

Jubilee Metals Group Plc

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("Jubilee" or the "Company" or the "Group")



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Operations and Projects Update for the six months to 30 June 2022 (H2 FY2022)

Jubilee Metals Group PLC, a diversified leader in metals processing with operations in Africa (AIM: JLP/AltX: JBL), is pleased to announce the performance of its operations and progress on growth projects for the six-month period to 30 June 2022. Figures in this announcement are unaudited and excludes the effect of foreign exchange profits or losses.

Jubilee's key achievement during the period was the completion and early results achieved of its c. £ 58 million (ZAR1.2 billion) investment programme in South Africa and Zambia that has reshaped the company, provided expanded production across PGMs, Chrome, Copper and Cobalt, and laid the platform for the expected growth during the full FY 2023 period.

Key Achievements for H2 FY2022

- Jubilee successfully completed its c. £ 58 million (ZAR 1.2 billion) investment programme to diversify and expand the Company's PGM, copper and cobalt operational footprint
- In South Africa, construction and commissioning of the new 45% expanded Inyoni operations were completed in March 2022 with an annualised nameplate production capacity of 44 000 PGM ounces and a 1.2 million tonnes combined chrome concentrate capacity (up 85%)
- Jubilee achieved increased production of 21 140 PGM ounces for the six-month period (up 5% from the previous six-month period) despite planned operational interruptions to complete the new Inyoni processing facility
- Notably 95% of PGM ounces was produced at the new Inyoni operations during six-month period (compared to 75% in FY2021). This brings enhanced economics to Jubilee and has mitigated the impact of softer PGM prices
- Early results from the new Inyoni operations have outperformed expectations with a 34% reduction in PGM unit cost compared with the six-month period ending December 2021, as the facility benefits from significantly increased operational footprint and increased contribution from chrome production
- The enlarged Inyoni delivered an increase in unit earnings per PGM ounce of 12% compared with the six-month period ending December 2021, despite the realised PGM basket price reducing 3% over the period
- In Zambia, Copper production increased 14% to 1 388 tonnes, over the previous six-month period
- Southern Copper Refining Strategy for 12 000 tonnes per annum of copper was brought onstream with the commissioning of the new Roan copper concentrator and ramp-up of operations reached 80% of design capacity in August 2022

Leon Coetzer, CEO, commented: *"I am extremely proud of the Jubilee team's performance, and I thank each one of them for their dedication and innovation despite the various challenges, including at times,*

intense and prolonged supply chain disruptions. The team has delivered a significantly expanded and further diversified operational footprint which is already producing material increases in output and efficiencies.

“The rationale for the investment to expand our Inyoni operations is best illustrated by the simultaneous increase in not only the overall PGM production but also the sharp increase in earnings generated per PGM ounce despite softer metal prices. The past six months and especially the last quarter has shown a sharp increase in PGM production and lower costs as Inyoni achieved its full design capacity with the majority of the PGM production stemming from this quarter. This performance underpins our target of reaching 44 000 PGM ounces per annum from our own facilities as more of our production benefits from our renowned efficiencies.

“Equally in copper following a delayed start due to equipment deliveries, our Project Roan reached 80% of design capacity during the first week of August. This puts us on track to achieve our targeted 3 700 tonnes of copper over the current six-month period ending December 2022. The increased production rates are expected to further reduce our unit cost. With the delivery of Project Roan, we are on track to reach 10 000 tonnes of copper for the full twelve-month period ending June 2023, while we work to unlock the cobalt potential.

“I am very excited by what the FY 2023 period holds. It offers tremendous potential growth for our Company as it benefits from the foundation laid during the FY2022 period, with the full exposure of our enlarged South African operations as well as the commissioning of our new 12 000 tonnes per annum Southern Copper Refining operations and the realisation of our cobalt production.”

OPERATIONAL KEY PERFORMANCE INDICATORS

COMBINED OPERATIONAL PERFORMANCE (UNAUDITED)					
KEY UNITS OF PRODUCTION	Unit	12 months to 30 Jun 2022 FY2022	six months to 30 Jun 2022 (H2)	six months to 31 Dec 2021 (H1)	% change H2 vs H1
PGM ounces:					
- Inyoni	Oz	35 188	20 036	15 152	32%
- Third party JV	Oz	6 268	1 104	5 164	(79%)
Total PGM ounces	Oz	41 456	21 140	20 316	4%
Copper tonnes	Tonne	2 604	1 388	1 216	14%
UNIT REVENUE					
Revenue per PGM ounce	\$/oz	1 609	1 586	1 632	(3%)
Revenue per copper tonne	\$/t	9 195	8 903	9 527	(7%)
UNIT COSTS					
Net cost per PGM ounce (after by-product credits chrome) ¹	\$/oz	447	358	540	(34%)
Net cost per copper tonne (after by-product credits cobalt)	\$/t	5 371	4 931	5 873	(16%)
UNIT EARNINGS²					

