

Jubilee Metals Group PLC
Registration number: 4459850
AltX share code: JBL
AIM share code: JLP
ISIN: GB0031852162
(Jubilee or the Company or the Group)

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Unaudited interim financial report for the six months ended 31 December 2023

Jubilee, a leading diversified metals processor in Africa, with its expanding copper operations and its substantial contribution to global chrome concentrate production, has published its unaudited interim financial report for the six months ended 31 December 2023 (H1 FY2024).

Highlights

- Strong operational performance was delivered by the Group with increased production across all operations delivering growth in revenue and earnings
- Zambian copper operations continue to show strong growth, driven by the investment in the expansion projects with an expected further sharp increase on completion of the upgrade to the Roan copper concentrator (Roan)
- Copper cathode and copper in concentrate (copper units) production increased by 46.5% to 1 683 tonnes (t) (H1 FY2023: 1 149t)
- Chrome concentrate production increased by 7.4% to 718 189t (H1 FY2023: 668 809t)
- Platinum group metals (PGM) production increased by 11.2% to 20 244 ounces (oz) (H1 FY2023: 18 208oz).
- The Group invested £12.9 million (H1 FY2023: £30.1) in the expansion of its copper and chrome operations
- Group revenue increased by 18.4% to £74.7 million (H1 FY2023: £63.1 million) driven by increased production during the period
- Group earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 13.6% to £11.7 million (H1 FY2023: £10.3 million)
- Group profit after tax increased by 7.3% to £4.4 million (H1 FY2023: £4.1 million)
- Earnings per share increased by 6.7% to 0.16 pence per share (H1 FY2023: 0.15 pence per share)
- Successfully concluded an oversubscribed placing of £13 million before costs at 5.5 pence per share on 4 January 2024 to mainly accelerate the copper expansion drive
- Partnered with Abu Dhabi's International Resources Holding RSC Limited (IRH) to develop the 'Waste Rock Project' in Zambia, to process an approximate 260 million tonnes (Mt) of copper-containing waste rock with the intention of closing the transaction mid-March

Statement from Leon Coetzer, Chief Executive Officer:

“The extent of our strong production performance, supported by the continued expansion of our copper and chrome operations, was able to offset a significant reduction in PGM metal prices to deliver growth in both revenue and earnings.

In Zambia, where we are investing and growing production, copper output improved by 46.5% despite the disruption caused by the implementation of the ongoing Roan concentrator front-end upgrade project. As a reminder, this project will allow Roan to process multiple feed sources of copper oxide and sulphides simultaneously with a capacity of 13 000t per annum of copper contained in copper concentrates. The timely completion of the Roan upgrade is key towards achieving the copper guidance for the full period due to the expected significant step-up in copper production this project brings. Initial delays suffered due to international logistical constraints have been addressed by reprioritising local production of key remaining components. The Jubilee technical team continues to actively push the implementation timelines.

At our Sable refinery, the expansion of the copper sulphide circuit is underway to better accommodate the expected sharp increase in copper production resulting from both our Roan operations and the development of the Munkoyo copper resource project located near Sable.

The exciting partnership on the new waste rock deposit with Abu Dhabi’s IRH, announced in December, highlights our commitment to leveraging innovative, cost-effective and environmentally sustainable mining solutions. This initiative is poised to unlock significant value from one of Zambia's largest copper waste rock assets, aligning with our dedication to responsible mining practices.

Our South African operations, with stable production and incremental growth plans, delivered an increase of 7.4% in chrome concentrates reaching in excess of 718 000t over the six-month period, placing us well on track to meet and exceed guidance. Our additional chrome expansion projects are underway with the election to add further chrome processing modules to the Thutse operations as we move closer to achieving our goal of 2 Mt tonnes per annum of chrome concentrate. The PGM output as a by-product of the chrome operations further improved processing efficiencies to increase production by 11.2% for the period under review.

While unit costs increased in the period, largely as a result of the processing of more own-sourced chrome feed material and higher logistics costs for the PGM feeds, South Africa remains a stable, free cash flow-generating base for the Group, capable of funding its own growth projects.

