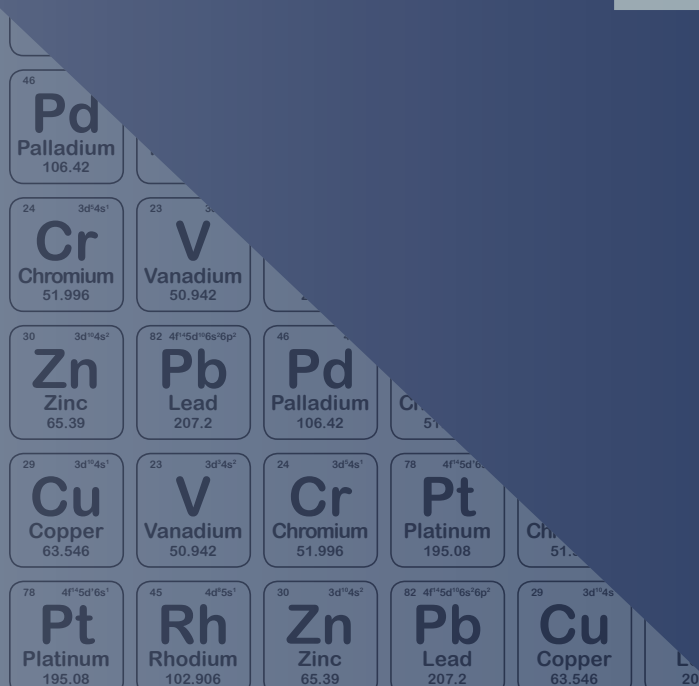


2019



46 Pd Palladium 106.42	23 V Vanadium 50.942	46 Pd Palladium 106.42
24 Cr Chromium 51.996	23 V Vanadium 50.942	46 Pd Palladium 106.42
30 Zn Zinc 65.39	82 Pb Lead 207.2	46 Pd Palladium 106.42
29 Cu Copper 63.546	23 V Vanadium 50.942	24 Cr Chromium 51.996
78 Pt Platinum 195.08	45 Rh Rhodium 102.906	30 Zn Zinc 65.39

Contents

Administrative information	2
Abbreviations	3
Strategic report	5
• Chairman's statement	5
• Chief Executive Officer's report	7
Report of the Directors	17
Statement of Directors' responsibilities	32
Report of the Audit and Risk Committee	33
Independent auditor's report to the members	34
Group and Company statements of financial position	42
Group and Company statements of comprehensive income	43
Group and Company statements of changes in equity	44
Group and Company statements of cash flows	46
Notes to the Group and Company financial statements	47
Shareholder analysis	93

Administrative information

DIRECTORS	Colin Bird (<i>Non-Executive Chairman</i>) Dr NM Phosa (<i>Non-Executive Director</i>) Leon Coetzer (<i>Chief Executive Officer</i>) Dr Evan Kirby (<i>Technical Director</i>) Christopher Molefe (<i>Non-Executive Director</i>)	
SECRETARY	Link Company Matters Limited 34 Beckenham Road Beckenham, Kent, BR3 4TU	
REGISTERED OFFICE	United Kingdom 1st Floor 7/8 Kendrick Mews London, SW7 3HG	South Africa Ground Floor Support Services Place Jigsaw Office Park 7 Einstein Street, Highveld Techno Park Centurion, 0157
AUDITORS	Saffery Champness 71 Queen Victoria Street London, EC4V 4BE	
NOMINATED ADVISER	Spark Advisory Partners Limited 5 St. John's Lane London, EC1M 4BH	
JOINT BROKERS	Shard Capital Partners LLP 23rd Floor, 20 Fenchurch Street London, EC3M 3BY	WHIreland 3rd Floor, Royal House, 28 Sovereign St Leeds, LS1 4BJ
SPONSOR	Sasfin Capital 29 Scott Street, Waverley Johannesburg, 2090	
INVESTOR RELATIONS	St Brides Partners Ltd 51 Eastcheap London, EC3M 1JP	
BANKERS	National Westminster Bank PLC 246 Regent Street London, W1B 3PB	
REGISTRARS	United Kingdom Link Asset Services 34 Beckenham Road Beckenham, Kent, BR3 4TU	South Africa Computershare Investor Services Pty Ltd Rosebank Towers, 15 Biermann Ave Rosebank, 2196
SOLICITORS	United Kingdom Fladgate LLP 16 Great Queen Street London, WC2B 5DG	South Africa AJH Attorneys Ground Floor, Kingston House 20 Georgian Crescent East Bryanston, 2021

Abbreviations

“BMR”	means BMR Group Plc
“BPS”	means Braemore Platinum Smelters (Pty) Ltd, a wholly owned subsidiary of Jubilee
“BPMR”	means Braemore Precious Metals Refiners (Pty) Ltd, a subsidiary of Jubilee and operator of the Inyoni Operations
“Braemore Plant”	means the PGM concentrate processing plant built, owned by Braemore Platinum Smelters and operated by BPMR, at the site of Hernic Ferrochrome (Pty) Ltd, together with all equipment, components, machinery, parts and spares associated with that plant and the tailings recovery and chrome beneficiation plant situated at the premises of Dilokong Chrome Mine (Pty) Ltd built, owned by Braemore Platinum Smelters, and operated by JTTC together with all equipment, components, machinery, parts and spares associated with that plant
“CGU”	means Cash-generating unit
“DCM”	means Dilokong Chrome Mine
“DCM Fine Chrome Operations”	means the Group’s fine chrome processing plant in Steelpoort, Mpumalanga at DCM
“EBITDA”	means earnings before interest, tax, depreciation and amortisation
“EML”	means Enviro Mining Limited, a company incorporated in Mauritius a subsidiary of BMR and the company that owns the Kabwe Operations through BMR’s Zambian based Enviro Processing Limited, also a subsidiary of BMR
“EPL”	means Enviro Processing Limited, a company incorporated in Zambia and a subsidiary of BMR
“£”	means Great British Pound or Pound Sterling
“Income Tax Act”	means the South African Income Tax Act no. 58 of 1962, as amended from time to time
“Inyoni Operations”	means the Group’s PGM plant near Brits where PGMs are recovered from the chrome tailings and platinum rich surface material (previously known as the Hernic Operations)
“JTTC”	means Jubilee Tailings Treatment Company (Pty) Ltd, a wholly owned subsidiary of Jubilee and operator of the DCM Project
“JP”	means Jubilee Processing (Pty) Ltd, a wholly owned subsidiary of Jubilee and operator of the Windsor PGM Operations
“Jubilee” or “the Company”	means Jubilee Metals Group Plc
“Kabwe”	means Kabwe Operations Limited, a company incorporated in Mauritius and established for the purpose of executing the Kabwe Operations
“Kabwe Operations”	means Kabwe Surface zinc, lead and vanadium project in Zambia
“Notes”	means notes to the financial statements
“PGE”	means Platinum Group Elements
“PGM”	means Precious Group Metals (platinum, palladium, rhodium, ruthenium, iridium + gold)

Abbreviations *(continued)*

“SAMREC”	means the South African code for the reporting of exploration results, mineral resources and mineral reserves
“SLP”	means Social Labour Programme
“Tjate Platinum Project”	means the Tjate Platinum Project situated on the eastern limb of the Bushveld Complex. The Project is located down-dip of Anglo American Platinum’s Twickenham and Impala Platinum’s Marula mines. Its Merensky and UG2 platinum reefs (Reefs) targeted for initial mining lie between 600 metres and 1,000 metres below surface. The Project is independently judged to contain arguably the world’s largest undeveloped defined block of platinum ore. The property covers 5,140 hectares on three farms and the area has been independently appraised to contain a potential net 65 million ounces of platinum group elements (PGEs) and gold. This represents the resource targeted for future exploratory drilling
“US\$”	means United States Dollar
“Windsor Chrome Operations”	means the Group’s chrome processing project at Windsor SA
“Windsor PGM Operations”	means the Group’s 6E PGM processing project at Windsor SA, which includes the acquisition of the platinum, palladium, rhodium and gold (“6E PGMs”) contained in the existing surface material as well as all future material at Windsor SA
“Windsor SA Plant”	means the chrome processing plant at Windsor SA owned by Jubilee Processing (Pty) Ltd
“ZAR”	means the South African Rand

Strategic report

Chairman's statement

Dear Shareholder,

This has been another fantastic period for Jubilee as we look to build an industry leading international metal recovery business focused on the treatment of surface tailings materials and primary mineral ore generated from third party mining operations.

Through the successful implementation of a defined strategy, we have significantly expanded Jubilee's operational, jurisdictional and earnings footprint, which has resulted in a current portfolio of five operations in South Africa and Zambia, a defined and valuable metal inventory, exposure to a broad commodity basket that includes PGMs, chrome, copper, lead, zinc, vanadium and cobalt and a sharp swing from an operating loss to an operating profit to £4.87 million.

We are a global leader with first mover advantage in a market that is rapidly expanding due to the increasing awareness and legislation, both from government and corporate mining entities, driving the need to reduce mine waste exposure and the vast amount of historic above ground material accumulated. With the environmental obligations and the rising cost and difficulty of mining, majors are, not only increasingly needing a waste treatment solution, but viewing surface material as a potential source of cash flow. However, they do not necessarily have the means nor expertise to implement mine waste recovery projects; this is where we step in.

We turn potential waste liabilities into assets through implementing our bespoke environmentally conscious metal recovery solutions that ensure a zero-effluent policy. Importantly the projects have defined reserves with the tonnage and a grade known in advance, and don't have the expenses related to traditional mining techniques. Our bespoke solutions have exceptionally low capital intensity and operating costs which delivers robust margins. The ability of our team is recognised, and we already have a blue-chip industry partnership base including Mitsubishi, Northam, Lonmin and Vedanta.

Drilling down on the operational front and underlining our delivery capabilities, we continue to optimise and expand our project portfolio. We now have inventory of £1.66 million and are actively looking to increase existing production and revenue streams.

Our South African chrome and PGM operations have seen significant growth with a combination of productivity and optimisation input and the addition of new operations. Importantly, we were able to continue to produce an increase in earnings quarter on quarter despite softer chrome prices.

In December 2018, we acquired a major chrome processing operation, owned by PlatCro Minerals (Pty) Ltd (now Windsor SA) with an operational capacity to process up to 75 000 tonnes of chrome ore, offering the potential to boost our operational cash flow. The acquisition, which included 1.8 million tonnes of surface dump material containing chrome and platinum, positions Jubilee in a pivotal position in the Western Bushveld, South Africa, where it has easy access to material for treatment from numerous nearby sources. Windsor SA is performing well and the team has shown its ability to deliver strong results.

We are continually focused on innovation, which was clearly demonstrated with the successful commissioning of the fine chrome plant at our DCM Fine Chrome Operations. Through our conceptual approach we targeted the recovery of fine chrome from existing mine waste material, which had previously been considered to be irrecoverable. Our fine chrome capability now has the potential to be rolled out into the whole of the chrome industry and we expect it to be applicable to other commodities where fine material has been judged to be irrecoverable. The underlying test work, design and implementation is an absolute credit to our research and engineering team.

Underlining our ambition to expand, was taking our interest in Kabwe up to 87.5%, which combined with a 29.01% shareholding gives us a 91.13% beneficial interest and the commencement of discussions to acquire the Sable Zinc Refinery, located near our tailings and primary oxide ore. The acquisition of this plant will be beneficial in many respects, including but not limited to: a reduced project implementation time-line and project implementation risk, as well as reduced capital expenditure against the acquisition of a major refinery at a significant discount to new build. These events represent transformational milestones in the Company's aspirations and our plans in Zambia.

Market

During the initial part of the period under review chrome prices were satisfactory and PGMs were somewhat depressed. However, at the time of writing this report chrome prices retracted sharply but has been offset by an improving PGM basket price buoyed in particular by palladium and rhodium. These volatile metal prices show the benefit of having a diversified commodity basket which has provided us with considerable resilience in the face of varying performances, ensuring that we continue to produce an overall value.

Financial

Jubilee is now producing considerable cash, meeting its market promises and delivering its development strategy. For the period we reported earnings of 0.48 (2018: loss of 0.18) pence per ordinary share. We delivered strong cash flows from operating activities of £ 4.76 million (2018: £ 0.96 million), with cash and cash equivalents tripling from the previous period, to £ 18.9 million.

Outlook

This is a truly exciting time for Jubilee Metals. We are looking at a number of acquisitions and cash accretive investments within our portfolio, with a determination to continue the exceptional growth shown during the financial year under review. We have a robust project pipeline and acquisition opportunities to augment our rapid growth strategy and believe our unique positioning, technical knowhow and team will enable us to create significant further value for shareholders.

We are mindful that growth and success can bring its own problems and we review, on a routine basis, the risks against the business. These risks are often outside our control and as such, we are determined to position ourselves and work diligently on all matters, which might not lead to an enhanced cash flow, but will lead to security of tenure and community acceptance.

I conclude by thanking our Chief Executive, Leon Coetzer, who has put in extreme effort over all fronts to achieve these results, supported by an excellent team. I also welcome our newcomers in the various disciplines, who I have no doubt will continue to drive this Company onwards and upwards.

Colin Bird

Non-executive Chairman

14 November 2019

Strategic report

Chief Executive Officer's report

FINANCIAL HIGHLIGHTS

- Total revenue for the year increased by a strong 66.83%, to £ 23.59 million (ZAR 432.61 million) [2018: £ 14.14 million (ZAR 245.53 million)]
- In 2019, Jubilee delivered positive earnings of £ 7.00 million (ZAR 128.28 million) [(2018: loss of £ 2.11 million (ZAR 36.72 million))] and a return on equity of 10.50%, compared to a negative return of 3.67% in the previous year
- In 2019, Jubilee delivered positive earnings per share of 0.48 pence per share (ZAR 8.75 cents) [(2018: loss of 0.18 pence (ZAR 3.05 cents))]
- Total project attributable earnings almost doubled to £ 9.87 million (ZAR 181.03 million) [2018: £ 5.03 million (ZAR 86.80 million)]
- Group posted an operating profit up significantly to £ 4.87 million (ZAR: 89.38 million) [2018: profit of £ 0.06 million (ZAR 1.04 million)], with an operating margin of 20.64%
- The Group's balance sheet strengthened substantially, with total assets increasing by 47%, to £102.04 million (ZAR 1.82 billion)
- Total equity increased to £ 78.69 million (ZAR 1.40 billion), from £ 58.80 million (ZAR 1.07 billion) a year earlier, maintaining a strong equity ratio of 77.11% (2018: 84.64%)
- Jubilee delivered strong cash flows from its operating activities of £ 4.76 million (ZAR 84.79 million) [(2018: positive cash flow of £ 0.96 million (ZAR 17.44 million))], with Cash and cash equivalents tripling from the previous year, to £ 18.9 million
- Overall, the Group's gearing remains low with the positive net debt position and current assets covering a comprehensive 126.74% (2018: 106.96%) of total short and long term liabilities

OPERATIONAL HIGHLIGHTS FOR THE PERIOD UNDER REVIEW

- Inyoni PGM¹ Operations delivered a record production of 23 847 ounces (2018: 17 354 ounces) for the year, generating revenue of £ 14.90 million (ZAR 273.36 million)², compared to £ 9.52 million (ZAR 164.37 million) in the previous year
- The newly acquired Windsor Chrome Operations delivered 149 272 tonnes of chrome concentrate since January 2019, generating revenue of £ 5.75 million (ZAR 105.48 million)
- Windsor Chrome Operations were established by the execution of a sale and purchase agreement through Jubilee's subsidiary Jubilee Processing to acquire all of the chrome beneficiation assets including plant, equipment, intellectual property and all rights to the existing surface material estimated in excess of 1.8 million tonnes owned by PlatCro and associated companies, for a combined consideration of £ 8.26 million (US\$ 10.5 million). Jubilee's subsidiary Windsor SA is the appointed operator of the Windsor Chrome Operations
- DCM Fine Chrome Operations produced a total of 32 675 tonnes of chrome concentrate (2018: 46 191 tonnes) for the year, with additional revenue of £ 2.09 million (ZAR 38.24 million) [(2018: £ 4.62 million (ZAR 80.05 million))]
- Combined chrome performance of 181 947 tonnes of chrome concentrate delivered generating revenue of £ 7.84 million (ZAR 143.72 million) [(2018: £ 4.62 million (ZAR 80.05 million))], and increasing the chrome operations' contribution to one third of the Group's total revenues

1= 6 Element Platinum Group Metals (platinum, palladium, rhodium, ruthenium, iridium + gold)

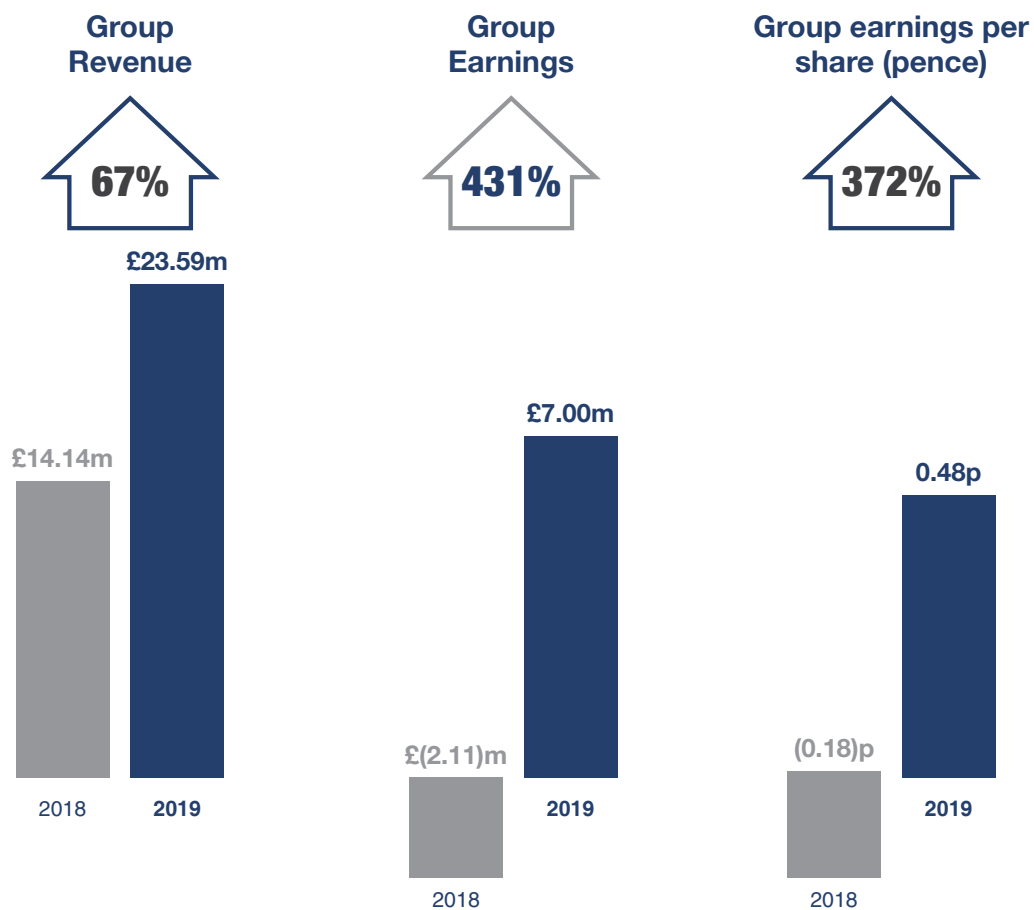
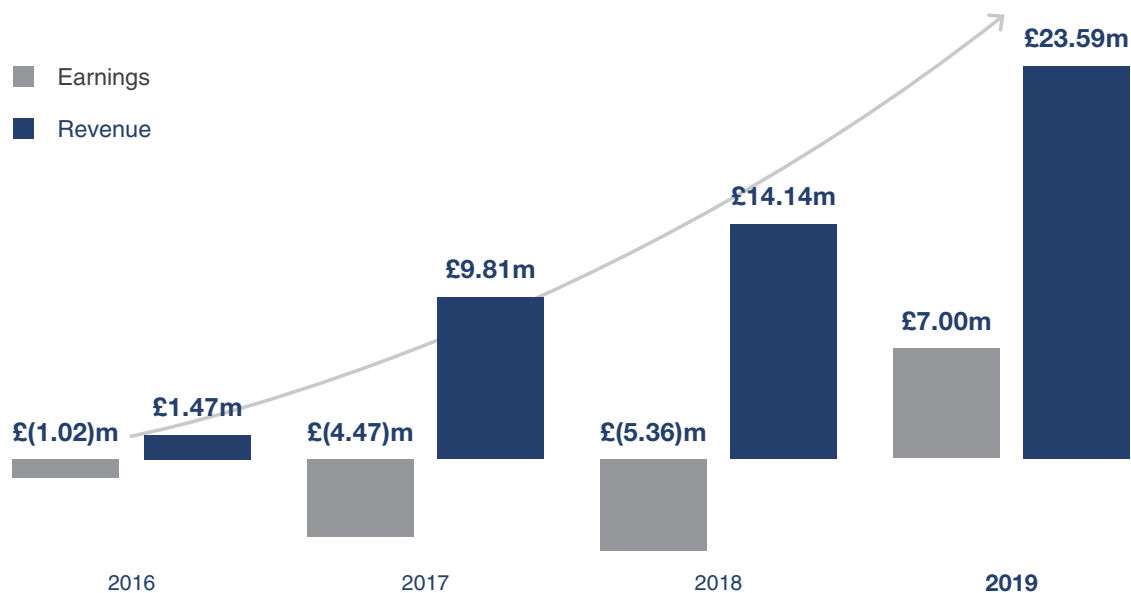
2= For income statement purposes conversions are at the average £:ZAR rates for the period under review and for balance sheet purposes at the spot rate as at year end. All other conversions are at rates at the time announced.