Net earnings per PGM ounce	\$/oz	1 162	1 228	1 092	12%
Net earnings per copper tonne	\$/t	3 824	3 972	3 654	9%

COMBINED KEY FINANCIAL HIGHLIGHTS FROM OPERATIONS

- Operational earnings totalled £ 24 million (ZAR 480 million) for the six-month period ending June 2022 (up 24% from the previous six-month period)
- Revenue from operations totalled £ 76 million (ZAR 1.5 billion) for the six-month period ending June 2022 (up 21% from the previous six-month period)
- PGM unit cost of production reduced by 34% driven by increased PGM operational footprint and increased contribution of chrome by-product credits
- The group cash and cash equivalents as at 30 June 2022, stood at £ 16 million (FY2021 £ 19.6 million)

South African Operations

Operational Highlights

- South African operations maintained a strong safety performance over the six-month period with 162 days worked without any LTI
- Jubilee's PGM operations delivered 21 140 PGM ounces of which 95% was delivered by the expanded Inyoni operations for the six-month period. This equates to an increase of 32% compared with Inyoni's previous best performance of 15 152 PGM ounces
- Third party JV ounces decreased 79% as part of the strategy to migrate to Inyoni only production

Operational Financial Highlights

- Early results from the expanded Inyoni operations exceed expectations with a reduction of 34% in PGM unit cost of operations due to the increased PGM processing capacity and a sharp increase in the contribution from chrome by-product operations
- Net revenue from South African operations over the six-month period increased to £ 67 million (ZAR 1.3 billion) up 21% from the previous six-month period
- Net operational earnings from South Africa for the six-month period reached £ 20 million (ZAR 400 million) maintaining a strong margin of 30% and up 23% from the previous six-month period

Zambian Operations

Project and Operational Highlights

- Zambian operations maintained a strong safety performance achieving 124 days worked without any LTI
- 12 000 tonne per annum Southern Copper Refining Strategy brought into operation with the integration of the newly commissioned Roan copper concentrator with Sable Refinery
- Ramp-up of the Roan concentrator reaches 80% of design capacity at the time of this announcement
- Copper tonnes sold during the six-month period as part of operational trials increased to 1 388 tonnes, up 14% over the previous six-month period

Operational Financial Highlights

- Net revenue from Zambian operations increased to £ 10 million (ZAR 200 million) for the six-month period, up 16% from the previous six-month period
- Net operational earnings from Zambian operations increased to £ 4.2 million (ZAR 84 million) up 30% from the previous six-month period

Prospects for FY2023

South Africa

- The new enlarged PGM and chrome operations have set the platform to deliver 44 000 PGM ounces and 1.2million tonnes of chrome concentrate per annum from Jubilee's own capacity. The PGM production benefits from the increased efficiencies of this new enlarged facility, which is significantly subsidised by the increased chrome production as highlighted by the results for the H2 six-month period. FY2023 offers strong potential for growth in earnings as it benefits from the full exposure of our enlarged South African operations
- Jubilee continues to progress discussions to secure a further PGM processing footprint in the Eastern Limb of the Bushveld (north-eastern region of South Africa's chrome and PGM mining region). Jubilee has already secured significant tailings resources with further expansion opportunities in the area. Jubilee is reviewing the option to either secure a decommissioned PGM facility that will be repurposed by Jubilee, or to construct a new facility in the region

Zambia

- The Southern Copper Refining Strategy targets to produce 3 700 tonnes of copper within the first half of FY2023 ramping up to target 10 000 tonnes of copper for the full FY2023 year. If achieved this equates to a 284% increase in copper output
- In addition, the Company looks to complete the testing and commissioning of the cobalt circuit on the back of the completed ramp up of Project Roan offering the potential of significant earnings contribution
- Jubilee's technical and projects team can now dedicate their focus on the development and execution of the Northern Copper Refining Strategy

Please refer to the Appendices for a detailed breakdown of the performance achieved during H2 FY2022.

