.

Jubilee entered into a joint venture agreement to secure rights to process approximately 150 million tonnes of copper containing tailings, with the mining rights holder, Star Tanganika Limited, targeted to be upgraded at site and refined at its Sable Refinery in Zambia. Based on current operating margins

maintained at the Sable Refinery for the production of copper cathode, combined with the performance of Jubilee's large scale piloting test programme on copper tailings, the project holds the potential to more than double Jubilee's current earnings profile.

The Board and management see great opportunity to expand operations in the country, particularly in copper where there is a significant supply of on-surface waste material. Jubilee's implementation of its copper strategy is centred on in-house proven ability to pre-concentrate and extract value from tailings resources. The systematic implementation of the strategy includes; the commissioning of the copper refinery circuit; processing tails owned by Sable Refinery to produce copper cathode; entering into third party ore supply offtake agreements and securing exclusive access to vast surface copper tailings resources.

During the period the cobalt refinery circuit was brought on-line to process historical copper tailings as well as third party run-of-mine material. The first high grade copper cathode was produced in December 2019 with the completion of the solvent extraction circuit. The Sable Refinery has been able to maintain a production rate of approximately 100 tonnes of copper cathode per month based on own tails alone with an additional production of 100 tonnes of copper cathode per month being ramped up from third party run-of-mine material. The ramp-up production target from third party run-of-mine material remains at 400 tonnes per month of copper cathode. This ramp up was temporarily delayed by restrictions imposed on the supply of cross border services but is expected to be reached during the next quarter.

During the period Jubilee placed the zinc refinery construction on hold due to the restrictions on the supply of cross border services and uncertainty in market fundamentals. Jubilee will continue to review its decision and provide further updates to shareholders if the situation changes.

United Kingdom

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