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

Jubilee Executes Kabwe Project Agreements

Highlights

- Jubilee executes Shareholders' and Operating agreement with BMR Group PLC for the Kabwe surface project
- Jubilee appointed as operator of the Kabwe surface project tasked with concluding the business plan and implementation of the project
- Jubilee to provide further loan funding of £2,000,000 for an effective 40% ownership of the joint venture company holding the Kabwe project in addition to holding 29,01% of BMR Group PLC

Jubilee is pleased to announce the execution of both a Shareholders' Agreement and Operating Agreement with BMR Group PLC ("BMR") to jointly pursue the Kabwe Surface zinc, lead and vanadium project in Zambia ("the Project"). The two agreements follow the binding term sheet executed between the companies as announced on 23 October 2017.

Leon Coetzer, Chief Executive commented:

"I am delighted to have successfully executed the agreements which capture Jubilee's participation in this very exciting surface processing project.

Our immediate next project deliverable is to present the project business plan to the newly formed joint venture company for approval by the board. I will be presenting the project execution plan to the Zambian authorities for approval in the coming days as part of our ongoing engagement with the Zambian mining department.

Our agreement with BMR calls for the final business and execution plan to be approved by the 15th of June 2018. We will continue with site preparation work and confirming equipment specifications during this time.

The Jubilee team is ready to commence with the execution of the project on behalf of BMR."

Shareholders' Agreement Overview

Under the Shareholders' Agreement, a joint venture company will be established ("Kabwe Operations") which will be assigned all intellectual property developed for the execution of the Project as well as the right to fund and execute the Project on behalf of BMR.

Kabwe Operations is appointed the project manager with Jubilee appointed as the operator of the Project, with responsibility for the developing the Project business plan, joint funding, construction, commissioning and operations of the Project.

In terms of the Shareholders' Agreement, Jubilee is offered the right to earn into Kabwe Operations through staged debt funding ("Debt Finance") as set out below. Jubilee's earn-in interest in Kabwe Operations will be through preferred shares issued in Kabwe Operations ("Preferred Shares"), which will have equal voting rights to the issued ordinary shares of Kabwe Operations and will have the preferred right to receive 100% of distributed profits from Kabwe Operations until the preferred Debt Finance plus a 30% interest component is fully paid, where after the Preferred Shares will convert into ordinary shares of Kabwe Operations.

Jubilee Key Earn-in Terms for Kabwe Operations:

- (a) Phase 1 - Jubilee has already provided access to funding for Kabwe Operations to the value of £300,000 to secure a 15% equity interest in Kabwe Operations held as a Preferred Share.
- (b) Phase 2 - Jubilee will provide access to a further £1,000,000 funding towards the implementation of the approved business plan to secure a further 15% equity interest in Kabwe Operations taking the aggregate interest of Jubilee to 30% held as a Preferred Share. As security for the Jubilee Debt Finance, the BMR Group would grant security over the whole of its shareholding in the Kabwe project through its subsidiary Enviro Processing Limited ("EPL").
- (c) Phase 3 - Jubilee will provide access to a further £1,000,000 funding towards the implementation of the approved business plan to secure a further 10% equity interest in Kabwe Operations taking the aggregate interest of Jubilee to 40% held as a Preferred Share.

Shareholders' Agreement - Further Funding Terms

The amount of any subsequent loan funding required from time to time for the Project shall be approved by the board of Kabwe Operations in accordance with the Business Plan presented by Jubilee, and shall be procured by way of:

- (a) firstly, loans from shareholders pro rata to their interest in the Kabwe Operations should the shareholders indicate a willingness to further fund Kabwe Operations on terms and conditions to be agreed upon at that time; or
- (b) secondly, loans from a financial institution or other third party, upon the most favourable terms available; or
- (c) thirdly, in the event that funding is unsuccessful as contemplated above, additional or other loans from shareholders, pro rata to their shareholding.

In the event that any shareholder fails, for any reason to pay all or any of its pro rata portion of such loan funding, the remaining shareholders shall be entitled to provide the shortfall in which event the failing shareholder shall be diluted accordingly.

Operating Agreement Overview

- (a) Under the agreement, EPL, holder of the Project, appoints the Kabwe Operations as the managing consultant of the Project and appoints Jubilee as the operator of the Project to manage, operate and administer the Project for and on behalf of Kabwe Operations.
- (b) Jubilee as operator shall project manage the development and funding of the Project, including executing the development work programme and Business Plan of Kabwe Operations. Jubilee shall in addition submit designs, construct and operate the plant and shall process the feed material, including the tailings, at the plant in order to produce and sell into the market saleable product for profit, at the direction of Kabwe Operations.
- (c) As a result of delays caused by the temporary termination of BMR's Kabwe mining licence, announced on 7 February 2018 and which was re-instated as announced on 5 April 2018, Jubilee will prepare the initial design, work programme and budget for the construction phase of the Kabwe project by 14 June 2018 at which point it will make a decision whether to proceed with the plant development. In the intervening period Jubilee, as operator, will also hold discussions with the Zambian authorities regarding the proposed timing of construction and commissioning of the plant in light of the conditions attached to the mining licence at the time of it being reinstated.
- (d) BMR and/or EPL have ceded, assigned and transferred to Kabwe Operations the IP in relation to the processing methodology for the Project (which is licensed to EPL to enable its execution of the Kabwe project in accordance with the specifications and delivery plans of Kabwe Operations).

United Kingdom

2 May 2018

Contacts

Jubilee Metals Group PLC

Colin Bird/Leon Coetzer

Tel +44 (0) 20 7584 2155 / Tel +27 (0) 11 465 1913

Andrew Sarosi

Tel +44 (0) 1752 221937

Nominated Adviser

SPARK Advisory Partners Limited

Mark Brady/Andrew Emmott

Tel: +44 (0) 203 368 3555

Broker

Shard Capital Partners LLP

Damon Heath/Erik Woolgar

Tel: +44 (0) 207 186 9900

JSE Sponsor

Sasfin Capital, (a member of the Sasfin group)

Sharon Owens

Tel +27 (0) 11 809 7500

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