HIGHLIGHTS POST THE PERIOD UNDER REVIEW

- The significant growth in earnings delivered during the period under review continued on its steep growth trajectory demonstrated by the jump in operational earnings to £ 3.38 million delivered for the three month period July to September 2019, which equates to a 90% jump from the comparative period in 2018
- This jump in earnings reflects only one full month of production at the Windsor PGM Operations, which commenced operations in late August 2019 and exceeded expectations by delivering 5 337 PGM ounces for the month of September 2019 alone, which is more than double that of the PGM ounces produced from the Inyoni Operations
- Jubilee has executed a share purchase agreement for the acquisition of the Sable Zinc refinery in Kabwe Zambia. The refinery is situated immediately adjacent to the large stock piles of zinc, lead and vanadium that Jubilee has contracted from BMR Group PLC. Jubilee executed the acquisition from two subsidiaries of Glencore plc for a consideration of £ 9.16 million (US\$ 12 million) (ZAR 175.97 million)
- Jubilee acquired 100% of the rights to PGM earnings from the current and future tailings produced at Jubilee's Inyoni Operations (previously Hernic) located in the Bushveld Complex, South Africa. In addition to the current unprocessed 1.70 million tonnes of historical tailings at the Hernic Operations and the 630 000 tonnes of previously processed tailings, Jubilee has acquired the rights to some 1.0 million tonnes of PGM rich material
- Jubilee has acquired 100% of all further chrome rights to the chrome contained in all of the historical tailings at Inyoni as described above
- Windsor PGM Operations commenced production during the third quarter of calendar 2019 targeting a minimum production rate of 60 000 tonnes of PGMs per month

Financial highlights

Jubilee Metals Group PLC

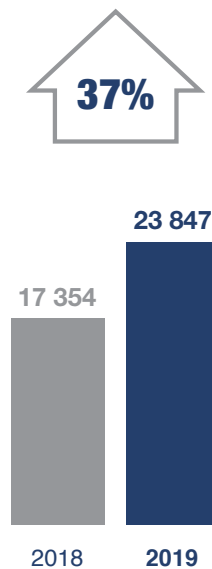


Operational highlights

Chromite concentrate produced (tonnes)



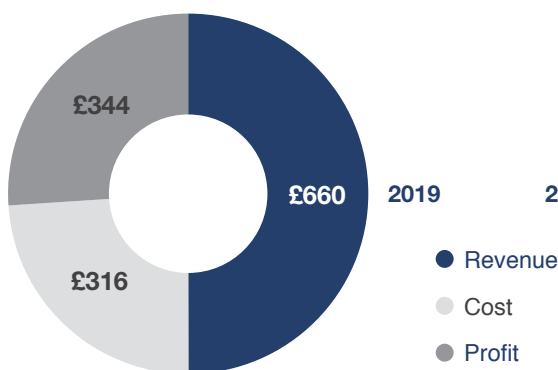
PGMs delivered (ounces)



Attributable earnings from operations



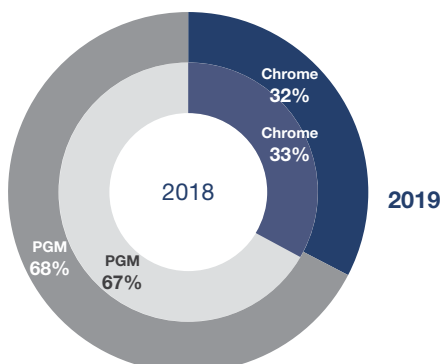
Per PGM ounce



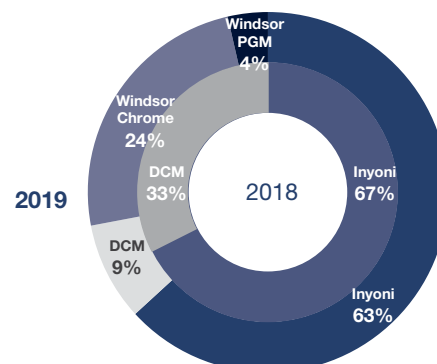
Per chrome ton



Revenue contribution by commodity



Revenue contribution by operation



CHIEF EXECUTIVE OFFICER'S OVERVIEW

Jubilee has continued on its positive growth trajectory, delivering strong growth in earnings and operational performance for the period under review. Group Revenue increased to £ 23.59 million (ZAR 432.61 million), delivering positive Group earnings of £ 7.00 million (ZAR 128.28 million). Group operations produced 181 947 tonnes of chrome concentrate and 23 847 PGM ounces during the period under review.

This growth has been achieved as a result of both the performance of the Company's flagship Inyoni Operations (previously known as Hernic Operations) and the contributions from new production facilities being brought on-line during the period under review. The Company's operations at the date of this report expanded to include:-

Period under review

- **Inyoni Operations (previously Hernic Operations)** – a South African based PGM and chrome beneficiation facility processing both historical tailings, as well as on-going tailings produced by the Hernic Operations (now owned by a subsidiary of one of the world's largest ferrochrome producers ("NewCo")). Inyoni holds a capacity to process 55 000 tonnes per month of feed material, producing both chrome and PGM saleable concentrates. The transaction with NewCo, post the period under review, has transformed the operation from a co-operation processing agreement, to eventual full ownership, by Jubilee, of all historical chrome and PGM tailings at Inyoni Operations. Refer to note 31.2 to the financial statements for more detail on the transaction with NewCo.
- **Windsor Chrome Operations** – a South African based chrome beneficiation facility principally supplied by offtake agreements with third party chrome ore suppliers. In addition, Windsor Chrome has access to historical chrome tails produced under its previous ownership. Windsor Chrome, which was acquired by Jubilee in January 2019, holds a capacity to process approximately 70 000 tonnes per month of feed material.
- **Dilokong Chrome Mine Operations ("DCM")** – a South African based chrome beneficiation facility holding Jubilee's industry leading fine chrome recovery process, with a design capacity to process up to 30 000 tonnes per month of feed material. The project was ramped up to commercial production levels in May 2019.

Post the period under review

- **Windsor PGM Operations** – a South African based PGM recovery joint venture ("JV"), with Northam Platinum's Eland Plant operations. Under the JV, Windsor PGM has secured access to the PGM recovery operations for the recovery of the PGMs contained in the tailings produced by Windsor Chrome Operations. The JV has significantly exceeded its target of processing 60 000 tonnes per month of PGM containing feed since being brought on-line during August 2019.
- **Integrated Kabwe Operations** – a Zambian based multi metal refining facility currently under construction, which includes nearly 6.4 million tonnes of vanadium, zinc and lead containing surface material and further supplemented by third party ore supply.

Further projects in the pipeline include the **DCM PGM Operations**, which targets the recovery the PGMs contained in the nearly 800 000 tonnes of tailings from the DCM Fine Chrome Operations and the **Tjate Platinum Project**, which is an underground PGM exploration asset currently under review.

Jubilee has successfully expanded and diversified its earnings base across metal groups and mining jurisdictions, targeting surface material previously discarded or overlooked due to inherent process inefficiencies in the mining industry. Jubilee has unlocked significant value from these surface assets by leveraging its in-house technical expertise and process development capabilities to implement fit for purpose, cost effective, cutting edge process solutions. Jubilee has incorporated a zero-effluent policy in its processing designs, resulting in the natural rehabilitation of these historical surface waste materials.

The Company has a distinct expansion plan aimed at utilising its team, diversifying commodity and jurisdictional exposure to build cash flow and maximise the international opportunity.

Strategic report *(continued)*

Chief Executive Officer's report *(continued)*

The increased global awareness and focus on mine tailings globally continues to drive renewed interest from both governments and corporates to decrease the global footprint of legacy mine waste and reduce the environmental risk this poses. This creates ideal opportunities for Jubilee to engage in mine waste reduction through reprocessing, which meets local environmental obligations, whilst also realising economic benefit.

The Company has successfully responded to the current challenges and risks inherent to a metals processing business that also holds an exploration asset and will continue to formulate preventative risk management measures. The principal risks for an exploration and metals processing company and the measures taken by the Group to mitigate them are detailed under the Report of the Directors on page 19.



DCM Operations

GROUP OPERATIONS

PGM Division

The PGM division continues to perform well, with Inyoni delivering a record performance. It has seen sustained PGM metal prices supported by a sharp increase in the palladium price driven by the continued consumer preference for petrol engines, rather than diesel engines in the automobile sector. Post-year end, the division has seen the introduction of the Windsor PGM Project, which commenced operations in August 2019, as well as the replacement of the previous earnings share based contractual arrangement for Inyoni, with the new full ownership agreement with NewCo.

Key Operational Indicators for the Period under review:

- Operations processed 504 217 tonnes of feed producing 23 847 PGM oz, delivering revenue per ounce of £ 660 per PGM ounce at an average cost per PGM oz produced of £ 316 per ounce

INYONI OPERATIONS – South Africa



Inyoni Plant

The Inyoni Operation is located along South Africa's Bushveld mineral complex in the North West province. The operation is the largest of its kind in the chrome industry, with a processing capacity in excess of 600 000 tonnes per annum, targeting the recovery of platinum group metals and chrome contained in historical surface tailings and continued tailings produced at the Hernic Ferrochrome operations.

Prior to the publication of the annual report, but after the financial year end, South Africa's largest and one of the world's largest ferrochrome producers, acquired the Hernic Operations, pursuant to which, Jubilee and NewCo entered into a new tailings agreement. Under the tailings agreement, Jubilee acquired 100% of the rights to PGM earnings from the current and future tailings produced at the Hernic Operations located in the Bushveld Complex, South Africa. In addition to the current unprocessed 1 700 000 tonnes of historical tailings at the Hernic Operations and the 630 000 tonnes of previously processed tailings, Jubilee has acquired the rights to some further 1 000 000 tonnes of PGM rich material. Jubilee has also entered into an exclusive agreement with NewCo whereby NewCo may elect to include the sale of all further chrome rights to the chrome contained in all of the current tailings at the Hernic Operations at a predetermined value.



Staff at Inyoni Plant

Strategic report *(continued)*

Chief Executive Officer's report *(continued)*

WINDSOR PGM OPERATIONS – South Africa

Jubilee entered into a processing joint venture agreement with Eland Platinum Proprietary Limited ("Eland Platinum"), a subsidiary of Northam Platinum Limited, for further refining of the PGM rich surface materials at Jubilee's Windsor PGM Operations. Under the agreement, the Windsor PGM Operations target a processing rate of 60 000 tonnes of PGM rich material per month.

The Windsor PGM Operations, being a surface processing plant, facilitates the responsible processing of historical waste dumps for the recovery of metals at a low cost, as well as delivery of PGM materials from the current arisings created by Windsor Chrome Operations. It is part of Jubilee's wider project located in the Western Bushveld Complex, where the Company is already processing chrome at its Windsor Chrome Operations, one of South Africa's largest chrome recovery facilities.

Commissioning of the project commenced in July 2019 reaching production of saleable PGM concentrate in August 2019.



Aerial view of Windsor plant and attached tailings

Chrome Division

The chrome division has responded well to a challenging trading environment that experienced a sharp drop in the price of chrome concentrate. This has led to many producers being unable to sustain positive earnings at such a low metal price, having to either scale back, or completely shut operations. Jubilee has responded to the challenge by introducing new ground-breaking process solutions, that significantly enhance the recovery of chrome at its operations, increasing the output, while at the same time lowering the overall cost of production. Jubilee is also in a unique position, whereby the discard produced by its chrome division acts as the feed to its profitable PGM operations. The chrome market historically shows a condensed price cycle compared with the PGM industry and the Company expects chrome prices to respond positively towards H1 2020, making for additional upside potential for the chrome division earnings in the future.

During the period under review the chrome division saw the acquisition of the Windsor Chrome Operations in January 2019, with the commissioning of the DCM fine chrome process completed during February 2019.

Key Operational Indicators for the period under review:

- Operations produced 181 947 tonnes of chromite concentrate at an average cost per tonne produced of £ 35.38 per tonne



Windsor Operations

WINDSOR CHROME OPERATIONS – South Africa

The Windsor Chrome Operation is located in close proximity to Inyoni Operations in South Africa's North West province. Jubilee acquired the operation along with the vast surface tailings in January 2019. The acquisition formed part of the Company's strategy to expand its processing footprint within South Africa's highly mineralised Bushveld Complex. Since acquisition, Jubilee has invested in upgrading the processing capacity and efficiency of the operation. The site will soon include Jubilee's ground-breaking fine chrome recovery process as well as having the ability to produce a range of speciality chrome products. The Windsor Operation is set to establish a new benchmark for chrome recovery efficiencies in the industry.



Spiral plant at Windsor

Key Project Highlights:

- Acquisition of operation completed in January 2019
- Management and operational control concluded in February 2019
- Company implementing a re-capitalisation programme to expand and upgrade process efficiencies, which will include Jubilee's fine chrome process – targeted completion Q1 2020

DILOKONG CHROME MINE OPERATIONS – South Africa



DCM Operations

Jubilee's subsidiary, Jubilee Tailings Treatment Company Proprietary Limited ("JTTC"), holds the exclusive rights to beneficiate the PGMs and chrome from the platinum and chrome-containing surface material at DCM, located in the Northern Limpopo province of South Africa. The agreement between DCM and JTTC grants Jubilee access to more than 850 000 tonnes of surface material.

Strategic report *(continued)*

Chief Executive Officer's report *(continued)*

During the period under review, Jubilee commissioned its ground-breaking fine chrome recovery plant at DCM. The project has proven successful in recovering chrome particles below a particle size of 40 microns, previously thought to be unrecoverable. This technology, implemented with Jubilee's international technology partners, enables the Group to reprocess its own material previously lost to the waste. The industry leading technology has implementation possibilities across multiple commodities. This drives business growth and the Group is exploring further possibilities for upscaling the fine particle separation technology.

The fine chrome recovery circuit at DCM targets a feed rate of 25 000 tonnes per month and is able to produce 8 000 tonnes per month of chrome concentrate from fine chrome alone. In addition to this process, there is a further chrome processing capacity of 50 000 tonnes per month available for third party feed material, as per the agreement reached in the previous financial year.

Key highlights include:

- Commenced construction of fine chrome Q4 2018
- Commercial production commenced Q1 2019
- 25 000 tonnes per month reached during Q2 2019



Spiral plants at DCM

Base Metal Division

The base metal division, which incorporates the vanadium, zinc and lead project in Zambia, forms part of the Company's diversification drive across metal groups and mining jurisdictions. The Company seeks to leverage its in-house processing expertise and proven project execution track record, to diversify into other surface based metals recovery opportunities.

INTEGRATED KABWE OPERATIONS – Zambia



Sulphuric acid production plant at Kabwe

The integrated Kabwe Operations located in Zambia's central province near the town of Kabwe, includes the multi-metal Sable refining facility (acquired from a subsidiary of Glencore post the reporting period in August 2019), together with the approximately 6.4 million tonnes of surface material containing vanadium, zinc and lead. Since the acquisition of the Sable Refinery, Jubilee has fast tracked the implementation of the vanadium and zinc refining circuit to complement the existing copper refining circuit. At the date of this report the Company had successfully brought back into operation the sulfuric acid circuit, as well as the copper circuit, with the first copper anode plate produced in October 2019. The copper circuit is being fed by third party secured copper ore in the region. The lead refining circuit will follow by approximately six months, and the zinc and vanadium circuit is scheduled for commissioning during the first half of 2020.

The Kabwe Refinery will act as a central processing facility for third party material in the region, which further compliments the existing resource comprising of an estimated 6.4 million tonnes (3.2 million JORC compliant) of surface waste assets, containing 356 843 tonnes of zinc, 351 386 tonnes of lead and 1.26% equivalent vanadium pentoxide.

The project establishes Jubilee's fully integrated multi-metal recovery and refining operational footprint in Zambia and marks the next stage of the Company's international roll out and widening commodity exposure.

The ramp-up of the copper circuit remains on track targeting 250 tonnes of plated copper cathode per month during Q1 2020, before stepping up to reach 400 tonnes per month from Q2 2020 resulting in early project cash flows during the construction of the zinc and vanadium refining circuits.

The zinc and vanadium circuit is primarily for the processing of the Kabwe tailings material, targeting the production of 8 000 tonnes of zinc and 1 500 tonnes of vanadium pentoxide per annum. Completion of the zinc circuit remains on track for Q2 2020, with the vanadium circuit following during Q3 2020.

The Integrated Kabwe Operations follows Jubilee's zero-effluent policy serving, as an example to the Zambian and international authorities of Jubilee's commitment to the responsible reprocessing of mine waste to reduce and contain the environmental impacts of historical mine waste.

Kabwe Operations is fully funded through existing cash resources and existing project finance.

Key Operational Highlights:

- Joint venture established for the project in Q1 2018
- Sable refinery acquired from Glencore in Q3 2019, reducing project capital and plant construction lead times
- Share and ownership transfer of the refinery completed August 2019



Jubilee staff

Leon Coetzer

Chief Executive Officer

14 November 2019

Report of the Directors

The Directors present their report together with the financial statements for the year ended 30 June 2019.

Principal activities and place of incorporation

Jubilee is UK domiciled and incorporated in England and Wales and is governed by UK Law. Its primary listing is on the Alternative Investment Market of the London Stock Exchange ("AIM") and it has a secondary listing on the Alternative Exchange of the JSE Limited ("AltX"). Jubilee's principal activities are that of recovering PGMs and chrome through the reprocessing of historical surface mine waste and materials. The Group has also diversified its portfolio to include other countries and other elements and metals such as lead, zinc and vanadium in Zambia.

Business review

A review of the Group and Company's operations for the period under review and future developments is contained in the Strategic Report on pages 5 to 16.

Dividends

The Directors did not recommend the payment of a dividend for the year under review (2018: £ nil).

Financial results summary

Earnings per ordinary share for the year ended 30 June 2019 were as follows:

	June 2019 £	June 2018 £
Earnings/(loss) for the year	6 993 587	(2 114 713)
Weighted average number of shares in issue	1 466 127 746	1 203 478 517
Diluted weighted average number of shares in issue	1 475 697 968	1 203 478 517
Earnings/(loss) per share (pence)	0.48	(0.18)
Diluted earnings/(loss) per share (pence)	0.47	(0.18)
Earnings/(loss) per share (ZAR cents)	8.75	(3.05)
Diluted earnings/(loss) per share (ZAR cents)	8.69	(3.05)

The Group reported a net asset value of 4.24 pence (ZAR 75.60 cents) (2018: 4.49 pence (ZAR 81.49 cents)) per ordinary share. Tangible net asset value for the period under review was 1.71 pence (ZAR 30.51 cents) (2018: 1.10 pence (ZAR 19.98 cents)).