10 August 2022

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APPENDICES

SUMMARY OF OPERATIONAL AND FINANCIAL PERFORMANCE

South African Operations

USD		Pound Sterling
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FY2022	6 months to end Dec 2021	6 months to end Jun 2022	% change	Unit	UNAUDITED	Unit	% change	6 months to end Jun 2022	6 months to end Dec 2021	FY2022
					PRODUCTION					
35 188	15 152	20 036	32%	oz	Inyoni ounces sold	oz	32%	20 036	15 152	35 188
6 268	5 164	1 104	(79%)	oz	Third party JV ounces sold	oz	(79%)	1 104	5 164	6 268
41 456	20 316	21 140	4%	oz	Total PGM ounces sold	oz	4%	21 140	20 316	41 456
1 222 452	619 900	602 552	(3%)	tonne	By-product tonnes (chrome)	tonne	(3%)	602 552	619 900	1 222 452
					FINANCIALS					
					REVENUE FROM OPERATIONS					
66 703	33 164	33 539	1%	\$'000	PGM revenue	£'000	6%	25 820	24 330	50 150
94 370	41 487	52 883	27%	\$'000	By-product revenue (chrome)	£'000	34%	40 712	30 436	71 148
161 073	74 650	86 422	16%	\$'000	Net revenue	£'000	21%	66 532	54 766	121 298
					OPERATING COSTS					
26 162	13 823	12 340	(11%)	\$'000	- Processing cost	£'000	(6%)	9 500	10 141	19 640
4 654	1 534	3 120	103%	\$'000	- Transport costs Eastern Limb	£'000	113%	2 402	1 125	3 528
82 103	37 102	45 001	21%	\$'000	- By-product costs (chrome)	£'000	27%	34 644	27 219	61 863
112 919	52 458	60 461	15%	\$'000	Total PGM operating costs	£'000	21%	46 546	38 485	85 031
					OPERATIONAL EARNINGS					
35 886	17 807	18 079	2%	\$'000	PGM earnings	£'000	7%	13 918	13 064	26 982
12 267	4 385	7 882	80%	\$'000	By-product PGM earnings (chrome)	£'000	89%	6 068	3 217	9 285
48 153	22 192	25 961	17%	\$'000	Net earnings from operations	£'000	23%	19 986	16 281	36 267
					FINANCIAL RESULTS PER OUNCE					
1 609	1 632	1 586	(3%)	\$/oz	Revenue per PGM ounce	£/oz	2%	1 221	1 198	1 210
2 276	2 042	2 502	22%	\$/oz	By-product PGM revenue per ounce (chrome)	£/oz	29%	1 926	1 498	1 716
3 885	3 675	4 088	11%	\$/oz	Net revenue per PGM ounce	£/oz	17%	3 147	2 696	2 926

					Operating cost per PGM ounce:					
631	680	584	(14%)	\$/oz	- Processing cost	£/oz	(10%)	449	499	474
112	75	147	96%	\$/oz	- Transport costs Eastern Limb	£/oz	107%	114	55	85
1 980	1 826	2 129	17%	\$/oz	- By-product cost (chrome)	£/oz	22%	1 639	1 340	1 492
2 723	2 583	2 860	11%	\$/oz	Total operating cost per PGM ounce	£/oz	16%	2 202	1 894	2 051
1 162	1 092	1 228	12%	\$/oz	Net earnings per PGM ounce after by-product credit (chrome)	£/oz	18%	945	801	875
447	540	358	(34%)	\$/oz	Cost per PGM Ounce net of by-product credit (chrome)	£/oz	(30%)	276	396	335

Health and Safety

The South African operations maintained their record of no reportable occupational health or environmental incidents over the six-month period. The combined operations have achieved 162 days without a lost time injury (LTI) with a lost time injury frequency rate (LTIFR) of 2.0. Over the period 217 128 tonnes of historical tailings were uplifted, processed and placed on a modern tailings facility by the Jubilee tailings operations.

Operational Performance

In South Africa, Jubilee delivered on its strategy to maximize the processing of historical tailings through its own operations, rather than utilizing the processing capacity offered by third party processing facilities through existing joint venture agreements. Jubilee's new Inyoni processing facility significantly outperforms the efficiencies achieved at the third-party facilities.

The PGM operational processing capacity has been increased by 45% to 75 000 tonnes per month which holds the potential to produce 44 000 PGM ounces per annum. The expansion program included the expansion of the chrome processing operations by approximately 80% to 250 000 tonnes per month which holds the potential to produce 1.2 million tonnes of chrome concentrate per annum. The chrome operations play an important role in Jubilee's PGM operations by not only acting as a feeder system to the PGM operations but also subsidising the PGM unit cost through the sales of chrome concentrate.

Jubilee achieved the production of 21 140 PGM ounces for six-month period. Notably 95% of the PGM production stemmed from the new Inyoni operations, exceeding Inyoni's previous best performance by 32%. Q4 of FY2022 saw a significant jump in PGM production as the new Inyoni operations reached its full design capacity. The enlarged facility benefits from the scale of operations with the unit cash cost to produce a PGM ounce reducing to US\$ 358 over the six-month period. The cash cost per PGM ounce for the six-month period benefitted from the increased contribution from the sale of chrome concentrate accounting for US\$ 373 per PGM ounce or £ 6.1 million (ZAR 122 million).

While PGM production over the six-month period continued to be impacted by the ramp-up of the new Inyoni processing facility, production of PGMs is expected to continue to sharply increase as the new Inyoni facility operates at full design capacity.