Environmental, social and corporate governance (ESG) efforts continue to be at the forefront of our operations, with renewable energy in Zambia and the roll-out of our Group safety management system providing incremental steps towards sustainable mining in the locations where we operate.”

Operational highlights

Zambia

- Copper units produced increased by 46.5% to 1 683t (H1 FY2023: 1 149t). The improved copper production was achieved despite the operational disruptions at Roan as part of the ongoing front-end module upgrade project which is set to significantly increase copper production during the remaining half-year period
- The safety performance in Zambia showed significant improvement, with the lost time injury frequency rate (LTIFR) reducing to 0.61 (H1 FY2023: 2.9)

South Africa

- Chrome production increased by 7.4% to 718 189t (H1 FY2023: 668 809t)
- Chrome revenue per tonne increased by 36.4% to US\$90/t (H1 FY2023: US\$66/t), supported by a strong chrome pricing environment and Jubilee's strategy to process additional own-sourced material
- Chrome cost per tonne increased by 19.7% to US\$73/t (H1 FY2023: US\$61/t), as a result of purchasing and processing more own-sourced chrome feed material
- PGM production increased by 11.2% to 20 244oz (H1 FY2023: 18 208oz)
- PGM cost per ounce increased by 16.4% to US\$895/oz (H1 FY2023: US\$769/oz), driven by higher logistics costs associated with the tailings material processed in the current reporting period
- The South African operations' safety remains a focus point, with LTIFR regressing to 2.17 (H1 FY2023: 1.0)

Financial highlights

Group

- Group revenue increased by 18.4% to £74.7 million (H1 FY2023: £63.1 million) comprising:
 - Copper units revenue increased by 23.5% to £6.3 million (H1 FY2023: £5.1 million), supported by improved average copper cathode market prices of US\$8 262/t (H1 FY2023: US\$7 864/t) achieved
 - Chrome revenue increased by 46.2% to £51.9 million (H1 FY2023: £35.5 million) due to of chrome concentrate tonnes sold increasing by 13.9% to 721 974t (H1 FY2023: 634 111t), supported by the average chrome concentrate price per tonne received increasing by 36.4% to US\$90/t (H1 FY2023: US\$66/t)
 - PGM revenue decreased by 26.7% to £16.5 million (H1 FY2023: £22.5 million), being negatively impacted by a 29.7% decrease in the average US\$ PGM basket price received to US\$1 021/oz (H1 FY2023: US\$1 453/oz) while offset by PGMs sold increasing by 11.2% to 20 244oz (H1 FY2023: 18 208oz)
- Group cost of production increased by 24.4% to £60.7 million (H1 FY2023: £48.8 million) predominantly due to an increase in our chrome feed purchases and higher logistical costs of PGM tailings materials processed during the period
- Group EBITDA increased by 13.6% to £11.7 million (H1 FY2023: £10.3 million)

- The Group's capital investment in non-current assets decreased to £13.2 million (H1 FY2023: £30.5 million) because of expansion projects concluding in Zambia and South Africa during the period under review
- The Group had £5.0 million in cash at the end of the period (30 June 2023: £12.6 million), noting that, on 4 January 2024, the Company raised £13 million before expenses through an equity placing to fund its Zambian strategy and growth
- Earnings per share increased to 0.16 pence per share (H1 FY2023: 0.15 pence per share).
- Headline earnings per share decreased to 0.06 pence per share (H1 FY2023: 0.13 pence per share).