The total number of ordinary shares in issue as at 30 June 2019 was 1 855 300 673 (2018: 1 310 992 791) shares.

Report of the Directors *(continued)*

Major components of the Group's operating expenses are as follows:

Figures in pound sterling	Total June 2019	Operations	Business Development	Head Office
Human resources	1 834 938	1 634 993	44 263	155 682
Operational costs	1 626 035	1 320 635	169 893	151 862
Consulting and professional fees	695 091	268 316	66 078	359 897
Corporate listing costs	139 865	–	–	139 865
Loss on exchange differences	108 655	97 910	10 746	–
Admin and corporate	43 703	19 073	7 314	17 319
Total operating expenses before non-cash expenses listed below	4 448 289	3 416 587	298 294	824 626
Other non-cash operating expenses				
Amortisation and depreciation	3 486 946	3 416 587	70 359	–
Impairments	231 568	–	231 568	–
Share-based payment expenses – warrants issued	221 575	–	–	221 575
Total operating expenses reported	8 388 378	6 744 277	600 220	1 046 201

	Total June 2018	Operations	Business Development	Head Office
Human resources	817 817	619 190	3 455	195 172
Consulting and professional fees	518 146	185 482	29 951	302 713
Operational costs	217 897	52 667	18 330	146 901
Loss on exchange differences	225 077	197 533	43	27 500
Corporate listing costs	137 339	–	–	137 339
Total operating expenses before non-cash expenses listed below	1 916 276	1 054 872	51 780	809 625
Other non-cash operating expenses				
Amortisation and depreciation	3 236 750	2 907 088	329 662	–
Share-based payment charge – new options granted	263 800	–	–	263 800
Total operating expenses reported	5 416 827	3 961 960	381 442	1 073 425

The tables above form part of supplementary information and has not been audited.

Report of the Directors *(continued)*

Risk review

The Board and the Executive Committee keep the risks inherent in the processing of potential and current surface assets, the mining and exploration and the operational and production business under constant review. The principal risks for the Group and the measures taken by the Board and Executive Committee to mitigate them are detailed below:

- Surface assets processing risk is the risk of employing resources and cash to potential projects, which subsequent to due diligence proves not to be feasible nor profitable for the Group. The Executive Committee addresses this risk through the implementation of an investment criteria matrix, which sets out the initial requirements and/or steps to be followed prior to commitment of whatsoever nature to any new project including but not limited to executive time, costs and other resources within the organisation. This risk is also mitigated through the very strong technical skills set that exists within the technical team of the Group.
- Exploration and Production risk is the risk of investing cash and resources on projects, which may not provide a return. Exploration and subsequent mining operations are subject to hazards normally encountered in exploration, development and production.
- Although it is intended to take adequate precautions during each stage of development of any new or potential projects to minimise risk, the possibility of a materially adverse impact on the Group's operations and its financial results always exists. The mining and manufacturing industries in South Africa are under great economic pressures and competition increases as resources and surface assets are depleted.
- While the Group has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations, which may be introduced by the relevant governmental authorities. The Group, now being an operational business is developing and maintaining policies appropriate to the stage of development of its various projects. Recruiting and retaining skilled and qualified personnel are critical to the Group's success. The number of persons skilled in the acquisition, exploration, processing and development of mining properties is limited and competition for such persons is intense. The Group addresses this risk by using its skills, experience and local knowledge to select only the most promising areas to explore. Members of staff are encouraged to discuss with management matters of interest to the employees and subjects affecting day-to-day operations of the Group. The Board and the Executive Committee, based on advice from the Executive team, set priorities.
- Political risk is the risk that assets will be lost through expropriation, unrest or war. The Group minimises political risk by operating in countries with relatively stable political systems, established fiscal and mining codes and a respect for the rule of law.
- Commodity risk is the risk that the price earned for minerals will fall to a point where it becomes uneconomical to extract them from the ground or to process them. The principal metals in the Group's portfolio are PGMs, chrome, nickel, copper, lead, zinc and vanadium. The price of these metals has been unstable during the period under review. The economics of all the Group's projects are kept under close review on a regular basis.
- Funding risk is the risk associated with the impact on a project's cash flow from higher funding costs or lack of availability of funds. All projects are subjected to a detailed due diligence, which includes an analysis of the impact of funding costs on each project.
- The Group investigates its rights to explore and extract minerals from all of its material properties and, to the best of its knowledge, those rights are expected to be in good standing. However, no assurance can be given that the Group will be able to secure the grant of mineral rights and tenures on terms satisfactory to it, or that governments in the jurisdiction in which the Group operates will not revoke or significantly alter such rights or tenures or that such rights or tenures will not be challenged or impugned by third parties, including local governments or other claimants.
- Jubilee's business model is based on the processing of primary and secondary waste and discard streams; Jubilee's responsible processing of these streams assists in reducing the negative impact of same on the environment and also reducing the health risks of the environmental liability that is created by the above ground material; this makes the business model very attractive. Jubilee does not require any mining rights or mining licenses to process its streams; it therefore has limited exposure to political instability.

Financial risks

The three main types of financial risk faced by the Group are liquidity risk, currency risk and credit risk.

Liquidity risk is the risk of insufficient working and investment capital. The Group's goal is to finance its exploration and surface processing activities from cash flow from operations, but in the absence of such cash flow the Group relies on the issue of equity share capital, project debt funding and option agreements to finance its activities. The draw-down of funds and equity distribution is controlled and managed by the Board.

Currency risk is the risk of the possibility that one currency will devalue to the exchanger's detriment. The Group's PGMs and other metals are priced in US dollars while operating costs are incurred in ZAR. The Group has, in an effort to minimise the impact of currency movements on revenue, agreed with selected customers to invoice in US\$ to protect revenues from being dependent, inter alia, on prevailing exchange rates and commodity prices which are hugely affected by global economic climates. Movements in exchange rates and commodity prices do however impact the profitability of the Group as certain operating costs are incurred in ZAR.

The Group finances its operations by transferring £ and US\$ to meet local operating costs. The Group does not hedge its exposure to foreign currency risk and is therefore exposed to currency fluctuations between these two currencies and local currencies. Transfer of currency is managed by the Executive Committee of the Company to ensure that currency devaluation is minimised.

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial and cash loss to the Group and Company. Credit risk arises principally from the Group and Company's investment in cash deposits. The Group and Company seek to deposit funds with reputable financial institutions with high credit ratings until such time as it is required. The Group and Company do not have any significant credit risk exposure on trade and other receivables as customers are well established and of a high quality. The carrying amount of financial assets recorded in the financial statements represents the Group and Company's maximum exposure to credit risk.

The Group and Company maintain tight financial and budgetary control to keep its operations cost-effective to mitigate these financial risks. More information on financial instruments and risk management is included in note 24 to the consolidated financial statements.

Corporate governance

In formulating the Company's corporate governance procedures, the Board of Directors takes due regard of the principles of good governance as set out in the UK Corporate Governance Code issued by the Financial Reporting Council.

Taking into account the size, the industry that the Company operates in, the nature of the Group's operations and the stage of development of the Company, the Board underwrites best practice in corporate governance as appropriate. As a public company listed on AIM the Board acknowledges that it is responsible and accountable to all stakeholders, shareholders, suppliers, staff, clients, customers and contractors.

The Board adopted the principles of the 2018 Quoted Companies Alliance Corporate Governance Code – ("the QCA Code") to support the Company's governance framework. The Directors acknowledge the importance of the ten principles set out in the QCA Code and below a table illustrates the Company's compliance or explanation where not fully compliant.

Application and explanation of the QCA Code:

	Principle	Level of Compliance	Explanation if not compliant (if applicable)
	DELIVER GROWTH		
1	Establish a strategy and business model which promote long-term value for shareholders	The Company's strategy and business model is clearly promoted in its annual reports and quarterly updates where detailed information is published on its strategy, its progress towards achieving its short and long term strategies and this information is reviewed and updated regularly and communicated to shareholders.	NA

Report of the Directors *(continued)*

	Principle	Level of Compliance	Explanation if not compliant (if applicable)
2	Seek to understand and meet shareholder needs and expectations	<p>The CEO and/or Chairman, where appropriate, respond to shareholder queries directly (whilst remaining cognisant of the Market Abuse Regulations' restrictions on inside information and within the requirements of the AIM Rules for Companies). Non-deal roadshows are arranged throughout the year to meet with existing shareholders and potential new stakeholders to maintain, as much as possible, transparency and dialogue with the Market. Investor presentations and interviews can be found on the Company's website.</p> <p>Shareholders with queries can email info@jubileemetalsgroup.com</p>	NA
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	<p>Our business model and strategy is clear and is set out in our Annual Report. The vision of the business is to be a diversified metals recovery company with a focus on reprocessing of historical surface mine waste and materials.</p> <p>The Company's Chairman and Chief Executive Officer have regular road shows and investor shows to reach out to the wider stakeholder group to ensure a presence in the market about the Company's growth strategies, its projects and its responsibilities in this regard.</p> <p>The Company's Executive Committee currently plays an important role in the day-to-day management of the Company. The committee consists of selected members of senior executive management in the Group as well as the CEO and one non-executive director.</p> <p>The Board works closely with the executive team with clear and open communication both within and outside of the Board room. The Company has an open-door policy from the executive team down where employees' opinions and suggestions are valued and listened to.</p> <p>The objectives of Jubilee's metals recovery strategy are three-fold:</p> <ul style="list-style-type: none"> • Secure low risk, low capital intensive, long-term commodity production at an attractive point on the global cost curve from mine waste by using advanced environmentally sustainable metal recovery techniques. This ensures a much lower cost entry point to produce metals compared to traditional mining; • Diversify across multiple commodities and in different countries including platinum, chrome, cobalt, copper, zinc, lead, vanadium and gold to hedge income risk and to align with global trends; and • Rehabilitate the adverse footprint left by legacy mining in accordance with acceptable International Environmental Standards. 	NA

Report of the Directors *(continued)*

	Principle	Level of Compliance	Explanation if not compliant (if applicable)
4	Embed effective risk management, considering both opportunities and threats throughout the organisation	<p>As part of risk management, regular meetings of project executives and executives of the Company are held to discuss and update new business opportunities which includes a risk assessment of the new opportunities and how this can be mitigated or eliminated prior to engaging in same.</p> <p>All other risk management areas are disclosed in the Company's annual report. These are reviewed and updated regularly given the growth phase that the Company is in at present.</p> <p>The Company's auditors also provide recommendations when necessary to the Company on risk management at each annual audit.</p>	NA
	MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK		
5	Maintain the board as a well-functioning, balanced team led by the chair	<p>The Board comprises two executive directors and three non-executive directors. The Board is supported by its sub committees being the Remuneration and Nomination and Audit Committees.</p> <p>Members of the Board are all individuals of high caliber and have many years' experience in the mining industry. Each Board member is expected to dedicate sufficient time to the business of the Company as may be necessary to fulfil their duties.</p> <p>Biographies of the Board are disclosed each year in the Company's annual report and updated annually. Refer to page 29 of this report for biographies of the Board.</p> <p>Directors are re-elected by rotation every three years.</p> <p>The Company is of the view that the current Board is appropriately resourced to meet its obligations in compliance with the code. The need for changes or additions to the Board are reviewed regularly and will be addressed in line with the Company's growth profile.</p>	NA
6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	<p>The Remuneration and Nomination Committee is responsible for Board appointments and assessing the suitability of potential new board members as and when required. It also assesses the appropriateness of the size and composition of the Board.</p> <p>The Board currently comprises two executive and three non-executive directors.</p>	

Report of the Directors *(continued)*

	Principle	Level of Compliance	Explanation if not compliant (if applicable)
6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities <i>(continued)</i>	<p>The Committee is of the view that the current Board composition is appropriate with an appropriate balance of industry specific, financial and investor relation skills and experience. It does however require an independent non-executive director to bring a required balance of independent presence on the Board.</p> <p>More details of the skills and experience of the directors are provided in the annual report. The Board has access to external advisors where necessary.</p> <p>The Board is kept abreast of developments of governance, legal, accounting changes and AIM regulations. The Company's lawyers provide updates on governance issues to the Board, the Company's NOMAD provides annual Board AIM Rules refresher training as well as the initial training as part of a new Director's induction.</p> <p>All Directors have access to the Company's NOMAD, company secretary, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary.</p>	<p>The Company continues to assess the developing skills required to fill the role of an independent non-executive director on the Board.</p> <p>The Company is mindful of the issue of gender balance, although Board appointments are made with the primary aim of ensuring that the candidate offers the required skills, knowledge and experience.</p>
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	<p>The Company is currently undergoing a growth phase which require both the Board and management to be evaluated and their effectiveness to be reviewed regularly.</p> <p>There is a strong flow of communication between the Directors.</p> <p>The Company has formulated a framework for both the Board and management to be evaluated on performance and skills and to be remunerated accordingly.</p> <p>The framework includes performance measurement on project level as well as company level and aims to incentivise and motivate members of the Board and management to participate in the growth and performance of the Company.</p>	<p>The Board continues to build on the governance structure already in place. On-going review of the functioning of the Board and ensuring that the highest level of governance is maintained whilst being mindful of the size and stage of development of the Company. Whilst the Board has not undertaken any formal training this is something that will be considered as the business grows and the Board establishes further.</p>

Report of the Directors *(continued)*

	Principle	Level of Compliance	Explanation if not compliant (if applicable)
8	Promote a corporate culture that is based on ethical values and behaviors	<p>Ethical values, corporate culture and behavior and respect is not negotiable and the Company promotes and supports a proper corporate culture based on ethical values and behavior towards fellow team members and the organisation's stakeholders and shareholders.</p> <p>Issues of bribery and corruption are taken seriously, The Company has a zero-tolerance approach to bribery and corruption and has an anti-bribery and corruption policy in place to protect the Company, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption.</p> <p>Each employee is required to sign agreement to confirm that they will comply with the policies. Annually staff are provided with refresher courses to ensure that the issues of bribery and corruption remain at the forefront of people's mind. There are strong financial controls across the business to ensure on going monitoring and early detection.</p>	NA
	BUILD TRUST		
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	<p>The Board had one formal meeting during the year under review. Papers are circulated well in advance of the meetings, giving directors ample time to review the documentation and enabling an effective meeting. Resulting actions are tracked for appropriate delivery and follow up.</p> <p>Each Committee has terms of reference outlining the specific responsibilities delegated to it.</p> <p>There are certain matters that are reserved for the Board, they include:</p> <ul style="list-style-type: none"> • approval of the Group's strategic aims and objectives; • approval of the Group's annual operating and capital expenditure budgets and any material changes to them; • Review of Group performance and ensuring that any necessary corrective action is taken; • Extension on the Group's activities into new business or geographical areas; • Any decision to cease to operate all or any part of the Group's business; • Major changes to the Group's corporate structure and management and control structure; • Any changes to the Company's listing; 	<p>The Company is aiming to increase the number of Board meetings to two formal meetings per annum and this will be implemented during the ensuing financial year.</p> <p>Board members are regularly updated by the CEO, on the Company's development and the progress of its projects and although this is not formally documented, the Company aims to have this implemented as soon as practicably possible. As the Company grows, the Directors will ensure that the governance framework remains in place to support the development of the business.</p>

Report of the Directors *(continued)*

	Principle	Level of Compliance	Explanation if not compliant (if applicable)
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board <i>(continued)</i>	<ul style="list-style-type: none"> • Changes to governance and key business policies; • Ensuring maintenance of a sound system of internal control and risk management; • Approval of half yearly and annual report and accounts and preliminary announcements of final year results; • Reviewing material contracts and contracts not in the ordinary course of business. 	
10	Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	<p>The Company communicates with shareholders and other relevant stakeholders through a number of forums the most important of which are announcements through the Regulatory News Services of the AIM market. These include interim and annual financial results updates as well as quarterly updates released to update shareholders on the operational and financial performance of its business operations.</p> <p>The Company's annual general meeting ("AGM") is also a forum for shareholders and stakeholders to engage with the Board and the auditors on any questions they may have pertaining to the resolutions contained in the notice of the AGM which, is circulated well in advance of the AGM. Informal discussions are also facilitated after the AGM to afford discussions outside of the AGM agenda.</p> <p>The Company furthermore holds regular webcasts where shareholders and stakeholders can register online and participate in an update presented by the Company on its business operations followed by a question and answer session afterwards. These webcasts are also published on our website at www.jubileemetalsgroup.com</p> <p>The Company's website also contains regular video interviews with the CEO and can be viewed at www.jubileemetalsgroup.com</p>	NA

The Board relies on the Remuneration and Nomination Committee and the Audit and Risk Committee to review, on an ongoing basis, all rules, regulations and all risks applicable to the Group and Company.

The Board comprises two Executive Directors and three Non-Executive Directors. Colin Bird is the Non-Executive Chairman of the Board and Leon Coetzer is the Chief Executive Officer.

The Remuneration and Nomination Committee regularly reviews the Group's nomination and appointment policy. The policy is aligned with all necessary legislation and regulations.

Report of the Directors *(continued)*

The policy sets out the process for the nomination and appointment of Directors and key executives. There is a formal process for the appointment of Directors. Information is provided to shareholders of the candidate Directors' education, qualifications, experience and other Directorships. In terms of the policy, executive management requires permission to be appointed to external Boards. This reduces the potential for conflicts of interest and helps to ensure that management is able to devote sufficient time and focus to the Group's business.

In accordance with the policy, the Board takes cognisance of the knowledge, skills and experience of candidate Directors, as well as other attributes considered necessary for the role. The Board also considers the need for demographic representation when making a new appointment.

Remuneration of Executive Directors is established by reference to the remuneration of executives of equivalent status both in terms of level of responsibility of the position and by reference to their job qualifications and skills. The Remuneration and Nomination Committee also has regard to the terms that may be required to attract an executive of the equivalent experience to join the Board from another Company. Such packages include performance-related bonuses and the grant of share options. The Remuneration and Nomination Committee consists of Colin Bird and Christopher Molefe.

The structure of the Board ensures that no one individual or Group dominates the decision-making process. The Board meets informally on a regular basis and provides effective leadership, overall control and direction to the Group's affairs through the schedule of matters reserved for its decision. This includes the approval for the budget and business plan, major capital expenditure, acquisitions and disposals, risk management policies and the approval of the financial statements. Formal agendas, papers and reports are sent to the Directors in a timely manner prior to Board meetings. The Board delegates certain of its responsibilities to Board committees that have clearly defined terms of reference. Between the Board meetings referred to above, an Executive Steering Committee consisting of Executive Directors and management meets on a regular basis.

All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that all Board procedures are followed. Any Director may take independent professional advice at the Company's expense in the furtherance of his duties.

A minimum of one-third of the Directors retires from office at every Annual General Meeting ("AGM") of the Company. In general, those Directors who have held office the longest time since their election are required to retire. A retiring Director may be re-elected and a Director, appointed by the Board since the last AGM, can also be re-elected. In the latter case the Directors' period of prior appointment by the Board will not be taken into account for the purposes of rotation.

The Audit and Risk Committee consists of Colin Bird and Christopher Molefe and meets as appropriate. During the 2019 financial year the committee met once to consider the Group's financial reporting (including accounting policies) and the internal financial controls designed to identify and prevent the risk of loss. Colin Bird was appointed to the Audit and Risk Committee due to his ability and knowledge within the industry. The Audit and Risk Committee has reviewed the systems in place and considers these to be appropriate. The committee also sets principles for recommending the use of external auditors for non-audit services. The Audit and Risk Committee has considered and satisfied itself of the appropriateness and expertise of the newly appointed Group Chief Financial Officer, Mr. Pedja Kovacevic, and the finance function, and is unanimously satisfied of his suitability for the financing function.

The Board attaches importance to maintaining good relationships with all its shareholders and ensures that all price-sensitive information is released to all shareholders at the same time and in accordance with the AIM rules. The Company's principal communication with its investors is through the AGM and through the annual report and interim statement. The Company maintains a website, in compliance with AIM Rule 26, containing up-to-date information of the Group's activities as well as all recent LSE Regulatory News Service and JSE SENS announcements.

