

RNS Number : 9001B
Jubilee Metals Group PLC
15 January 2018

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

Jubilee Acquires Significant Equity Position in BMR Group Plc ("BMR") (AIM:BMR)

HIGHLIGHTS

- Jubilee to acquire a 29.01% interest in the enlarged issued share capital of BMR ("Acquisition")
- Increases Jubilee's effective interest in the Zambian Kabwe project to 57.41% subject to Jubilee's election to execute the Kabwe Project
- JORC compliant lead and zinc in Kabwe Dumps is estimated at 164 000 tonnes of zinc and 272 000 tonnes of lead excluding the further significant non-JORC compliant surface resources and the contained vanadium
- Ongoing due diligence has confirmed understanding of size and quality of the Kabwe lead, zinc and vanadium surface assets
- Testwork performed confirming the process characteristics for metals recovery
- Jubilee to work with the BMR board to fast track other similar opportunities identified in the country
- Jubilee representation on the BMR board and right to appoint senior executive to BMR's Zambian subsidiary Enviro Processing Limited ("EPL"), holder of the Kabwe Project

Leon Coetzer, CEO of Jubilee commented:

"This strategic acquisition is consistent with our stated mission to take our brand into low risk surface projects in other commodities and other countries.

The Acquisition secures Jubilee the right to a significantly increased effective interest in the Kabwe project which is dependent only on our decision to progress the Kabwe project, which remains subject to the completion of our due diligence. I expect to conclude our decision on

whether to proceed with the Kabwe project and on what project design parameters, by the 28th of February 2018.

The Acquisition also provides Jubilee the benefit of the in-country presence that BMR has established. This gives us the opportunity to fast track our entrance into Zambia for other targeted projects.

Our on-going due diligence of the Kabwe project has confirmed our understanding of the significant size and quality of the various surface assets. I was particularly encouraged by our metal recovery trials which included the leachability of the zinc, lead and the vanadium. These results confirmed the recoverability of the targeted metals. Our due diligence now focusses on working with the BMR team to establish the optimal recovery route for extracting the metals both from a commercial perspective as well as in an environmentally responsible manner.

I look forward to realising the full potential of this investment for the benefit of all our stakeholders."

Transaction Overview

Jubilee has agreed to acquire, conditional only on admission to trading on AIM, a total of 97 371 298 new ordinary shares of BMR ("BMR Subscription Shares"), which equates to 29.01% in the enlarged share capital of BMR, for a total consideration of GBP 500 000 cash and the issue of 63 166 969 new ordinary shares of Jubilee ("Jubilee Subscription Shares"). In addition BMR will offer Jubilee an executive seat on the BMR board as well as an executive seat on the EPL board.

Based on the closing price of each Jubilee ordinary share on 11 January 2018 of 3.65 pence, the Jubilee Subscription Shares element of the consideration equates to GBP 2 305 594.

Under the terms of the subscription and subject to Jubilee holding more than 15% of BMR's issued share capital, Jubilee is entitled to appoint an executive director to the Board of BMR and to the board of BMR's subsidiary EPL. Both the Company and BMR are subject to lock-in and orderly market arrangements for the trading of each of the party's subscription shares for a period of 12 months on normal market terms, such that neither company may sell more than 25% of the Subscription Shares during the first six months and 50% of the Subscription Shares during a period of six months thereafter.

The Jubilee Subscription Shares have been issued, conditional on Admission (as defined below), as fully paid and rank *pari passu* in all respects with the existing ordinary shares, including the right to receive all dividends and other distributions declared on or after the date on which they are issued.

Application will be made for the Jubilee Subscription Shares to be admitted to trading on AIM and to be listed on the AltX of the JSE Limited, which is expected to take place on or around 19 January 2018 ("Admission").

Following Admission, the Company's total issued share capital will comprise 1 306 527 911 ordinary shares. As the Company does not hold any Ordinary Shares in treasury, this figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company following Admission.

Upon admission, BMR's aggregate holding in Jubilee will amount to 63 166 969 ordinary shares (representing 4.83% of the enlarged Jubilee share capital) and Jubilee's holding in BMR will amount to 97 371 298 ordinary shares (representing 29.01% of the enlarged BMR share capital).

It is also noted that Colin Bird and Tiger Resource Finance PLC, a company of which Colin Bird is a director and shareholder, own in aggregate 3 006 250 BMR ordinary shares.

Please refer to the BMR website for more detail on the company and its activities which can be reached at www.bmrplc.com.

Andrew Sarosi, Director of Jubilee, who holds a B.Sc. Metallurgy and M.Sc. Engineering, University of Witwatersrand and is a member of the Institute of Materials, Minerals and Mining, is a "qualified person" as defined under the AIM Rules for Companies and a competent person under the reporting standards. The technical parts of this announcement have been prepared under Andrew's supervision and he has approved the release of this announcement.

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

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