The Company confirms its guidance of 44 000 PGM ounces from own production for FY2023 with an option to add a further 8 000 PGM ounces from third party processing agreements dependent on stock availability.

Zambian Operations

USD						Pound Sterling				
FY2022	6 months to end Dec 2021	6 months to end Jun 2022	% change	Unit	UNAUDITED	Unit	% change	6 months to end Jun 2022	6 months to end Dec 2021	FY2022
					PRODUCTION					
2 604	1 216	1 388	14%	Tonnes	Copper tonnes sold	Tonnes	14%	1 388	1 216	2 604
					FINANCIALS					
					REVENUE FROM OPERATIONS					
23 943	11 585	12 358	7%	\$'000	Copper revenue	£'000	12%	9 514	8 499	18 013
441	-	441	100%	\$'000	By-product copper revenue (cobalt)	£'000	100%	339	-	339
24 384	11 585	12 799	10%	\$'000	Net copper revenue	£'000	16%	9 853	8 499	18 352
					OPERATING COSTS					
13 985	7 141	6 844	(4%)	\$'000	Total copper operating costs	£'000	1%	5 269	5 239	10 508
					OPERATIONAL EARNINGS					
					Copper earnings					
					By-product copper earnings (cobalt)					
9 958	4 444	5 514	24%	\$'000	Net copper earnings	£'000	30%	4 245	3 260	7 505
					FINANCIAL RESULTS PER TONNE					
9 195	9 527	8 903	(7%)	\$/t	Revenue per copper tonne	£/t	(2%)	6 854	6 989	6 917
169	-	318	100%	\$/t	By-product revenue per copper tonne (cobalt)	£/t	100%	245	-	130
9 364	9 527	9 221	(3%)	\$/t	Net revenue per copper tonne	£/t	2%	7 099	6 989	7 048
3 824	3 654	3 973	9%	\$/t	Net earnings per copper tonne after by-product credit (cobalt)	£/t	14%	3 058	2 681	2 882
5 371	5 873	4 931	(16%)	\$/t	Cost per copper tonne net of by-product credit (cobalt)	£/t	(12%)	3 796	4 308	3 905

Health and Safety

The Zambian operations maintained their record of no reportable occupational health or environmental incidents over the six-month period. The combined operations and projects have achieved 124 days without a LTI with a LTIFR of 2.9.

Operational Performance

Jubilee's copper strategy in Zambia includes, as its first phase, the implementation of its Southern Copper Refining Strategy which targets to produce up to 12 000 tonnes (design capacity of 14 000 tonnes) of copper units per annum including a cobalt by-product from certain cobalt containing feed streams. The fully integrated Southern Copper Refining Strategy is a significant step for Jubilee as it diversifies its processing footprint across commodities and jurisdictions. It also holds the potential to significantly grow Jubilee's earnings in a commodity such as copper supported by strong fundamentals.

The strategy integrates the upgraded Sable Refinery with Project Roan, a new copper concentrator processing both Run-Of-Mine copper ore as well as tailings to produce copper concentrates for refining at Sable (10 000 tonnes per annum), which complements the existing supply of third-party feed to Sable refinery (2 000 tonnes per annum). Total capital spent to end June 2022 to deliver the integrated Southern Copper Refining Strategy's capital allocation totalled c. £ 36.1 million (ZAR 721 million).

Jubilee's project execution team broke ground for the construction of the new copper concentrator, Project Roan, in June 2021 and despite the challenges caused by the COVID 19 pandemic and its effect on supply chains the team was able to commence testing of certain equipment within seven months and completed all construction activity within eleven months which remains a remarkable achievement. Despite a slight delay in start-up Project Roan has reached a production throughput level of 80% of design capacity.

In addition to the copper refining capacity at Sable, Jubilee approved the implementation of a cobalt refining circuit at Sable which at full design capacity holds the potential to produce up to 1 200 tonnes of cobalt product per annum. Testing and ramp-up of the cobalt circuit will follow the completed Roan concentrator ramp-up to ensure stable feed to the circuit.

Crucially, and in line with Jubilee's goals to promote sustained, inclusive economic growth, the Southern Copper Refining Strategy has resulted in significant job creation, with total jobs filled in Zambia reaching over 700 during the last twelve months. Jubilee has prioritised sourcing of skills and services from its local communities and has in many instances partnered with local firms to assist in their growth and development to offer a sustained service to its projects.

Over the six-month period the Company sold 1 388 tonnes of copper at a unit cost of US\$ 4 931 per tonne of copper cathode. The majority of the production stems from operational trails as part of ensuring operational readiness at the Sable Refinery for Project Roan.

The Company targets the production of 3 700 tonnes of copper for the 6-month period ending December 2022 in-line with the ramp-up to full production of Project Roan.