Link Company Matters Limited acted as Company Secretary for the financial year.

Report of the Directors *(continued)*

Compliance with the Bribery Act

The Board acknowledges the UK Bribery Act 2010, which came into force on 1 July 2011. It is the policy of the Board to comply with all laws and regulations including this Act. Staff and management are made aware of these laws and regulations and are urged to familiarise themselves with the same, including the consequences of any breach of the law or regulations.

Internal control

The Board is responsible for maintaining an appropriate system of internal controls to safeguard shareholders' investments and Group assets.

The Directors monitor the operation of internal controls. The objective of the system is to safeguard Group assets, maintain proper accounting records and ensure that the financial information used within the business and for publication is reliable. Any such system of internal control can only provide reasonable, but not absolute assurance against material misstatement or loss.

Internal financial control procedures undertaken by the Board include:

- regular review of financial reports and monitoring performance;
- prior approval of all significant expenditure including all major investment decisions; and
- review and debate of treasury policy.

The Board, in context of the Group's overall strategy, undertakes a risk assessment and a review of internal controls. The review covers the key business operational, compliance and financial risks facing the Group. In arriving at its judgement of what risks the Group faces, the Board has considered the Group's operations light of the following:

- the nature and extent of risks which it regards as acceptable for the Group to bear within its overall business objective;
- the threat of such a risk becoming a reality;
- the Group's ability to reduce the incidence and impact of risk on its performance; and
- the cost and benefits to the Group of operating the relevant controls.

The Board has reviewed the operation and effectiveness of the Group's system of internal control for the financial year and the period up to the date of approval of these financial statements and considers it to be adequate.

Relations with shareholders

Communication with shareholders is given a high priority by the Board and the Directors are available to enter into dialogue with shareholders. All shareholders are encouraged to attend and vote at the Annual General Meeting during which the Board is available to discuss issues affecting the Group and Company.

Going concern

The Directors have adopted the going-concern-basis in preparing the financial statements. Further disclosure of the Directors' assessment of going-concern is made in note 30 to these annual financial statements.

Legal proceedings

Other than as disclosed in this report, the Directors are not aware of any legal proceedings or other material conditions that may impact on the Company's ability to continue its mining or exploration activities.

Special resolutions

During the period under review shareholders voted in favour of the following special resolution:

- The Company renewed the authority of the Directors to issue shares for cash up to 50 % of the issued capital of the Company; and
- The Company was authorised to make one or more market purchases (as defined in section 693(4) of the Act) of ordinary shares of the Company. The maximum aggregate value of ordinary shares which may be purchased is £ 1 959 934 (representing approximately 14.95% of the issued share capital of the Company at the time of the resolution being passed.)

Report of the Directors *(continued)*

Directors' interest in securities of the Company

The Directors who served during the year and their interests in the shares of the Company as at the beginning and the end of the year were as follows:

	Number of ordinary shares	
	30 June 2019	30 June 2018
C Bird (Direct)	11 047 555	11 047 555
A Sarosi (Direct) (resigned 21 June 2018)	–	64 444
L Coetzer (Direct)	27 810	27 810
Dr M Phosa (Indirect) ¹	2 834 884	2 834 884
Total	13 910 249	13 974 693

¹ = Dr Phosa holds his interest in Jubilee through his trust NMP Trust of which he is a trustee.

The Directors' interests in share options of the Company as at the end of the year were as follows:

Strike price	Par value	3.5p	4p	6p	Total
Leon Coetzer	7 000 000	8 000 000	4 000 000	4 000 000	23 000 000
Colin Bird	5 000 000	4 000 000	2 000 000	2 000 000	13 000 000
Andrew Sarosi (Resigned 21 June 2018) ¹	3 000 000	3 000 000	2 000 000	2 000 000	10 000 000
Chris Molefe	–	500 000	500 000	500 000	1 500 000
Dr Matthews Phosa	–	500 000	500 000	500 000	1 500 000
Total	15 000 000	16 000 000	9 000 000	9 000 000	49 000 000

¹ = These options issued to Andrew Sarosi may be exercised for a period of 24 months from the date of his resignation

Refer to note 20 on page 76 of this report for details of the options awarded.

The remuneration of the directors during the period under review was as follows:

	Remuneration paid £	Benefits in kind £	Other Services £	Total 2019 £	Total 2018 £
C Bird	80 000	8 406	–	88 406	68 340
A Sarosi	–	–	–	–	49 199
C Molefe	17 154	–	1 338	18 492	17 371
L Coetzer	280 210	–	–	280 210	227 907
Dr Phosa	34 308	–	–	34 308	34 742
Dr Kirby	22 553	–	20 723	43 275	3 909
	434 225	8 406	22 061	464 690	401 468

During the period under review the Directors' remuneration was adjusted to align with the cash flow requirements of the Group and Company. Refer to note 6 on page 62 of this report for details of staff costs.

The remuneration of the Non-Executive Directors are not linked to attendance of meetings but paid monthly for services as Directors.

Board of Directors

There were no changes to the Board during the period under review.

Report of the Directors *(continued)*

Abbreviated biographies of the Directors

Mr Colin Bird

Non-Executive Chairman

Mr Bird is a chartered engineer, is a Fellow of the Institute of Materials, Minerals and Mining and holds both a UK and South African Mine Managers Certificate. The formative part of his career was spent in the UK coal mining industry and thereafter he moved to the Zambian copper belt and then to South Africa to work in a management position with Anglo Coal and BP Coal. On his return to the UK he was Technical and Operations Director of Costain Mining Limited, which involved responsibility for mining operations in the UK, Europe and Latin America. He has been involved in the management of nickel, copper, gold and many diverse mineral operations. He has founded and floated several public companies in the resource sector and served on resource Company Boards in the UK, Canada and South Africa.

Dr Mathews Phosa

Non-Executive Vice-Chairman

Dr Mathews Phosa is a prominent political and business leader in South Africa. He played a key role in the country's negotiations that led to the peaceful end of four decades of apartheid rule in 1994 and ushered in a democratic government.

Dr Phosa qualified with a Bachelor of Law degree (Mercantile Law) then Baccalaureus Procuratoris, from the University of the North (BProc LLB (UNIN)) and later was awarded an Honorary Doctor of Law Degree (PhD (HON) in Law) from Boston University, USA in 1995.

He served his legal Articles of Clerkship at the well-known law firm Godfrey Rabin Attorneys from 1979 to 1981. He subsequently established the first black owned law practice in Nelspruit, Mpumalanga in 1981 under the name Phosa, Mojapelo and Makgoba Attorneys and worked as a partner until 1985.

In 1985, Dr Phosa, was forced into exile by the apartheid government and a year later became the regional commander in Mozambique of Umkhonto we Sizwe, the military wing of the African National Congress (ANC). He led his troops on mission after mission until the tide of liberation turned in the ANC's favour.

In 1990, he was one of the first four members of the ANC that returned to South Africa from exile after the unbanning of the party. After the first democratic elections in 1994, he was appointed by South Africa's first black President, Nelson Mandela, as the first Premier of Mpumalanga, one of the nine newly-established provinces in the country. He held this position until 1999 after which he became a member of the National Executive Committee of the ANC.

At the ANC's 52nd National Conference in 2007, Dr Phosa was elected Treasurer General, a position he held until 2012.

Dr Phosa is the chairman of various boards, including Jubilee Metals Group Plc, Hans Merensky, Vuka Timbers, Renaissance Capital, Bauba Platinum to name a few.

Phosa served on the board of Special Olympics International and is Chairperson of Special Olympics South Africa (SOSA). He has been instrumental in awakening the movement in South Africa since 2006. SOSA is an NPO founded to provide year-round sports training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities.

Phosa is among South Africa's longest-serving university Council Chairpersons. He was Unisa's Council Chairperson from 2003 to 2015, appointed by the then Minister of Education, Kader Asmal to chair Unisa's Council through a particularly challenging phase: the 2004 merger of Unisa, Technikon SA and Vista University's Distance Education Campus. Phosa's background as a negotiator made him more than equal to the task.

Dr Phosa is a prolific author who speaks nine languages. He has two anthologies in Afrikaans poetry to his name under the title "Deur die oog van 'n naald" – some of which have been prescribed in the school curriculum for our national matric syllabus. Phosa launched an English anthology called "Chants of Freedom" on 2 June 2015.

The Executive Management of the University of the Free State (UFS) appointed Dr Mathews Phosa as Visiting Professor to the UFS in 2006 for a period of three years. Dr Phosa was involved with the training of the UFS School of Management's MBA students.

Dr Phosa attended the 25th anniversary celebrations of the signing of the Brazzaville Accord on Peace in Southern Africa in Brazzaville in February 2014 where he was awarded the Congolese Order of Merit by President Denis Sassou Nguesso (President of the Republic of the Congo). *(The Congolese Order of Merit is the highest decoration of the Republic and was instituted by Abbé Fulbert Youlou, first president, on 25 February 1959 to be awarded to heads of state and other eminent persons and for outstanding acts and services to the Republic. It is both a military and civilian award. Congo-Brazzaville is a small former French colony with a population of less than four million people and the order is rare.)*

Dr Phosa was the only recipient to receive two awards at the African Achievers Awards in Abuja, Nigeria on 8 July 2016. The first award bestowed on him was for “*Leadership Excellence in Africa*”. The second was a “*Life time Achiever*” Award. He dedicated the first to good governance and democracy and the second he dedicated to our former President, the late cde Nelson Mandela.

Dr Phosa made history when he became the first man to be presented with an award by the African Women in Leadership Organisation at their 8th edition of the African Woman In Leadership Organisation (AWLO) Conference in Washington DC, USA on 18 August 2016. Dr Phosa was awarded the “*African Man of the Year*” Award in recognition of his tireless effort in showcasing and supporting the creativity of African women.

Mr Christopher Molefe

Non-Executive Director

Mr Molefe was formerly the Chief Executive of Royal Bafokeng Resources Proprietary Ltd and is presently the Non-Executive Chairman of Merafe Resources Limited and a Non-Executive Director of Capital Oil Proprietary Ltd, both in South Africa. He currently serves as Chairman of Transfrontier Capital Proprietary Ltd and Sabicor Proprietary Ltd. Mr Molefe has held several positions in corporate banking and industry for the previous 20 years. He commenced his career as Group Human Resource Manager at Union Carbide Africa Corporation. His subsequent positions include Manager of Corporate Affairs at Mobil Oil Southern Africa Proprietary Ltd; an Executive Director at Black Management Forum; a Financial Analyst at Chase Manhattan Bank; the Marketing Manager at African Bank Limited; an Executive Manager at Transnet (Propnet) Proprietary Ltd and an Executive Director at Dipapato Media Proprietary Ltd.

Mr Leon Coetzer

Chief Executive Officer

Leon Coetzer is a qualified chemical engineer. He has been employed within the Anglo American plc stable for 20 years, of which 16 years were spent at Anglo Platinum. His last position was Head of Process Control and Instrumentation, where he defined and managed the automation and process control strategy for Anglo Platinum. The programme has established itself as a recognised world leader in its field. He was a member of the Executive Process Committee, the Research and Development Council of Anglo American, and advisor to the asset optimisation initiative at Anglo Platinum and Anglo American. Throughout his career, he has managed both technical and production units of large operations, including both platinum concentrators and smelters, and was selected to partake in Anglo American’s global leadership programme. Leon was appointed Chief Executive Officer of Braemore Resources in 2008. Braemore Resources was responsible for the commercialisation of the patented ConRoast pyro-metallurgical process which was commercialised at its Smelters in Middelburg. Leon oversaw the acquisition of Braemore by Jubilee Metals Group Plc (formerly Jubilee Platinum Plc) and was appointed Chief Executive Officer of Jubilee in 2010. He is a member of the advisory board of the process engineering faculties at both the University of Pretoria and the University of Stellenbosch and is also a member of the South African Institute of Mining and Metallurgy, a member of the South African Institute of Directors.

Dr Evan Kirby

Technical Director

Dr Kirby is a metallurgist with over 40 years’ experience in the mining sector. He spent 16 years in South Africa with Impala Platinum, Rand Mines and then Rustenburg Platinum Mines. During this time, his involvement covered operations management, process development, plant expansions and new projects. In 1992, he moved to Australia, and worked for Minproc Engineers and then Bechtel Corporation, where he had management and technical roles. He worked on numerous studies and projects covering a wide variety of metals & minerals, including many world-leading developments.

Report of the Directors *(continued)*

In 2002, Evan established his consulting business, Metallurgical Management Services and has had successful and diverse international involvement. He has also served as a director of Mining companies listed on the ASX and AIM (London). His clear understanding of the relationships between geology, mining, metallurgy, and production has contributed to the technical and financial success of companies that he has worked with.

Major shareholders

The Directors are aware of the following substantial shareholdings of 3 % or more of the share capital of 1 855 300 673 ordinary shares at 30 June 2019:

Ordinary shares of 1p each	Number	%
JIM NOMINEES LTD	299,223,417	16.13
HSBC GLOBAL CUSTODY NOMINEE (UK) LTD	144,250,624	7.78
HSBC GLOBAL CUSTODY NOMINEE (UK) LTD	108,685,000	5.86
BARCLAYS DIRECT INVESTING NOMINEES LTD	73,752,441	3.98
HARGREAVES LANSDOWN (NOMINEES) LTD	71,961,840	3.88
HARGREAVES LANSDOWN (NOMINEES) LTD	65,850,862	3.55
INTERACTIVE INVESTOR SERVICES NOMINEES LTD	61,806,349	3.33
THE BANK OF NEW YORK (NOMINEES) LTD	61,439,139	3.31
INTERACTIVE INVESTOR SERVICES NOMINEES LTD	57,821,769	3.12

Share issues

Details of the shares issued in the year are disclosed in note 20 on page 76 of the financial statements.

Post-reporting date events

Details of post-reporting date events are disclosed in note 30 on page 88 of the financial statements.

Creditors' payment policy and practice

The Group and Company's policy is to settle terms of payment with suppliers when agreeing terms of business, to ensure that the suppliers are aware of the terms of payment and to abide by them. The Group and Company settles its trade payables in accordance with this policy.

Qualifying indemnity provision

The Company had a Corporate Guard Directors and Officers Insurance cover in place during the year under review and up to the date of this report.

Political and charitable donations

The Group made no charitable or political donations during the period under review (2018: £ Nil).

Auditors

The Directors review the terms of reference for the auditors and obtain written confirmation that the firm has complied with its ethical guidance on ensuring its independence. Saffery Champness LLP provides audit services to the Company. Any non-audit-related services have to be recommended by the Audit Committee and approved by the Board. The level of fees charged is reviewed by the Board to ensure they remain competitive and to ensure no conflicts of interest arise.

Statement of disclosure to auditors

The Directors have taken all reasonable steps in order to make themselves aware of any relevant audit information and to ensure that the Company's auditors are aware of that information. As far as the Directors are aware, there is no relevant audit information of which the Company and Group's auditors are unaware.

On behalf of the Board

L Coetzer

Chief Executive Officer

14 November 2019

Company number 04459850

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations.

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and elected to prepare the Company's financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Under Company Law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the AIM market of the London Stock Exchange for companies trading securities on the AIM, as well as in compliance with the JSE's AltX listing rules.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act of the United Kingdom. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available online. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom and South Africa, governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The financial statements were authorised for issue and approved by the Board on 14 November 2019 and signed on its behalf by:

L Coetzer

Chief Executive Officer

14 November 2019

Company number 04459850

Report of the Audit and Risk Committee

for the year ended 30 June 2019

The Audit and Risk Committee is chaired by Mr Christopher Molefe. During the financial year ended 30 June 2019 the Audit and Risk Committee carried out its functions as follows:

- Nominated the re-appointment of Saffery Champness LLP as the registered independent auditors after satisfying itself through enquiry that Saffery Champness LLP is independent as defined in terms of the Corporate Laws Amendment Act ("CLAA").
- Determined the fees to be paid to Saffery Champness LLP and their terms of engagement.
- Ensured that the re-appointment complied with the CLAA and any other legislation relating to the appointment of auditors.
- Reviewed the nature of any non-audit services provided by the external auditors to ensure that the fees for such services become so significant that as to call to question their independence.

The Audit and Risk Committee satisfied itself through enquiry that Saffery Champness LLP as statutory auditors are independent of the Company.

The Audit and Risk Committee has considered and satisfied itself of the appropriateness and expertise of the newly appointed Group Chief Financial Officer, Mr. P Kovacevic, and is unanimously satisfied of his suitability for the position for the ensuing year.

The Audit and Risk Committee recommended the financial statements for the year ended 30 June 2019 for approval to the Board. The Board has subsequently approved the financial statements, which will be open for discussion at the forthcoming Annual General Meeting.

Christopher Molefe

Chairman – Audit and Risk Committee

14 November 2019

Company number 04459850

Independent auditor's report to the members of Jubilee

Opinion

We have audited the financial statements of Jubilee Metals Group Plc for the year ended 30 June 2019 which comprise the Group and Company Statements of Financial Position, the Group and Company Statements of Comprehensive Income, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash flows and notes to the financial statements, including a summary of significant accounting policies set out on pages 42 to 91. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2019 and of the group and parent company's profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report to the members of Jubilee *(continued)*

Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying value of intangible assets</p> <p>The carrying value of intangible assets included in the Group's balance sheet at 30 June 2019 was stated as £46.9m, contained within 2 cash generating units ("CGUs").</p> <p>The Directors assess at each reporting period end whether there is any indication that an asset may be impaired and intangible assets with an indefinite life must be tested for impairment on an annual basis. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose, requires judgement on the part of management in both identifying and then valuing the relevant CGUs, especially for projects where there is an uncertain timeframe.</p> <p>Deferred tax liabilities are recognised on certain intangible assets following business combinations and these liabilities are re-evaluated at each reporting period end.</p> <p>Any impairment in these CGUs could lead to consequent impairments of the parent company's investments in subsidiaries or intercompany loans to these subsidiaries which at 30 June 2019 were carried at £36.9m and £52.4 respectively.</p> <p>Due to the significance of the intangible assets to the consolidated financial statements, the significant judgements involved in these calculations and the potential impact on parent company investments and intercompany loans, the carrying value of intangible assets is a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessing whether the methodology used by the Directors to calculate recoverable amounts complies with IAS 36; Assessing the viability of the platinum group elements ("PGE") exploration asset by analysing CGU value in use cash flows and determining whether the input assumptions are reasonable and supportable given the current macroeconomic climate; Performing sensitivity analysis on key assumptions and testing the mathematical accuracy of models; Challenging inputs to models including comparison with external data sources; Reviewing correspondence and other sources for evidence of impairment; Reviewing the recoverability of intercompany loans within the parent company and indicators of impairment in investments in subsidiaries; Assessing the appropriateness and completeness of the related disclosures in note 9, <i>intangible assets</i>, of the group financial statements; and Recalculating the deferred tax liability relating to specific intangible assets and assessing applicable tax rates. Understanding the nature and basis of the recognition of new intangible assets relating to the Kabwe and Windsor operations. <p>Based on our procedures, we noted no material exceptions and considered management's key assumptions to be within reasonable ranges.</p>