Zambia

- Copper units revenue improved by 23.5% to £6.3 million (H1 FY2023: £5.1 million)
- Copper units cost per tonne improved by 13.0% to US\$4 554/t (H1 FY2023: US\$5 232/t), mainly due to the improved copper production period-on-period
- Copper units gross profit improved by 66.6% to £2.0 million (H1 FY2023: £1.2 million)

South Africa

- Chrome revenue increased by 46.5% to £52.0 million (H1 FY2023: £35.5 million), benefiting from the new Thutse Project and the following:
 - Chrome concentrate sales tonnes increased by 13.9% to 721 974t (H1 FY2023: 634 111t)
 - The average chrome concentrate price per tonne received increased by 36.4% to US\$90/t (H1 FY2023: US\$66/t)
- The average chrome cost per tonne increased by 19.7% to US\$73/t (H1 FY2023: US\$61/t), given the additional own-sourced chrome feed material purchased in the current reporting period
- Chrome gross profit increased by 296.0% to £9.9 million (H1 FY2023: £2.5 million)
- PGM revenue decreased by 26.7% to £16.5 million (H1 FY2023: £22.5 million), predominantly due to:
 - PGM ounces sold increased by 11.2% to 20 244oz (H1 FY2023: 18 208oz)
 - The US\$ PGM average basket price per ounce received decreasing by 29.7% to US\$1 021/oz (H1 FY2023: US\$1 453/oz)
- PGM cost per ounce increased by 16.4% to US\$895/oz (H1 FY2023: US\$769/oz) due to higher logistical costs associated with the tailings feed sources for the Inyoni plant in the current period
- PGM gross profit decreased by 80.9% to £2.0 million (H1 FY2023: £10.5 million)

Outlook

- The Group's focus is on innovative modular processing technology to achieve low-cost, near-term production growth, with a strategic goal to expand operations to exceed 25 000t per annum of copper content in copper cathode and concentrates achieved by:

- Upgrading the Sable refinery and the Roan concentrator to increase production capacities, with Sable's capacity expansion to 16 000t and Roan's to 13 000t of copper units per annum. A significant upgrade includes the construction of Sable's sulphide circuit expected in Q3 CY2024 and the commissioning and ramp-up of a new copper processing module at Roan by the end of April 2024, aiming to boost copper production significantly
- Jubilee's Project Munkoyo, advancing on schedule near Sable, anticipates its first test material delivery in Q4 FY2024, supporting long-term quality copper supply starting early in CY2025, aligning with the strategy to enhance copper resources and processing capacity through innovative projects and further opportunities in Zambia
- Concluding the Waste Rock Project acquisition with our partners IRH by mid-March 2024, which will provide the Group with a fully funded 30% position in one of Zambia's largest waste rock dumps while being appointed under a management contract to design, implement and operate the project
- The Group is uniquely positioned to enhance Thutse's capacity by constructing two additional 50 000t per month modules, thereby achieving our long-term annual production target of 2Mt of chrome concentrates
- The Group's FY2024 production guidance:
 - Guidance of 5 850t for copper units is unchanged pending the timely commissioning of the front-end upgrade of Project Roan
 - Chrome operations expected to exceed guidance of 1.45Mt of chrome concentrate
 - PGM production guidance of 42 000oz remains unchanged

Investor call

Management will host a presentation and Question and Answer session for investors at 09:00 UK time on 28 February 2024. Investors can sign up to Investor Meet Company at no cost at <https://bit.ly/3kT8Fb9>

Investors who already follow Jubilee Metals on the Investor Meet Company platform have automatically been invited. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 09:00 the day before the meeting or at any time during the live presentation.

Analyst conference call and webcast

Jubilee will host a conference call and webcast for analysts at 11:00 UK time on 28 February 2024. To attend the analysts' call, please contact investor relations at jubilee@tavistock.co.uk

Full Announcement

This short-form announcement is the responsibility of the Directors of the Company and is a summary of the information in the full announcement released and does not contain full or complete details. The full announcement released is available for viewing on the following websites:

Company's website: <https://jubileemetalsgroup.com/investors/rns-news/>

JSE website: <https://senspdf.jse.co.za/documents/2024/jse/isse/jble/Int2024.pdf>

Any investment decision by investors and/or shareholders should be based on consideration of the full announcement released on SENS, copies of which are available, at no charge, on request from the company secretary: Carina De Beer, cdebeer@jubileemetalsgroup.com.

26 February 2024

For further information, visit www.jubileemetalsgroup.com, follow Jubilee on Twitter (@Jubilee_Metals) or contact:

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