Independent auditor's report to the members of Jubilee *(continued)*

Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>Revenue for the year was £23.6m, representing a significant increase on 2018. 2019 saw the acquisition of the Windsor Chrome project which contributed new revenues alongside Hernic and DCM. The revenue recognised is derived from platinum group metals ("PGM") concentrate and chromite concentrate sales.</p> <p>The Group also adopted IFRS 15 Revenue from Contracts with Customers for the first time. Even though the Group concluded that the implementation of IFRS 15 resulted in no change to the timing of revenue recognition, this represents a change in approach to the recognition of revenue and required an updated impact assessment by reference to the Group's existing contracts and the performance conditions placed on Jubilee within those contracts.</p> <p>For the sale of chromite concentrate and PGM concentrate, the Group's revised revenue accounting policy is set out in note 1.12.</p> <p>Due to the significance of revenue to the consolidated financial statements, the first year of revenues from Windsor Chrome and the judgement involved in estimating consideration receivable and this being the first year of adoption of IFRS 15, revenue recognition is a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtaining the Group's IFRS 15 impact assessment and considering this in detail by reference to the Group's underlying contracts with customers and performance conditions set out therein; • Evaluating the Group's revenue recognition policy and management's current year accounting assessment for the fair value of consideration receivable based on the contracts entered into; • Confirming the implementation of the Group's policy to the Hernic, DCM and Windsor projects by performing tests to confirm our understanding of the process by which revenue is calculated; • Confirming that fair value measurements are determined in accordance with IFRS 13; • Comparing foreign exchange rates used in management's calculations; • Substantive tests agreeing concentrates and underlying calculations to independent sources; and • Assessing the appropriateness of the related disclosures in notes 1.12 and 3, <i>revenue recognition accounting policy and revenue split by commodity</i>, of the group financial statements. <p>Based on our procedures, we noted no material exceptions and considered management's key assumptions to be within reasonable ranges. We consider that revenue recognition has been recognised appropriately and is in accordance with the Group's revenue recognition policy and IFRS 15.</p>

Independent auditor's report to the members of Jubilee *(continued)*

Key Audit Matter	How our audit addressed the key audit matter
<p>Accounting and disclosure of convertible debt</p> <p>During the year, Jubilee entered into a funding agreement with ACAM LP for \$8m to finance its post balance sheet acquisition of Sable Zinc as part of its development of the Kabwe Project.</p> <p>Under the agreement, ACAM have the option to convert the loan and unpaid interest into convertible loan notes with a fixed conversion price of 2.81p per share.</p> <p>Jubilee have the option to repay early the loan which will trigger the issue of warrants with a value equal to 50% of the amount of the loan and accrued interest outstanding, divided by 2.81p.</p> <p>Due to the significance of the loan and the complexities in assessing its treatment, the accounting and disclosure of the convertible loan is a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtaining the funding agreement with ACAM LP to determine the key features, terms and conditions; • Reviewing management's proposed treatment and basis for this; • Challenging the Directors' assessment of the applicable interest rate on an equivalent loan without the conversion option and review of this by reference to external data and the Group's wider portfolio of funding arrangements; • Reworking and recalculating management's effective interest rate calculations based on contractual cash flows and analysis of the relevant direct costs associated with the loan; • Recalculating and agreeing with management the resulting equity component and considering its treatment within equity on the Statement of Financial Position; • Ensuring that the necessary accounting adjustments were reflected in the group financial statements; • Reviewing the application of exchange rates in the loan workings and assessing the appropriateness of the loan treatment by reference to IAS 32; • Reviewing the disclosure requirements to ensure adequate disclosure was given in the financial statements. <p>Based on our procedures, we noted no material exceptions and considered the accounting and disclosure of the convertible loan, as amended, to be reasonable.</p>

Independent auditor's report to the members of Jubilee *(continued)*

Key Audit Matter	How our audit addressed the key audit matter
<p>Accounting and disclosure of the Group's option over Enviro Mining Limited</p> <p>During the year the Group entered into updated shareholder and operator agreements with BMR Group Plc in respect of the operation of the Kabwe Project.</p> <p>These agreements took Jubilee's interest in Kabwe Operations Limited, the entity operating the project, from 15% to 87.5%. Jubilee acquired the additional interest in exchange for a commitment to execute the improved methodology for the exploitation of the project as well as project funding.</p> <p>A further feature of the agreement was to assign Jubilee an option to acquire, at no additional cost, 100% of the share capital of Enviro Mining Limited, a subsidiary of BMR Group Plc and which owns the share capital of Enviro Processing Limited, a company which holds rights to access the material at Kabwe.</p> <p>If and when Jubilee exercise that option, BMR Group plc will pass its 12.5% interest in Kabwe Operations Limited to Jubilee and will instead be entitled to a 12.5% royalty from project earnings once Jubilee have achieved a 20% return from the project and other conditions are met.</p> <p>At the year end Jubilee held the option over Enviro Mining Limited and therefore recorded the option as a financial asset measured at fair value. Deriving that fair value required significant judgement and therefore the recognition of this option was considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Discussing with management their view of the appropriate accounting treatment of the overall transaction; • Challenging management's assessment of whether the gaining of control of Kabwe Operations Limited represents a business combination; • Reviewing the underlying updated operating and shareholder agreements to understand key terms; • Understanding the assets held within Enviro Mining and Enviro Processing and the nature of the small-scale mining licence held therein; and • Critically evaluating the cash flow model relating to the Kabwe Project used to value the shares of Enviro Mining and challenging key assumptions including the discount rate applied, royalty rates, total forecast material processed and capital requirements; • Understanding the rationale for an overall valuation discount applied to reflect the pre-production stage of the project, the inherent uncertainties and the fact that the Sable Zinc refinery had not been acquired at the time the model was prepared; • Assessment of the appropriate deferred tax treatment associated with the fair value uplift on the asset. <p>Based on our procedures, we noted no material exceptions and considered the accounting and disclosure of the financial asset to be appropriate.</p>

Independent auditor's report to the members of Jubilee *(continued)*

Key Audit Matter	How our audit addressed the key audit matter
<p>Accounting and disclosure of the acquisition of Windsor Chrome trade and assets</p> <p>During the year the Group acquired the trade and assets of an existing trading operation at Windsor Chrome. That acquisition was treated as a business combination as the deal encompassed operating plant, land, stock, intellectual property, other associated assets as well as employees at the site.</p> <p>The total consideration for the acquisition was set at \$10.5m subject to various adjustment mechanisms and was met through the issue of new shares as well as cash. The cash element was met through a combination of existing funds and debt funding.</p> <p>The recognition of the transaction as a business combination required an assessment of the fair values of the assets acquired as well as the consideration issued.</p> <p>Due to the various judgement areas involved we consider this transaction to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Discussing with management their view of the appropriate accounting treatment of the overall transaction; • Obtaining and reviewing the underlying acquisition documents and identifying the key terms of the transaction; • Understanding the rationale for meeting the definition of a business combination under IFRS 3 and testing those assertions to the facts; • Obtaining management's register of assets acquired and their associated fair value assessment; • Physical verification of assets at the Windsor site; • Reviewing and recalculating the fair value of cash and shares issued in consideration; • Reviewing external evidence available in respect of the fair value of assets acquired; • Considering any evidence of impairment by reference to future cash flow models associated with the Windsor Chrome operation including in respect of volume of material processed and discount rates; • Reviewing the disclosure requirements to ensure adequate disclosure was given in the financial statements. <p>Based on our procedures, we noted no material exceptions and considered the accounting and disclosure of the business combination to be appropriate.</p>

Independent auditor's report to the members of Jubilee *(continued)*

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our audit opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider a misstatement to be material where it could reasonably be expected to influence the economic decisions of the users of the financial statements.

We have determined a materiality of £1,000,000 (2018: £600,000) for both the Group and Company financial statements. This is based on 1.5% of net assets per draft financial information at the planning stage. We did not consider there to be any reason to revise materiality during the audit.

An overview of the scope of our audit

We tailored the scope of our audit to ensure that we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls and the industry in which the Group operates.

As Group auditors we carried out the audit of the Company financial statements and, in accordance with ISA (UK) 600, obtained sufficient evidence regarding the audit of seven subsidiaries undertaken by component auditors in South Africa and Mauritius. These seven subsidiaries were deemed to be significant to the Group financial statements either due to their size or their risk characteristics. The Group audit team directed, supervised and reviewed the work of the component auditors in South Africa and Mauritius, which involved issuing detailed instructions, holding regular discussions with component audit teams, performing detailed file reviews and visiting South Africa to attend local audit meetings with management. Audit work in South Africa and Mauritius was performed at materiality levels of £100,000, lower than Group materiality.

We also reviewed the audit work performed by a component auditor on one material associate whose results are equity accounted in the financial statements. That associate has a different reporting period to the Group and therefore we performed additional work to gain comfort on the results of the associate for the relevant period.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Jubilee *(continued)*

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 32, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jamie Cassell (Senior Statutory Auditor)

for and on behalf of Saffery Champness LLP

Chartered Accountants

Statutory Auditors

71 Queen Victoria Street

London

EC4V 4BE

14 November 2019

Group and Company statements of financial position

as at 30 June 2019

		Group		Company	
Figures in Sterling	Note(s)	2019	2018	2019	2018
Assets					
Non-current assets					
Property, plant and equipment	8	17 901 768	10 364 239	–	–
Intangible assets	9	46 937 992	44 385 596	–	–
Investments in subsidiaries	10	–	–	36 903 778	37 555 277
Investments in associates	11	1 895 477	2 760 966	3 032 996	3 032 996
Loans to Group companies	12	–	–	52 352 297	47 154 399
Other financial assets	13	5 709 324	509 229	5 021 585	242 805
		72 444 561	58 020 030	97 310 656	87 985 477
Current assets					
Inventories	14	1 660 691	1 306 000	–	–
Other financial assets	13	–	424 753	–	–
Current tax receivable		–	15 870	–	–
Trade and other receivables	15	9 071 729	3 293 938	316 917	49 374
Cash and cash equivalents	16	18 865 288	6 376 153	11 556 209	4 247 879
		29 597 708	11 416 714	11 873 126	4 297 253
Total assets		102 042 269	69 436 744	109 183 782	92 282 730
Equity and liabilities					
Equity attributable to equity holders of parent					
Share capital and share premium	19	105 820 411	94 065 073	105 820 411	94 065 073
Reserves		22 319 022	21 432 114	25 906 473	25 652 578
Accumulated loss		(51 842 702)	(59 057 860)	(25 550 029)	(27 993 176)
		76 296 731	56 439 327	106 176 855	91 724 475
Non-controlling interest	10	2 393 081	2 363 401	–	–
		78 689 812	58 802 728	106 176 855	91 724 475
Liabilities					
Non-current liabilities					
Other financial liabilities	22	10 396 736	1 622 026	–	–
Deferred tax liability	29	6 018 620	5 065 422	954 101	–
		16 415 356	6 687 448	954 101	–
Current liabilities					
Other financial liabilities	22	2 272 459	1 448 664	1 602 656	–
Trade and other payables	23	4 664 642	2 497 904	450 170	558 255
		6 937 101	3 946 568	2 052 826	558 255
Total liabilities		23 352 457	10 634 016	3 006 927	558 255
Total equity and liabilities		102 042 269	69 436 744	109 183 782	92 282 730

The accompanying accounting policies and notes on pages 47 to 91 form an integral part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 14 November 2019 and signed on its behalf by:

Leon Coetzer

Chief Executive Officer

Company number: 04459850

Group and Company statements of comprehensive income

for the year ended 30 June 2019

		Group		Company	
Figures in Sterling	Note(s)	2019	2018	2019	2018
Continuing operations					
Revenue	3	23 585 845	14 139 510	–	–
Cost of sales		(10 709 445)	(8 672 325)	–	–
Gross profit		12 876 400	5 467 185	–	–
Other income		385 000	9 227	–	–
Operating expenses		(8 388 378)	(5 416 827)	(568 407)	(1 511 020)
Operating profit/(loss)	4	4 873 022	59 585	(568 407)	(1 511 020)
Investment revenue		30 058	25 586	126 005	2 797
Fair value adjustments	13	5 021 585	–	5 021 585	–
Impairments		–	(804 357)	(1 183 068)	–
Finance costs	5	(1 112 909)	(1 375 732)	(179 604)	–
Share of loss from associates	11	(865 489)	(308 451)	–	–
Profit/(loss) before taxation		7 946 267	(2 403 369)	3 216 511	(1 508 223)
Taxation	7	(969 971)	–	(954 101)	–
Profit/(loss) for the year		6 976 296	(2 403 369)	2 262 410	(1 508 223)
Other comprehensive income:					
Exchange differences on translating foreign operations	21	679 636	(2 954 327)	–	–
Total comprehensive profit/(loss)		7 655 932	(5 357 696)	2 262 410	(1 508 223)
Basic profit/(loss) for the year					
Attributable to:					
Owners of the parent		6 993 587	(2 114 713)	2 262 410	(1 508 223)
Non-controlling interest	10	(17 291)	(288 656)	–	–
		6 976 296	(2 403 369)	2 262 410	(1 508 223)
Total comprehensive profit/(loss) attributable to:					
Owners of the parent		7 626 600	(4 892 637)	2 262 410	(1 508 223)
Non-controlling interest	10, 21	29 332	(465 059)	–	–
		7 655 932	(5 357 696)	2 262 410	(1 508 223)
Earnings/(loss) per share (pence)	18	0.48	(0.18)		
Diluted earnings/(loss) per share (pence)	18	0.47	(0.18)		

Group and Company statements of changes in equity

for the year ended 30 June 2019

Figures in Sterling	Share capital and share premium	Foreign currency translation reserve	Merger reserve	Share-based payment reserve	Convertible instrument reserve	Total reserves	Accumulated loss	Total attributable to equity holders of the Group/ Company	Non-controlling interest	Total equity
Group										
Balance at 1 July 2017	87 674 940	(1 442 540)	23 184 000	1 336 583	–	23 078 043	(57 261 760)	53 491 223	2 867 039	56 358 262
Changes in equity										
Total comprehensive income										
for the year	–	(2 777 924)	–	–	–	(2 777 924)	(2 114 713)	(4 892 637)	(465 059)	(5 357 696)
Issue of share capital net										
of costs	7 258 327	–	–	–	–	–	–	7 258 327	–	7 258 327
Share warrants issued	(868 194)	–	–	868 194	–	868 194	–	–	–	–
Options granted	–	–	–	263 801	–	263 801	–	263 801	–	263 801
Changes in ownership										
interest – control not lost	–	–	–	–	–	–	318 612	318 612	(38 578)	280 034
Total changes	6 390 133	(2 777 924)	–	1 131 995	–	(1 645 929)	(1 796 101)	2 948 103	(503 637)	2 444 466
Balance at 30 June 2018	94 065 073	(4 220 464)	23 184 000	2 468 578	–	21 432 112	(59 057 860)	56 439 327	2 363 401	58 802 728
Changes in equity										
Total comprehensive income										
for the year	–	633 013	–	–	–	633 013	6 993 587	7 626 600	29 332	7 655 932
Issue of share capital net										
of costs	11 765 355	–	–	–	–	–	–	11 765 355	–	11 765 355
Share warrants issued	(10 017)	–	–	231 593	–	231 593	–	221 575	–	221 575
Share warrants expired	–	–	–	(180 736)	–	(180 736)	180 736	–	–	–
Equity component of										
convertible loan note	–	–	–	–	203 040	203 040	–	203 040	–	203 040
Changes in fair value of NCI										
interest – control not lost	–	–	–	–	–	–	40 835	40 835	–	40 835
Changes in ownership										
interest – control not lost	–	–	–	–	–	–	–	–	348	348
Total changes	11 755 338	633 013	–	50 857	203 040	886 908	7 215 159	19 857 405	29 680	19 887 085
Balance at 30 June 2019	105 820 411	(3 587 451)	23 184 000	2 519 435	203 040	22 319 022	(51 842 702)	76 296 731	2 393 081	78 689 812
Notes	19			20					10	

Group and Company statements of changes in equity *(continued)*

for the year ended 30 June 2019

Figures in Sterling	Share capital and share premium	Merger reserve	Share-based payment reserve	Convertible instrument reserve	Total reserves	Accumulated loss	Total attributable to equity holders of the Group/ Company	Total equity
Company								
Balance at 1 July 2017	87 674 940	23 184 000	1 336 583	–	24 520 583	(26 484 952)	85 710 571	85 710 571
Changes in equity								
Total comprehensive income for the year	–	–	–	–	–	(1 508 223)	(1 508 223)	(1 508 223)
Issue of ordinary shares	7 258 327	–	–	–	–	–	7 258 327	7 258 327
Share warrants issued	(868 194)	–	868 194	–	868 194	–	–	–
Share options issued	–	–	263 801	–	263 801	–	263 801	263 801
Total changes	6 390 133	–	1 131 995	–	1 131 995	(1 508 223)	6 013 905	6 013 905
Balance at 30 June 2018	94 065 073	23 184 000	2 468 578	–	25 652 578	(27 993 176)	91 724 475	91 724 475
Changes in equity								
Total comprehensive income for the year	–	–	–	–	–	2 262 410	2 262 410	2 262 410
Issue of ordinary shares	11 765 355	–	–	–	–	–	11 765 355	11 765 355
Share warrants issued	(10 017)	–	231 593	–	231 593	–	221 575	221 575
Share warrants expired	–	–	(180 736)	–	(180 736)	180 737	–	–
Equity component of convertible loan note	–	–	–	203 040	203 040	–	203 040	203 040
Total changes	11 765 338	–	50 857	203 040	253 897	2 443 147	14 452 380	14 452 380
Balance at 30 June 2019	105 820 411	23 184 000	2 519 435	203 040	25 906 473	(25 550 029)	106 176 855	106 176 855
Notes	19		20					

Group and Company statements of cash flows

for the year ended 30 June 2019

Figures in Sterling	Note(s)	Group		Company	
		2019	2018	2019	2018
Cash flows from operating activities					
Cash used in operations	17	5 514 036	1 406 936	(1 041 849)	(1 320 192)
Interest income		30 058	25 586	126 005	2 797
Finance costs		(787 390)	(469 548)	(91 785)	–
Net cash from operating activities		4 756 704	962 974	(1 007 629)	(1 317 395)
Cash flows from investing activities					
Purchase of property, plant and equipment	8	(4 496 478)	(195 208)	–	–
Sale of property, plant and equipment	8	17 060	9 056	–	–
Purchase of intangible assets	9	(2 181 981)	(191 743)	–	–
Business combinations		(6 826 281)	–	–	–
Investment in associate	11	–	(500 000)	–	(500 000)
Loans to group companies		–	–	(4 161 570)	(1 821 933)
(Repayment)/receipt of loans		49 368	(841 087)	–	(242 805)
Net cash from investing activities		(13 438 312)	(1 718 982)	(4 161 570)	(2 564 738)
Cash flows from financing activities					
Net proceeds on share issues		10 671 831	4 252 950	10 671 831	4 252 500
Repayment of other financial liabilities		(630 693)	(3 518 298)	(302 732)	–
Proceeds from other financial liabilities		10 933 550	1 920 000	2 108 430	–
Net cash from financing activities		20 974 688	2 654 652	12 477 529	4 252 500
Total cash movement for the year		12 293 080	1 898 644	7 308 330	843 198
Total cash at the beginning of the year		6 376 153	4 635 636	4 247 879	3 404 682
Effect of exchange rate movement on cash balances		196 055	(158 127)	–	–
Total cash at end of the year	16	18 865 288	6 376 153	11 556 209	4 247 880

Notes to the Group and Company financial statements

for the year ended 30 June 2019

1. STATEMENT OF ACCOUNTING POLICIES

The Group and Company results for the year ended 30 June 2019 have been prepared using the accounting policies applied by the Company in its 30 June 2018 annual report, which are in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations, as issued by the International Accounting Standards Board ("IASB") and adopted for use in the EU (IFRS), including the SAICA financial reporting guides as issued by the Accounting Practices Committee and the Companies Act 2006 (UK). The financial statements are presented in Pound Sterling.

For income statement purposes conversions are at average exchange rates and for balance sheet purposes at the closing rate as at the period end. All other conversions are at rates as at the time announced.

1.1 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all entities, which are controlled by the Company. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership, where the Group had control of the subsidiary, both before and after the transaction, are regarded as equity transactions and are recognised directly in the statement of changes in equity. The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liabilities or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3: Business Combinations, are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held for sale in accordance with IFRS 5: Non-current Assets Held-for-Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date. On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts whose classification remains as per their inception date.

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to profit or loss and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill represents the excess of the cost of a business combination over the interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair values of assets given, liabilities assumed and equity instruments issued.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed. Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Merger reserve

The difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange has been credited to a merger reserve account, in accordance with the merger relief provisions of the Companies Act 2006 and accordingly no share premium for such transactions is set up. This reserve arose from obtaining a 90 % or more interest in the shares of another entity by virtue of a share-for-share exchange.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

Purchase of non-controlling interest in a controlled entity

The cost of the purchase of shares is measured at the aggregate of the fair value of assets given at the date of exchange, liabilities incurred or assumed and the fair value of the equity instruments issued by the Group in exchange for shares purchased in a controlled entity. Any costs directly attributable to the transaction, are charged to the statement of comprehensive income.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. Subsequent to initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated over their expected useful lives to their estimated residual value. Plant under construction is not depreciated until it is commissioned and operational.

Land is not depreciated. Depreciation of plant and equipment is calculated on a straight-line basis using rates which are designed to write off the assets over their estimated useful lives as follows:

Buildings	20 years
Plant and equipment	3 – 8 years
Furniture and fittings	10 years
Motor vehicles	5 years
Computer equipment	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimates. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Intangible assets

Intangible assets – exploration and evaluation

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of continuing interest.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

Exploration and evaluation assets are assessed for impairment on an annual basis if: (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units ("CGUs") to which the exploration activity related.

The recoverable amount is determined as the higher of: (a) its fair market value less costs to sell or (b) the sum of cash flows, on a net present value basis (value-in-use), from continued operations of the CGU.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

If an intangible asset has an indefinite useful life, it is tested for impairment annually and individually to determine whether the indefinite life continues to be supportable. Only once a prospect, to bring the project to account, becomes feasible, will the useful life of the intangible asset be determinable.

Intangible assets – development costs

Development costs relating to major development programmes are capitalised. Initial development and pre-production costs relating to a new technology, including amortisation and depreciation to develop the technology are capitalised until commissioning of production facilities. Development costs consist primarily of expenditure to develop the technology to commercialisation. Development cost will be capitalised if the Company can demonstrate the following:

- technical feasibility of completion of the asset;
- the ability to use or sell the asset;
- the intention to complete the intangible asset to use or sell;
- the availability of adequate technical, financial and other resources to complete the development and to use and sell the intangible;
- an ability to demonstrate how the asset will generate future economic benefits; and
- the ability to measure reliably the expenditure attributable to the asset.

Development costs capitalised have a finite life and are amortised on a straight-line basis over the useful life of the asset. Day-to-day development costs to maintain production are expensed as incurred.

Amortisation for each period is recognised in the statement of comprehensive income.

The Group reviews the carrying amount of development assets and development costs when circumstances suggest the carrying amount may not be recoverable. Recoverability is assessed using estimates of future cash flows on a discounted basis, including revenues, operating costs and future capital expenditures. Where necessary, impairment in carrying amount is recorded. Any impairment is recorded in the statement of comprehensive income.

1.4 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provision of the instrument. These financial instruments are recognised initially at fair value. For instruments not at fair value through profit or loss, any directly attributable transaction costs are included.

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets or substantially transfers all risk and rewards of the asset to another party without retaining control. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Impairment of financial assets

At each reporting date the Group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or Group of financial assets has been impaired. For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

The Group also measures loss allowances for expected credit losses on financial assets measured at amortised cost, contract assets and trade and other receivables. Loss allowances on trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses. The Group considers reasonable and supportable information that is relevant and available without undue cost and effort. This includes both qualitative and quantitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward looking information.

Impairment losses are recognised in profit or loss. Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised. Reversals of impairment losses are recognised in the statement of comprehensive income.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in the statement of comprehensive income within operating expenses. When such assets are written off the write-off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss. Trade and other receivables are classified as loans and receivables.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash-on-hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recognised at fair value and subsequently at amortised cost.

Loans to/(from) Group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs. Loans to Group companies are classified as loans and receivables are reviewed for impairment at the end of each reporting period, with reference to any indication that the loans may at risk of default, in which instance the Group recognises loss allowances for expected credit losses in profit or loss. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward looking information.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing liabilities

Interest-bearing debt is measured at amortised cost using the effective interest rate method.

Loans to/(from) related parties

Loans to subsidiaries are measured at amortised cost using the effective interest rate method.

Convertible debt instruments

Convertible debt instruments are compound financial instruments that can be converted into ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value. The fair value of the equity component of the convertible loan note is initially recognised at the difference between the fair value of the convertible loan note as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a convertible loan note is measured at amortised cost using the effective interest method. The equity component of the convertible loan note is not remeasured. Interest related to the convertible loan note is recognised in profit or loss. On conversion at maturity, if not settled in cash the convertible loan note is reclassified to equity and no gain or loss is recognised.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised except for differences arising on investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

Deferred tax is not provided for on initial recognition of goodwill, initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affect neither accounting nor taxable profit and investment in subsidiaries and the Group is able to control the timing of the reversal of the difference and is probable that the differences will not reverse in the foreseeable future. Recognition of the deferred tax assets is restricted to those instances where it is probable that the taxable profit will be available against which the difference can be utilised. Deferred tax is also based on rates enacted or substantively enacted at the reporting date and expected to apply when the related deferred tax asset is realised or liability settled. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Tax expenses

The identifiable assets acquired and liabilities assumed in a business combination are recognised at their fair values at the acquisition date. Deferred tax is recognised on temporary differences resulting from fair value adjustments. Temporary differences arise when the tax bases of the identifiable assets acquired and liabilities assumed are not affected by the business combination or are affected differently. The resulting deferred tax asset or liability affects goodwill recognised on business combinations. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is allocated between continuing and discontinued operations. Deferred tax adjustments in respect of discontinued operations are included on the face of the statement of comprehensive income under the heading (loss)/profit from discontinued operations.

Current tax and deferred taxes are charged or credited to profit or loss if the tax relates to items that are credited or charged, in the same or a different period, to profit or loss.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the method most appropriate to the particular class of inventory, with the majority being valued on a first-in first-out basis. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of such inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7 Impairment of assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period; and
- tests goodwill acquired in a business combination for impairment annually.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the CGU to which the asset belongs is determined.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value-in-use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for CGUs if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the CGU; and
- then, to the other assets of the unit, prorated on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets, other than goodwill, may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset, other than goodwill, attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation, other than goodwill, is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.9 Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction. When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised in profit or loss.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received, provided that the fair value can be estimated reliably. If the fair value of the goods or services received cannot be estimated reliably, their value and the corresponding increase in equity, indirectly, are measured by reference to the fair value of the equity instruments granted.

If the share-based payments granted do not vest until the counterparty completes a specified period of service the Group accounts for those services as they are rendered by the counterparty during the vesting period (or on a straight-line basis over the vesting period). If the share-based payments vest immediately the services received are recognised in full.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

1.10 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision. Provisions are not recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.11 Revenue

The Group has applied IFRS 15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. There is no difference in the accounting under IAS 18 and IFRS 15 as the recognition and the measurement of revenue are the same based on the Directors' assessment. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the amount of revenue can be reliably measured.

1.11.1 Revenue accounting policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it considers that it has met the performance conditions specified in its contracts with customers. In the Group's material contracts this occurs when it transfers control over a product to a customer. Revenue is recognised to depict the transfer of goods to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods, which is achieved through a five step methodology.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably.

1.11.2 Sale of Commodities

Revenue is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer and the costs incurred in respect of the transaction can be measured reliably. The risks and rewards of ownership are considered to have been transferred to the buyer on delivery of the goods.

PGM concentrate

A sales contract is entered into with the customer and revenue from PGM concentrate is recognised when the buyer takes ownership and control of the PGM concentrate. On the date of delivery the transaction price is determined based on provisional variables. Adjustments to the transaction price may be required due to movements in market prices, content quantities and penalties, which represent variable transaction price components, up to the date of final pricing. Final pricing is based on the monthly average market price in the month of settlement.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

For PGM concentrate sales, revenue is initially recognised at end of the delivery month and measured at the fair value of the consideration receivable. The fair value of the consideration is subsequently adjusted based on movements in the metal market price up to the date of final pricing, typically four months after the delivery month.

Chrome concentrate

For chromite concentrate sales, revenue is initially recognised on delivery and measured at the fair value of the consideration receivable. On the date of delivery the transaction price is determined based on provisional variables. Adjustments to the transaction price may be required due to movements in market prices, content quantities and penalties, which represent variable transaction price components, up to the date of final pricing. Final pricing is based on the monthly average market price in the month of settlement.

The fair value of the consideration is subsequently adjusted for any changes to the final consideration receivable. Changes to the fair value of the consideration receivable are recognised as an adjustment to revenue in profit and loss and trade debtors in the statement of financial position.

Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales. Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.12 Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated financial statements are presented in Pound Sterling, which is the Group functional and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pound Sterling, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to profit or loss and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pound Sterling by applying to the foreign currency amount the exchange rate between the Pound Sterling and the foreign currency at the date of the cash flow.

1.13 Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investments.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

The Company's investments in subsidiaries

In its separate financial statements the Company recognises its investments in subsidiaries at cost, less any provision for impairment. The cost of acquisition includes directly attributable professional fees and other expenses incurred in connection with the acquisition.

The Company's investments in associates

The Company's investments in associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to associate is included in the carrying value of the investment and is not tested for impairment separately. The statement of profit or loss reflects the Company's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, if applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.14 Critical judgements and key sources of estimation uncertainty

Details of the Group's significant accounting judgements and critical accounting estimates are as follows:

Impairment testing

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less cost to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact on estimates and may then require a material adjustment to the carrying value of assets including intangible assets and inventories. The Group tests annually whether intangible assets and inventories have suffered any impairment, in accordance with the accounting policy. The recoverable amounts of CGUs will be determined based on value-in-use calculations. These calculations require the use of estimates.

Taxation

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made. Refer to note 7 for details on tax.

Net realisable value of inventory

Judgement is required when determining the net realisable value of inventory on hand. In determining net realisable value the estimated future revenue obtainable in the current economic conditions is used as a factor in valuing the recoverable amount.

Share-based payments

In order to calculate the charge for share-based payments as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its option-pricing model. Refer to note 19 and 20 for details on valuation of share-based payments, including options granted and warrants granted.

Residual value, useful lives and depreciation methods

Judgement has been used in estimating the residual values and useful lives of items of property, plant and equipment. Refer to note 8 for detail of the values of property, plant and equipment.

Convertible loan notes

When determining the equity component of a convertible loan note the fair value of the loan is determined using current or quoted prices as well as a discounted net present value of the loan using a risk adjusted discount rate.

Going concern

In assessing going concern management applies judgment to determine if the Group is able to meet its obligations in the ordinary course of business. This includes the use of discount rates when modelling its future short term cash flow forecasts for projects as well as judgment over commodity prices and yields. Refer to note 30.

Fair value of assets acquired

During the period under review the Group acquired assets in business combination. Certain valuation inputs including trading prices of securities, discount rates and anticipated yields and returns on acquired tailings and IP are used to determine the fair value of assets and IP acquired. The Group also acquired an option to buy 100% of EML which option was recognised as other financial assets at fair value through profit or loss. The fair value of the option were determined using estimated inputs and discount rates which required judgment on management's part.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

Business combinations

The Group entered into two transactions during the period under review. Certain assets were acquired and judgment was required to establish whether the acquisitions were business combinations or not. In doing so the arrangements of the transactions were considered including the nature of the assets acquired and whether the assets acquired constitutes a business that could continue as normal after the acquisition or whether it would require a significant amount of inputs and expenditure to make it a viable business.

2. ADOPTION OF NEW AND REVISED STANDARDS

Adoption of new and revised standards

During the financial year, the Group has adopted the following relevant new IFRSs (including amendments thereto) and IFRIC interpretations, which became effective for the first time.

Standard	Effective date, annual period beginning on or after
Annual Improvements 2014-2016 cycle	1 January 2018
IFRS 9 <i>Financial instruments</i>	1 January 2018
IFRS 15 <i>Revenue from contracts with Customers</i> including amendments to IFRS 15: <i>Effective date of IFRS 15.</i>	1 January 2018
Clarifications to IFRS 15 – <i>Revenue from contracts with Customers</i>	1 January 2018
IFRS 2 (amendments) – <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
IFRIC Interpretation 22 – <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements except as set out below:

IFRS 15 became effective in the financial year; the standard required a change in the way the Group approaches the issue of revenue recognition. The Group's accounting policy for revenue recognition has been revised and as a result no significant change to the recording of revenue under existing contracts has been noted. The standard has also resulted in additional disclosures are as set out in note 3.

The adoption of IFRS 9 has introduced a new approach to the Board's consideration of both the classification of financial assets and liabilities, and the recognition of impairment losses on financial assets. As a result of the adoption, the Group now assesses, and separately reports, contract assets and liabilities and has adopted the expected credit loss model in respect of impairment assessment. The Group has not recorded a significant change in its results upon adoption of IFRS 9. The standard also requires additional disclosures around contracts and assets, as set out in notes 12 and 13.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

2. ADOPTION OF NEW AND REVISED STANDARDS *(continued)*

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
IFRS 16 <i>Leases</i>	1 January 2019
Amendments to IAS 28 – <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Annual improvements 2015-2017 cycle	1 January 2019
Conceptual Framework and Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 <i>Business Combinations</i>	1 January 2020
Amendments to IAS 1 and IAS 8: <i>Definition of Material</i>	1 January 2020

The directors are evaluating the impact that these standards will have on the financial statements of the Group.

The Board notes that IFRS 16 requires a significant change in the financial report for lessees. The Board has assessed its current contractual obligations relating to its portfolio of surface assets and mining rights and has not identified any material leases which would create Right of Use assets upon adoption of IFRS 16; however it notes the required treatment for such arrangements and will introduce a policy for the collection and management of the necessary information in support of any future IFRS 16 recognition of a lease.

3. REVENUE

The Group generates revenue primarily from the sale of PGM and chrome concentrates.

	Group 30 June		Company 30 June	
	2019	2018	2019	2018
	£s	£s	£s	£s
Revenue from contracts with customers				
Chrome concentrate	7 835 448	4 622 127	–	–
PGM concentrate	15 750 397	9 517 383	–	–
Total	23 585 845	14 139 510	–	–

The Group does not incur costs to fulfil its contracts with customers. The only performance obligation for revenue recognition from contracts with customers is the delivery of the concentrates. The Group's contracts with customers do not contain any significant financing component.

	Group 30 June		Company 30 June	
	2019	2018	2019	2018
	£s	£s	£s	£s
Customer contract assets				
Chrome concentrate	802 013	198 073	–	–
PGM concentrate	3 405 317	2 388 566	–	–
Total	4 207 330	2 586 639	–	–

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

For PGM concentrate sales, revenue is initially recognised at end of the delivery month and measured at the fair value of the consideration receivable. The fair value of the consideration is subsequently adjusted based on movements in the metal market price up to the date of final pricing, typically four months after the delivery month. For chrome concentrate sales, revenue is initially recognised at the fair value of the consideration received, subsequently adjusted for movements in the metal market price up to the date of delivery.

The Windsor Chrome and DCM Chrome Operations earn revenue through the recovery and sale of its chrome concentrate to customers considered to be of a high quality.

The Inyoni Operation earns revenue from the sale of PGM concentrate ounces recovered and delivered to one major customer considered to be of a high quality.

4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) for the year is stated after accounting for the following:

	Group 30 June		Company 30 June	
	2019	2018	2019	2018
	£s	£s	£s	£s
Operating lease charges				
Premise lease – contractual amounts	99 688	66 686	–	29 506
Equipment rental- contractual amounts	88 894	10 836	–	–
Other operating expenses				
Provision for impairment of intangible assets	231 568	621 963	–	–
Impairment of investment in subsidiaries	–	–	951 500	–
Impairment of other financial assets	–	182 394	–	–
Provision for impairment of loans to group companies	–	–	–	369 332
Fees paid for audit of group financial statements	74 000	63 000	74 000	63 000
Group auditor non-audit fees:				
Corporate finance fees	–	10 000	–	10 000
Audit of UK subsidiaries	4 000	4 000	4 000	4 000
Corporation tax services	2,000	2,000	–	–
(Gain)/loss on exchange differences	(231 345)	120 436	(246 226)	23 658
Depreciation and amortisation	3 486 946	3 245 529	–	–
Share-based payment charges – options	221 575	263 801	221 575	263 801
Employee costs	1 554 349	414 346	28 000	28 000

Refer to note 6 on page 62 for details of employee costs.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

5. FINANCE COSTS/INVESTMENT INCOME

	Group		Company	
	2019	2018	2019	2018
	£s	£s	£s	£s
Finance costs				
Non-current borrowings	1 112 909	1 375 732	179 604	–
	1 112 909	1 375 732	179 064	–
Investment income				
Bank interest received	30 058	25 586	–	–

6. EMPLOYEE COSTS

	Group		Company	
	2019	2018	2019	2018
	£s	£s	£s	£s
Salaries and social security costs	1 554 349	414 346	28 000	28 000
Directors' fees and remuneration	464 690	401 468	162 420	173 561
Share-based payments	–	263 800	–	263 800
Total employee costs	2 019 039	1 079 614	190 420	465 361

The Group averaged 32 employees, including directors during the period ended 30 June 2019 (2018: 12 employees).

Directors, the Executive – Governance and Compliance, the Technical Manager Operations, the senior Metallurgist, the CFO Operations and the Chief Operating Officer were assessed as key management of the Group. Refer to note 26 for details of key management's remuneration and note 20 for details of options granted to directors and management. Refer to page 28 for details of director remuneration disclosed in the Directors' Report. The Company provides Directors' and Officers' liability insurance at an annual cost of £ 6 000 (2018: £6 720). This cost is not included in the above remuneration.

	Group		Company	
	2019	2018	2019	2018
	£s	£s	£s	£s
Directors' fees and remuneration				
Directors' short-term benefits				
Directors' fees (including benefits in kind)	137 205	120 453	135 867	120 453
Directors' salaries ¹	304 809	281 015	22 553	53 108
Provision for unpaid remuneration ²	22 676	–	4 000	–
Total Director remuneration	464 690	401 468	162 420	173 561

¹ = The highest paid director is Mr L Coetzer with annual remuneration of £ 280 210 (2018: £ 227 907).

² = Total accrued unpaid Director Remuneration of £ 680 878 (2018: £ 789 009) is included in Group accruals. The amount is to be settled either in cash or through the issue of new Jubilee shares under the authority of ordinary resolution number 12 and special resolution number 2, passed at the Company's Annual General Meeting held on 27 November 2013.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

7. TAXATION

	Group		Company	
	2019	2018	2019	2018
	£s	£s	£s	£s
Major components of the tax expense (income)				
Current	–	–	–	–
Local income tax – current period	–	–	–	–
Local income tax – recognised in current tax prior periods	(15 870)	–	–	–
Deferred				
Fair value adjustment arising from business combinations	(954 101)	–	(954 101)	–
	(969 971)	–	(954 101)	–
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense:				
Accounting loss	7 946 267	(2 403 369)	3 216 511	(1 508 223)
Tax at the applicable tax rate of 28% (2018: 28%)	2 224 955	(672 943)	900 623	(422 302)
Tax effect of adjustments on taxable income				
Non-deductible expenditure	560 806	36 713	200 918	10 317
Non-taxable income	–	(78 409)	–	–
Share of results of associates	242 336	86 366	242 336	86 366
Deferred tax on fair value adjustments	(969 971)	–	(954 101)	–
Assessed losses not recognised	(1 028 097)	628 273	(1 343 877)	325 619
	969 971	–	954 101	–
Deferred tax				
Deferred tax liability				
Fair value adjustments	6 018 620	5 362 500	954 101	–
	6 018 620	5 065 422	954 101	–
Reconciliation of deferred tax liability				
At beginning of the year	5 065 422	5 362 500	–	–
Deferred tax recognised on fair value adjustment of other financial assets at fair value through profit or loss	953 198	–	954 101	–
Foreign exchange movement	–	(297 078)	–	–
	6 018 620	5 065 422	954 101	–

There is no deferred tax effect of the other comprehensive income as detailed on the consolidated statement of comprehensive income.

The Group has estimated tax losses of £ 30.15 million (2018: £42.70 million) to carry forward against future periods.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

8. PROPERTY, PLANT AND EQUIPMENT

Group Figures in Sterling	2019			2018		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Land	686 082	–	686 082	–	–	–
Buildings	709 041	(71 087)	637 954	–	–	–
Plant and machinery	20 960 473	(5 113 935)	15 846 538	12 700 290	(2 438 483)	10 261 807
Furniture and fixtures	210 009	(125 379)	84 630	196 225	(146 148)	50 077
Motor vehicles	796 661	(167 881)	628 780	63 271	(13 969)	49 302
IT equipment	49 049	(31 265)	17 784	36 000	(32 947)	3 053
Total	23 411 315	(5 509 547)	17 901 768	12 995 786	(2 631 547)	10 364 239
Company						
Furniture and fixtures	18 162	(18 162)	–	18 162	(18 162)	–
IT equipment	16 987	(16 987)	–	16 987	(16 987)	–
Total	35 149	(35 149)	–	35 149	(35 149)	–

Reconciliation of property, plant and equipment – Group – 2019

Figures in Sterling	Opening balance £s	Additions £s	Additions through business combinations £s	Transfers/ Disposals £s	Foreign exchange movements £s	Depreciation £s	Total £s
Land	–	–	684 898	–	1 184	–	686 082
Buildings	–	14 579	637 954	–	54 505	(69 084)	637 954
Plant and machinery	10 261 807	4 278 912	3 678 512	–	182 560	(2 555 253)	15 846 538
Furniture and fixtures	50 077	11 857	–	–	1 569	21 127	84 630
Motor vehicles	49 302	178 511	574 565	(17 060)	4 150	(160 688)	628 780
IT equipment	3 053	12 619	–	–	221	1 891	17 784
	10 364 239	4 496 478	5 575 929	(17 060)	244 189	(2 762 007)	17 901 768

Reconciliation of property, plant and equipment – Group – 2018

Figures in Sterling	Opening balance £s	Additions £s	Disposals £s	Foreign exchange movements £s	Depreciation £s	Total £s
Plant and machinery ¹	13 125 491	127 956	(43 676)	(775 527)	(2 172 437)	10 261 807
Furniture and fixtures	4 607	27 416	38 602	(524)	(20 024)	50 077
Motor vehicles	30 922	39 836	(9 056)	(1 938)	(10 462)	49 302
IT equipment	1	–	5 074	103	(2 125)	3 053
	13 161 021	195 208	(9 056)	(777 886)	(2 205 048)	10 364 239

1. The Braemore Plant and the Windsor SA Plant are pledged as security for certain financial liabilities disclosed in note 22.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

9. INTANGIBLE ASSETS

Group	2019			2018		
	Cost/ Valuation £	Accumulated amortisation and impairments £	Carrying value £	Cost/ Valuation £	Accumulated amortisation and impairments £	Carrying value £
Exploration ¹	38 991 757	(2 544 625)	36 447 132	40 398 764	(2 313 057)	38 085 707
Business development ²	14 287 011	(8 339 105)	5 947 907	13 838 239	(7 266 059)	6 572 180
Base metal beneficiation ³	4 542 953	–	4 542 953	3 509 042	–	3 509 042
Nickel tailings	17 388 046	(17 388 046)	–	18 554 683	(18 554 683)	–
	75 209 767	(28 271 775)	46 937 992	76 300 728	(28 133 799)	48 166 929

Reconciliation of intangible assets – Group – 2019

	Opening balance £s	Additions £s	Impairment losses £s	Amortisation £s	Foreign exchange movements £s	Total £s
Exploration	36 281 613	161 836	(231 568)	–	235 252	36 447 132
Business development	4 661 000	2 031 458	–	(724 939)	(19 613)	5 947 907
Base metal beneficiation	3 442 984	1 082 224	–	–	17 745	4 542 953
Nickel tailings	–	–	–	–	–	–
	44 385 597	3 275 518	(231 568)	(724 939)	233 384	46 937 992

Reconciliation of intangible assets – Group – 2018

	Opening balance £s	Additions £s	Impairment losses £s	Amortisation £s	Foreign exchange movements £s	Total £s
Exploration	38 085 707	124 257	(621 963)	–	(1 928 351)	35 659 650
Business development	6 572 180	67 486	–	(1 040 480)	(346 452)	5 252 734
Base metal beneficiation	3 509 042	–	–	–	(35 830)	3 473 212
Nickel tailings	–	–	–	–	–	–
	48 166 929	191 743	(621 963)	(1 040 480)	(2 310 634)	44 385 596

Management performs annual impairment reviews on intangible assets. When reviewing for factors that impact the carrying value of the intangible assets, management takes into consideration the nature of the asset, the stage of development of the asset, the value or the expected future value that the asset will contribute to the Group's current and future earnings as well as market conditions and prevailing commodity prices that may impact the carrying values of the Group's intangible assets. A provision for impairment was recognised against the Group's intangible for Madagascar in an amount of £ 231 568, due to the uncertainties around this asset and until such time as the outcome of discussions with potential buyers progresses to conclusion of a potential transaction. The continued discussions are especially supported by the drilling results of the assets confirming the geological anomaly in support of nickel content.

Amortisation of intangible assets is included in operating expenses in profit or loss. None of the Group's intangible assets are pledged as surety for liabilities.

1. The exploration intangible assets relates to the exploration of the Tjate Platinum Project. The intangible asset has an indefinite useful life which is tested for impairment annually and individually to determine whether the indefinite life continues to be supportable. The Tjate Project's Merensky and UG2 platinum reefs (Reefs) targeted for initial mining lie between 600 metres and 1,000 metres below surface. The Tjate Project is independently judged to contain arguably the world's largest undeveloped defined block of platinum ore. The property covers 5,140 hectares on three farms and the area has been independently appraised to contain a potential net 65 million ounces of platinum group elements (PGEs) and gold. This represents the resource targeted for future exploratory drilling. Only once a prospect, to bring the Tjate Project to account, becomes feasible, will the useful life of the intangible asset be determinable.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

9. INTANGIBLE ASSETS *(continued)*

The recoverable amounts of intangibles are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period.

Jubilee on behalf of Tjate commissioned an independent review and update of the project and economics, which had last been addressed in 2017, in order to assess the most suitable and appropriate way forward for project-execution readiness, the further work needed and related estimate of time line and costs. The independent review confirmed the value and viability of the project and recommended a project execution methodology. Key assumptions are summarized below:

- NPV_{10} = ZAR1.399million at IRR of 13.4%.
- The ZAR continued to depreciate against the US Dollar following the evaluation further strengthening the economic viability of the project since cost is incurred in ZAR while revenues are generated in US Dollars.
- Cognisance must also be given to the sensitivity of value against the US\$ as this is a ZAR project.

On the back of the economic viability of the project and as part of the approved mine works program for the Tjate project, Jubilee has progressed with the implementation of the Social Labour Program for the period under review. ZAR 2 940 061 has been expended on the project during the period under review (2018: ZAR 2 257 369).

2. *Business development intangibles consists of a combination of targeted process consulting focussed on the development and implementation of process solutions, specifically targeting both liquid and solid waste streams from mine processes. The Group's business development intangibles include existing pilot operations as part of the process development cycle to provide mature solutions which includes extractive-metallurgy, pyro-metallurgy and hydro-metallurgy. This process has led to many previously non-viable environmental and metals recovery projects becoming commercially viable and very strong demand in Africa is being experienced.*

2.1 *Included in business development costs is an amount of £3.04 million (2018: £3.04 million) representing models developed by Base Metal Technologies focussing on:*

- Increased liberation techniques to support the recovery of the metals and minerals associated with base metals. This development led to the implementation of the Fine Grinding Circuit implemented at the Inyoni Operations.
- Fine air bubble generation to improve the attachment of the valuable base metals and precious metals to the bubble surface as part of the recovery process. This development has led to the implementation of the fine bubble generator at the Inyoni Operations as well as soon at the DCM and Windsor SA PGM project.
- Accelerated base metal leaching as part of the improving the kinetics of a base metal leach process. The process research and development processes developed to date is currently being implemented in the recovery of PGMs in associated sulphides from the South African tailings projects, specifically targeting the beneficiation of sulphite minerals which allows for significant enhancement in concentrate grade profiles which has improved the projected target performance and profitability of these tailings.
- The costs incurred during the process research and development phase, include studies and other development testing costs which are being utilised by the Group in implementing and developing new projects that are similar to that of the nickel tailing project in Australia. These costs are recovered through revenues generated by existing projects benefiting and applying the research and development concept developed.

These development costs are allocated to the relevant projects where the technology and techniques are applied to generate project revenues.

2.2 *Included in business development costs is an amount of £ 943 366 which relates to the ConRoast technology, converting and autoclave process, CVMR® process and leaching and hydro-processing. The remaining amortisation period is 12 months (2018:24 months). During the period under review the ConRoast process has contributed to the process solution being developed for the Group's anticipated Windsor PGM Operations which is the key reason for Jubilee receiving a premium for its produced PGM concentrates free of any chrome penalties. The Windsor PGM Operations commenced production during the second quarter of calendar 2019.*

2.3 *Included in business development intangible assets is an amount of £ 2 002 795 relating partially to a fine chrome recovery technique acquired as part of the Group's acquisition of the Windsor Chrome Operations and partially developed in-house development costs. Management estimates the recoverable amount of this intangible to be higher than its carrying value and no impairment was required. Benefit from this intangible is expected accrue to the Group during the pursuing financial year. The amortisation of this intangible is recognised in cost of sales.*

3. *Base metal beneficiation intangibles relates to the Group's intangible assets at its DCM and Inyoni Operations as well as its Kabwe Operations. These assets are considered indefinite useful life assets. Management performs impairment review on these assets on a regular basis. Management estimates the recoverable amount of these intangibles to be higher than their carrying value and no impairment was required.*

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

10. INVESTMENT IN SUBSIDIARIES

Name of company	Carrying amount 2019 £s	Carrying amount 2018 £s
Braemore Resources Ltd	18 712 852	18 712 852
New Plats (Tjate)(Pty) Ltd	13 815 228	13 815 227
Windsor Platinum Investments (Pty) Ltd	3 425 823	3 425 823
Mineral Resources of Madagascar Sarl ¹	917 034	917 034
K Plats (Pty) Ltd	649 734	649 734
Kabwe Operations Limited	300 000	–
Antsahabe (Madagascar) Sarl ¹	34 466	34 466
Maude Mining and Exploration (Pty) Ltd	141	141
	37 855 278	37 555 277
Provision for impairment of investment in subsidiaries ¹	(951 500)	–
	36 903 778	37 555 277

1. Due to the uncertainties around this asset the directors deemed it prudent to impair the investment in Madagascar until such time as the outcome of discussions with potential buyers progresses to conclusion of a potential transaction. Jubilee continues to seek potential investors for the farm-in or purchase of the exploration right of Mineral Resources of Madagascar Sarl, with specific reference to the nickel values of Ambodilafa. The continued discussions are especially supported by the drilling results of the assets confirming the geological anomaly in support of Nickel content.

Subsidiaries of Jubilee	Country of incorporation	Holding		Number of ordinary shares in issue	
		2019	2018	2019	2018
Direct		%	%		
Mineral Resources of Madagascar Sarl	Madagascar	100	100	10 000	10 000
Windsor Platinum Investments (Pty) Ltd	South Africa	100	100	10 000	10 000
Braemore Resources Ltd	United Kingdom	100	100	100	100
K Plats (Pty) Ltd	South Africa	100	100	100	100
Kabwe Operations Ltd	Mauritius	87.5	–	5 250 000	–
Antsahabe (Madagascar) Ltd	Madagascar	100	100	100	100
Maude Mining and Exploration (Pty) Ltd ¹	South Africa	65	65	653	653
New Plats (Tjate) (Pty) Ltd ²	South Africa	49	49	169	169

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

10. INVESTMENT IN SUBSIDIARIES *(continued)*

		Interest in the ordinary issued capital	
Subsidiaries of Jubilee		2019	2018
Indirect	Country of incorporation	%	%
<i>Via Windsor Platinum Investments (Pty) Ltd</i>			
Tjate Platinum Corporation (Pty) Ltd	South Africa	63	63
Dullstroom Plats (Pty) Ltd	South Africa	100	100
<i>Via K-Plats (Pty) Ltd</i>			
Maude Mining and Exploration (Pty) Ltd ¹	South Africa	26	26
<i>Via Braemore Resources Ltd</i>			
Braemore Platinum Ltd	United Kingdom	100	100
Braemore Holdings (Mauritius) (Pty) Ltd	Mauritius	100	100
Base Metal Technologies (Pty) Ltd (Formerly Braemore Nickel (Pty) Ltd)	Australia	100	100
<i>Via Braemore Holdings (Mauritius) (Pty) Ltd</i>			
Braemore Platinum (Pty) Ltd	South Africa	100	100
Jubilee Metals Solutions (Zambia) (Pty) Ltd	Zambia	100	100
Jubilee Metals Laboratories Ltd	Zambia	70	–
<i>Via Braemore Platinum (Pty) Ltd</i>			
Braemore Platinum Resources (Pty) Ltd	South Africa	100	100
Braemore Platinum Smelters (Pty) Ltd	South Africa	100	100
Jubilee Processing (Pty) Ltd	South Africa	100	100
Braemore Precious Metals Refiners (Pty) Ltd	South Africa	73.75	73.75
Jubilee Tailings Treatment Company (Pty) Ltd	South Africa	100	100

1. Maude Mining and Exploration (Pty) Ltd is held 65% directly by Jubilee and 26% indirectly through K-Plats (Pty) Ltd, resulting in Maude Mining and Exploration (Pty) Ltd being accounted for as a subsidiary of Jubilee.

2. Jubilee is the major shareholder and it controls the board of the company.

The registered address for all United Kingdom companies is 1st Floor, 7/8 Kendrick Mews, London, SW7 3HG, United Kingdom.

The registered address for South African companies is Ground Floor, Support Services Place, Jigsaw Office Park, 7 Einstein Street, Highveld Techno Park, Centurion, 0157.

The registered address for all Mauritian companies is Royal Road, Level 6, Green Cross Building Belle Rose, Mauritius, BRN: C15132100.

The registered address for all Zambia companies is Plot 6004, Sibweni Road, Northmead, Lusaka.

The registered address for the Australian company is Level 3, 88 William Street, Perth WA 6000 GPO Box 2570, Perth, 6001.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

Non-controlling interests in equity

Reconciliation of non-controlling interests' share in the profit/(loss) reported for the year:

Subsidiary	% non controlling interest	2019 £	2018 £	Cumulative non-controlling interest SOFP 2019	Cumulative non-controlling interest SOFP 2018
Maude Mining & Exploration (Pty) Ltd	9.00	(109)	(40)	(42 609)	(41 700)
Tjate Platinum Corporation (Pty) Ltd	37.00	52	(5,013)	2 765 411	2 713 498
Braemore Precious Metals Refiners (Pty) Ltd	26.25	4 972	(283,603)	(309 176)	(308 397)
Jubilee Metals Laboratories Limited	30.00	(20 678)	–	(18 990)	–
Kabwe Operations Limited	12.50	(1 528)	–	(1 553)	–
Total		(17 291)	(288,656)	2 393 081	2 363 401

Reconciliation of non-controlling interests' share in net assets/(liabilities):

Name of the company	% non controlling interest	Net 2019 £	Net 2018 £
Maude Mining & Exploration (Pty) Ltd	9.00	87	268
Tjate Platinum Corporation (Pty) Ltd ¹	37.00	2 764 049	2 712 299
Braemore Precious Metals Refiners (Pty) Ltd	26.25	(317 734)	–
Jubilee Metals Laboratories Limited	30.00	(19 059)	–
Kabwe Operations Limited	12.50	(2 284)	–
Total		2 425 059	2 712 567

¹ At 30 June 2019 Tjate Platinum Corporation held assets of £ 13.5m and liabilities of £ 6m resulting in net assets of £ 7.5m, of which a 37% interest is £ 2.8m as presented above. It received no income in the year.

All other consolidated subsidiaries are wholly owned. The nature of the above subsidiaries' business principal activities are that of recovering PGMs and Chrome through the reprocessing of historical surface mine waste and materials as well as exploration.

The financial year-ends of all the subsidiaries in the Group are June. The carrying amounts of subsidiaries are shown net of impairment losses. Refer to note 9 for details of Tjate Platinum Corporation (Pty) Ltd's intangible asset.

11. INVESTMENTS IN ASSOCIATES

As previously announced on 15 January 2018, Jubilee acquired an interest in BMR through the issue to Jubilee, of a total of 97 371 298 new ordinary shares of BMR which equates to 29.01% in the enlarged share capital of BMR, for a total consideration of £ 500 000 cash and the issue of 63 166 969 new ordinary shares of Jubilee to BMR (based on the closing price of each Jubilee ordinary share on 11 January 2018 of 4.01 pence the share consideration equates to £ 2 532 995). In addition BMR offered Jubilee an executive seat on the BMR board as well as an executive seat on the EPL board. Jubilee accounts for its investment in BMR as an investment in associate as it does not control the board of BMR nor does it control the day to day operations of BMR at the period end.

BMR is a company involved in, amongst other, the recovery of zinc, lead and vanadium and other minerals from mineral rich tailings dumps in Zambia.

Jubilee executed a shareholders and operating agreement with BMR for the Kabwe Operations. In terms of these agreements, Jubilee provided funding in amount of £ 300 000 in exchange for a 15% interest in Kabwe Operations.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

11. INVESTMENTS IN ASSOCIATES *(continued)*

As announced on 6 August 2018, these agreements for the Kabwe Operations were updated ("Updated Agreements") to better align with Jubilee's role to deliver a successful project. The Updated Agreements places Jubilee in full control of the execution methodology and funding requirements to bring the Kabwe Operations to account. In return Jubilee will hold a minimum of 87.50% shareholding in Kabwe, a company incorporated as a company assigned with all intellectual property developed for the execution of the Kabwe Operations as well as the right to fund and execute the Kabwe Operations. This, together with Jubilee's indirect interest in Kabwe through its 29.01% direct shareholding in BMR, results in Jubilee holding a 91.13% interest in Kabwe.

In terms of the Updated Agreements, Jubilee holds a further option, at its sole election, to acquire 100% of the issued shares of Enviro Mining Limited ("EML"), a subsidiary of BMR and the company that owns the Kabwe Operations through BMR's Zambian based Enviro Processing Limited ("EPL"). In the event that the option is exercised, BMR will be granted a 12.5% royalty interest in the distributable earnings generated by the Kabwe Operations, but only after Jubilee has secured at minimum a 20% return on its investment into the Kabwe Operations and all costs, taxes, liabilities and depreciation of the Kabwe Operations have been accounted for, save that the aforementioned royalty shall be diluted to 11% of earnings in the event that Jubilee's capital investment into Kabwe Operations exceeds US\$ 15 million. Refer to note 13 for details of the option that has been valued and recognised as an other financial asset at fair value through profit or loss at the period end.

Company		Shareholding		Carrying amount		Share of profit/(loss)		Fair value	
		2019 %	2018 %	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £
BMR Group Plc (UK)	Unlisted ¹	29.01	29.01	1 895 477	2 760 966	(865 489)	(272 030)	– ¹	1 898 740
Kabwe (Mauritius)	Unlisted ²	87.50	15.00	–	–	–	(36 421)	–	–
				1 895 477	2 760 966	(865 489)	(308 451)	–	1 898 740

At Group level, the carrying amounts of investments in associates are measured using the equity method and are shown net of impairment losses. At Company level investments in associates are carried at cost, hence no subsequent measurement of investments are done at Company level.

1. On 7 February 2018, the company announced the suspension of trading of its securities on AIM. On 3 August 2018 BMR's admission to AIM was cancelled and the company converted to an unlisted public company.
2. In the previous financial year, the Group's interest in Kabwe was accounted for as an investment in associate as Jubilee had significant influence on the Kabwe Operations through the executed operations and shareholders agreements. On 8 August 2018 Jubilee increased its interest in Kabwe to 87.5%. The investment has been reclassified as an investment in subsidiary. Refer note 10 for investments in subsidiaries. During the 2018 period the carrying value of Kabwe was £ nil as Jubilee committed funding in an amount of £ 300 000 in exchange for its 15% interest. The Group recognised its share of Kabwe's loss in an amount of £ 36 421 for 2018 in profit or loss.

The following table illustrates summarised financial information for the Group's investment in BMR:

	Group		Company	
	30 June 2019 £s	30 June 2018 £s	30 June 2019 £s	30 June 2018 £s
Carrying value at the beginning of the year	2 760 966	–	3 032 996	–
Cost of acquisition	–	3 032 996	–	3 032 996
Equity accounted loss for the year	(865 489)	(272 030)	–	–
Carrying value at year end	1 895 477	2 760 966	3 032 996	3 032 996
Fair value at year end¹	–	1 898 740	–	–

1. At 30 June 2018 BMR's fair value was 1.95p and its issued capital 97 371 298 shares. This value was however not an appropriate indication of the fair value of BMR as the company's listing on AIM was cancelled on 3 August 2018.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

	30 June 2019 £s	30 June 2018 £s
Summarised financial information in respect of BMR is set out below and represents amounts in associates' financial statements.		
Current assets	807 036	103 629
Non-current assets	11 848 004	14 491 099
Current liabilities	(1 576 819)	(797 044)
Non-current liabilities	(1 720 865)	(2 096 154)
Equity	9 357 356	11 701 530
Income	–	–
Net finance cost	(430)	(13 519)
Expenses	(1 132 986)	(1 401 045)
Impairment loss on intangibles	(2 500 000)	(460 858)
Taxation	650 000	–
Loss for the year	(2 983 416)	(1 875 422)
Made up as follows:		
Loss from operations	(2 474 114)	(1 791 352)
Other comprehensive income to be reclassified to profit and loss in subsequent periods, net of tax	(509 302)	(84 070)
	(2 983 416)	(1 875 422)
Share of loss of associate (29.01%)	(865 489)	(272 030)

12. LOANS TO GROUP COMPANIES

	Company 2019 £s	2018 £s
Subsidiaries		
Windsor Platinum Investments (Pty) Ltd	25 096 003	25 096 003
Braemore Platinum Smelters (Pty) Ltd	13 444 287	10 706 944
Jubilee Tailings Treatment Company (Pty) Ltd	8 426 513	8 881 545
Braemore Holdings (Mauritius) (Pty) Ltd	1 747 283	44 639
Braemore Resources Ltd	1 703 305	1 703 305
Kabwe Operations Limited	999 803	–
Base Metal Technologies (Pty) Ltd (Formerly Braemore Nickel (Pty) Ltd)	731 367	721 962
Maude Mining and Exploration (Pty) Ltd ¹	212 536	212 536
Dullstroom Plats (Pty) Ltd ¹	156 796	156 796
Jubilee Metals Solutions Ltd	154 371	–
Tjate Platinum Corporation (Pty) Ltd	49 365	–
	52 721 629	47 523 730
Provision for impairment of loans to subsidiaries	(369 332)	(369 332)
	52 352 297	47 154 398

1. The loans are unsecured, interest-free and have no fixed repayment terms. All loans are not purchased nor originated credit impaired and meets the criteria to be classified at amortised cost. They are disclosed as non-current assets in the statement of financial position. The Company reviews the loans annually and where deemed necessary, a provision is made for any credit losses of loans where the loan is not considered to be recoverable within a reasonable period of time. A provision for credit losses has been made against the loans to Maude Mining and Exploration (Pty) Ltd and Dullstroom Plats (Pty) Ltd as these companies are in the development phase of their operations.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

13. OTHER FINANCIAL ASSETS

	Group		Company	
	2019	2018	2019	2018
	£s	£s	£s	£s
At fair value through profit or loss – designated				
Fair value of Jubilee's option to acquire 100% of Kabwe Operations Limited, EML and EPL	5 021 585	–	5 021 585	–

At the year-end, Jubilee considered the fair value of its option to acquire EML and EPL. Jubilee has re-developed the project economics and technical requirements to secure a viable refinery in Zambia. This was done in parallel with the Company's acquisition of the Sable Zinc Refinery in Zambia. A fair value of £ 5 021 585 was recognised in other financial assets to reflect the current estimated fair value of Jubilee's option to acquire EML and EPL. A corresponding deferred tax liability in an amount of £ 954 101 was recognised in the statement of financial position.

Loans and receivables				
DCM project receivable	–	424 753	–	–
Kabwe Operations	–	242 805	–	242 805
EPL	375 385	–	–	–
Kgato Investments (Pty) Ltd	312 354	266 424	–	–
Other	–	173 529	–	–
	687 739	1 117 161	–	242 805
Provision for impairment	–	(173 529)	–	–
	687 739	933 982	–	242 805
Total other financial assets	5 709 324	933 982	–	242 805
Non-current assets				
At fair value through profit or loss	5 021 585	–	5 021 585	–
Loans receivable	687 739	509 229	–	242 805
	5 709 324	509 229	5 021 585	242 805
Current assets				
Loans and receivables	–	424 753	–	–
	5 709 324	933 982	5 021 585	242 805

None of the Group's other financial assets are pledged as surety for any liabilities.

14. INVENTORIES

	Group		Company	
	2019	2018	2019	2018
	£s	£s	£s	£s
Raw materials	1 462 717	1 190 817	–	–
Consumables	197 974	115 183	–	–
	1 660 691	1 306 000	–	–

Raw materials and consumables are carried at cost. Raw materials represent 400 000 (2018: 400 000) tonnes of PGM material purchased for Jubilee's Windsor PGM Operations project at a cost of £ 1 100 000 plus capitalised costs of £ 0.362 million (2018: £ 1 100 000 plus capitalised costs of £ 90 817) to transport the material to Northam Platinum's Eland Platinum operation, where the material will be processed.

It is expected that approximately 400 000 (2018: 270 000) tonnes will be used in the next 12 months, which is equal to a stock value of £ 1 462 717 (2018: £ 862 000).

During 2019 £ 993 587 (2018: £ 1 036 298) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

Inventories are not pledged as surety for any liabilities.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	£s	£s	£s	£s
Trade receivables	3 988 129	209 337	-	-
Contract assets ¹	4 207 330	2 586 639	-	-
Prepayments	103 020	214 535	28 527	46 088
Deposits	405 441	5 030	3 286	3 286
VAT	54 649	148 090	-	-
Other receivables	313 160	130 307	285 104	-
	9 071 729	3 293 938	316 917	49 374

The Directors consider that the carrying value of trade and other receivables is approximately equal to their fair value.

1. Contract assets represent a provision for the Group's rights to receive revenue for product sold but not yet delivered at year end. These assets are transferred to trade receivables when invoiced post year end.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019	2018	2019	2018
	£s	£s	£s	£s
Cash on hand	388	429	-	-
Bank balances	18 864 900	6 375 724	11 556 209	4 247 879
	18 865 288	6 376 153	11 556 209	4 247 879

Cash and cash equivalents comprise cash and short term bank deposits with an original maturity of 1 month or less. The Group has no overdraft facilities. The carrying amount of these assets are approximately equal to their fair value.

17. CASH USED IN OPERATIONS

	Group		Company	
	2019	2018	2019	2018
	£s	£s	£s	£s
Profit/(loss) before taxation	7 946 267	(2 403 369)	3 216 511	(1 508 223)
Adjustments for:				
Depreciation and amortisation	3 486 946	3 245 529	-	-
Share of loss from equity accounted investment	865 489	308 451	-	-
Interest received	(30 058)	(25 586)	(126 005)	(2 797)
Finance costs	787 390	1 375 732	91 785	-
Fair value adjustments	(5 021 585)	-	(5 021 585)	-
Impairment of intangibles	231 568	621 963	-	-
Impairment of loans	-	173 617	951 500	441 437
Share-based payments	221 573	263 801	221 573	263 801
Changes in working capital:				
Inventories	637 154	(1 261 211)	-	-
Trade and other receivables	(5 777 443)	(71 788)	(267 543)	(13 146)
Trade and other payables	2 166 733	(820 201)	(108 085)	(501 264)
	5 514 036	1 406 936	(1 041 849)	(1 320 192)

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

18. EARNINGS AND DIVIDENDS PER SHARE

EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic earnings/(loss) per share computation:

	Group 2019 £s	2018 £s
Earnings/(loss) attributable to ordinary equity holders of the parent	6 993 587	(2 114 713)
Weighted average number of shares for basic earnings per share	1 466 127 746	1 203 478 517
Effect of dilutive potential ordinary shares		
Share Options	9 570 223	
Diluted weighted average number of shares for diluted earnings per share	1 475 697 969	
Basic earnings/(loss) per share (pence)	0.48	(0.18)
Diluted basic earnings/(loss) per share (pence)	0.47	(0.18)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements. The potential dilution of basic earnings per share from the convertible loan note as disclosed in note 22, was not included in the calculation of diluted earnings per share as the convertible loan notes are antidilutive for the period under review. There were no share transactions post year end to the date of this report that could have impacted earnings per share had it occurred before year end.

DIVIDENDS PER SHARE

The Board has resolved not to declare any dividend to shareholders for this reporting period (2018: Nil).

19. SHARE CAPITAL AND SHARE PREMIUM

	Group 2019 £s	2018 £s	Company 2019 £s	2018 £s
Authorised				
The share capital of the Company is divided into an unlimited number of ordinary shares of £ 0.01 each.				
Issued share capital fully paid				
Ordinary shares of £ 0.01 each	18 553 007	13 109 923	18 553 007	13 109 923
Share premium	87 267 404	80 955 150	87 267 404	80 955 150
Total issued capital	105 820 411	94 065 073	105 820 411	94 065 073

The Company issued the following shares during the period and up to the date of this annual report:

Date issued	Number of shares	Issue price – pence	Purpose
Opening balance	1 310 992 791		
14 December 2018	52 493 438	2.50	Acquisition
24 March 2019	491 814 444	2.25	Placing
Closing balance at year-end	1 855 300 673		

The Company did not issue any shares after year-end to the date of this report.

During the year cash transaction costs accounted for as a deduction from the share premium account amounted to £ 612 805 (2018: £ 247 500).

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

The company recognised a share-based payment expense in the share-based payment reserve in an amount of £ 10 017 (2018: £ 868 194) in accordance with section 610 (2) of the United Kingdom Companies Act 2006. The charge relates to equity placings successfully completed and the amount was accounted for as a deduction from the share premium account. Refer to note 20 for a reconciliation of the share-based payment reserve account.

WARRANTS

At year-end and at the last practicable date the Company had the following warrants outstanding:

Number of warrants	Issue date	Exercise price £s	Expiry date	Share price at issue date Pence
27 777 780	2018-01-19	0.06120	2023-01-19	3.55
29 166 665	2018-01-19	0.06120	2023-01-19	3.55
5 555 555	2018-01-19	0.06120	2023-01-19	3.55
2 777 778	2018-01-19	0.06120	2023-01-19	3.55
19 417 476	2018-12-28	0.03863	2023-12-28	2.40
12 944 984	2018-12-28	0.03863	2023-12-28	2.40
1 473 055	2019-03-20	0.03380	2021-03-20	2.45
99 113 293				

	2019 £s	2018 £s
Reconciliation of the number of warrants in issue		
Opening balance	77 114 345	11 836 567
Issued during the year	33 835 515	65 277 778
Expired during the year	(11 836 567)	–
Closing balance	99 113 293	77 114 345

Information on valuation inputs for warrants issued

Fair value was determined by using the Black-Scholes Valuation Model.

The following inputs were used:

	2019	2018
Average spot at issue date (pence) (refer table above)	2.40	3.60
Average expected volatility	52.91%	58.17%
Expected warrant life	4 years	5 years
Expected dividends	Nil	Nil
The risk free interest rate	1.62%	1.62%

The weighted average remaining life of share warrants at the year-end was 3.84 years (2018: 3.74) and the weighted average exercise price 5.3 pence (2018: 5.9). Expected volatility was determined by calculating the historical volatility of the group's share price over the last year.

There are no performance conditions associated with the warrants issued. Warrants have different lives and for the purposes of valuing the warrants an expected warrant life of five years has been applied.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

20. SHARE-BASED PAYMENTS

20.1 Equity-settled share option plan

	2019 £s	2018 £s
Reconciliation of the number of options in issue		
Opening balance	65 450 000	49 000 000
Exercised during the year	–	–
Issued during the year	–	16 450 000
Expired during the year	–	–
Closing balance	65 450 000	65 450 000

The following options are outstanding at year end:

Strike price	1p	3.5p	4p	6p	8p	Total
Leon Coetzer	7 000 000	8 000 000	4 000 000	4 000 000	–	23 000 000
Colin Bird	5 000 000	4 000 000	2 000 000	2 000 000	–	13 000 000
Andrew Sarosi	3 000 000	3 000 000	2 000 000	2 000 000	–	10 000 000
Chris Molefe	–	500 000	500 000	500 000	–	1 500 000
Dr Matthews Phosa	–	500 000	500 000	500 000	–	1 500 000
Options granted to key management personnel	650 000	2 550 000	3 750 000	3 500 000	6 000 000	16 450 000
Total options granted	15 650 000	18 550 000	12 750 000	12 500 000	6 000 000	65 450 000

Information on valuation inputs for new options granted

Fair value was determined by using the Black-Scholes Valuation Model.

The following inputs were used for new options issued:

	2019	2018
Spot at grant date (pence)	–	3.75
Expected volatility	–	57.43%
Expected option life	–	5 years
Expected dividends	–	Nil
The risk free interest rate	–	1.62%

The weighted average remaining life of share options at the year-end was 6.13 years and the weighted average exercise price 3.9 pence. Expected volatility was determined by calculating the historical volatility of the group's share price over the last year.

There are no performance conditions associated with the share options awarded during the prior year. All options have a 10-year life and for the purposes of valuing the options an expected option life of five years has been applied.

20.2 Share based payment reserve

	2019 £s	2018 £s
Reconciliation of the share based payment reserve		
Opening balance	2 468 578	1 336 583
Share-based payment charge – new options granted	–	263 801
Share-based payment charge – warrants granted	231 593	868 194
Share-based payment charge – warrants lapsed	(180 736)	–
Share-based payment charge – warrants exercised	–	–
Closing balance	2 519 435	2 468 578

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

21. OTHER COMPREHENSIVE INCOME

	Group	
	2019	2018
	£s	£s
Components of other comprehensive income		
Exchange differences, net of tax, arising on translation of foreign operations attributable to ordinary equity holders of the parent	633 013	(2 777 924)
Non-controlling interest	46 623	(176 403)
Exchange differences arising on translation of foreign operations	679 636	(2 954 327)

22. OTHER FINANCIAL LIABILITIES

			Group		Company	
	Maturity date	Interest rate	2019	2018	2019	2018
			£s	£s	£s	£s
Held at amortised cost						
Mezzanine funding	28/04/2020	12%	1 602 656	–	1 602 656	–
SEDA draw down facility	1/12/2021	13%	2 121 955	3 070 690	–	–
Senior Secured Debt	04/02/2022	11%	2 629 832	–	–	–
Senior convertible loan note	21/03/2022	12%	6 006 186	–	–	–
Other		0%	308 566	–	–	–
			12 669 195	3 070 690	1 602 656	–
Repayment of borrowings:						
Current liabilities – not later than one year			2 272 459	1 448 664	1 602 656	–
Non-current liabilities – later than one year and not later than five years			10 396 736	1 622 026	–	–
			12 669 195	3 070 690	1 602 656	–

Finance costs of £ 1 112 909 (2018: £ 1 375 732) were recognised in profit and loss during the period under review. Included in the SEDA draw down facility is an accrual for royalty payments due over the next year in an amount of £ 685 747 (2018: £ 641 032). The loans are secured over a notarial bond over the Braemore Plant and the Windsor SA plant. The Senior convertible loan note is secured over the Zambian assets of the Group.

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2019	2018	2019	2018
	£s	£s	£s	£s
Trade payables	1 239 338	368 212	25 546	31 122
VAT	203 863	244 716	–	–
Accruals	2 398 646	990 495	120 537	111 082
Other payables	822 795	894 481	304 087	416 051
	4 664 642	2 497 904	450 170	558 255

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

24. FINANCIAL INSTRUMENTS

The Group's financial instruments were categorised as follows:

Group	Loans and receivables £s	Financial liabilities at amortised cost £s	Financial assets at fair value through profit or loss £s	Total £s
30 June 2019				
Assets as per statement of financial position				
Other financial assets	687 739	–	5 021 585	5 709 324
Trade and other receivables	8 508 619	–	–	8 508 619
Cash and cash equivalents	18 865 288	–	–	18 865 288
	28 061 646	–	5 021 585	33 083 231
Liabilities as per statement of financial position				
Trade payables	–	1 239 338	–	1 239 338
Financial liabilities held at amortised cost	–	12 669 195	–	12 669 195
Other payables	–	3 425 301	–	2 398 646
	–	17 333 834	–	16 307 179

30 June 2018

Assets as per statement of financial position

Other financial assets	1 117 161	–	–	1 117 161
Trade and other receivables	2 917 164	–	–	2 917 164
Cash and cash equivalents	6 376 153	–	–	6 376 153
	13 439 353	–	–	13 439 353

Liabilities as per statement of financial position

Trade and other payables	–	368 212	–	368 212
Financial liabilities held at amortised cost	–	3 070 690	–	3 070 690
Other payables	–	990 495	–	990 495
	–	4 429 397	–	4 429 397

Company	Loans and receivables £s	Financial liabilities at amortised cost £s	Fair value through profit or loss £s	Total £s
30 June 2019				
Assets as per statement of financial position				
Cash and cash equivalents	11 556 209	–	–	11 556 209
Other financial assets	–	–	5 021 585	5 021 585
Trade and other receivables	285 104	–	–	285 104
Loans to group companies	52 352 297	–	–	52 352 297
	64 193 610	–	5 021 585	69 215 195
Liabilities as per statement of financial position				
Other payables	–	424 624	–	424 624
Financial liabilities held at amortised cost	–	1 602 656	–	1 602 656
Trade and other payables	–	25 546	–	25 546
	–	2 052 826	–	2 052 826

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

	Loans and receivables £s	Financial liabilities at amortised cost £s	Total £s
Company			
30 June 2018			
Assets as per statement of financial position			
Cash and cash equivalents	4 247 879	–	4 247 879
Loans to group companies	47 154 399		47 154 399
	51 402 278	–	51 402 278
Liabilities as per statement of financial position			
Trade and other payables	–	31 122	31 122
	–	31 122	31 122

Fair values

The fair values of the Group's financial instruments approximate book value.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and currency risk. The Directors review and agree policies for managing these risks and these are summarised below. There have been no substantive changes to the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless other stated in this note.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Company only deposits cash with major banks with high-quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a well-established customer base. The Group currently only has three major customers which are considered to be of high credit standing. Management evaluates credit risk relating to customers on an ongoing basis. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Credit risk also refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and Company. The Group and Company has adopted a policy of only dealing with creditworthy counterparties, as assessed by the Directors using relevant available information.

Credit risk also arises on cash and cash equivalents and deposits with banks and financial institutions. The Group and Company cash and cash equivalents are only held in banks and financial institutions which are independently rated with a minimum credit agency rating of A.

There were no bad debts recognised during the period and there is no provision required at reporting date.

Trade receivables analysis

	Total £s	Not past due £s	30 days £s	Past due 90 days £s	120 days £s
30 June 2019					
Group					
Trade receivables not impaired	3 988 129	3 988 129	–	–	–
Trade receivables impaired	–	–	–	–	–
	3 988 129	3 988 129	–	–	–
30 June 2018					
Trade receivables not impaired	209 337	209 337	–	–	–
Trade receivables impaired	–	–	–	–	–
	209 337	209 337	–	–	–

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

24. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Short-term payables are classified as those payables that are due within 30 days.

The Group manages liquidity risk through an ongoing review of future commitments and credit facilities. The Company relies on the continuous support of its shareholders for additional funding as and when required.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The following table sets out contractual maturities analysis:

	Total £s	Up to 3 months £s	3 to 12 months £s	1 to 5 years £s
Group				
2019				
Trade and other payables	1 239 339	1 239 339	–	–
Financial liabilities held at amortised cost	12 669 195	–	4 063 025	8 606 170
Accruals	2 398 646	2 398 646	–	–
	16 307 180	3 637 985	4 063 025	8 606 170
2018				
Trade and other payables	368 212	368 212	–	–
Financial liabilities held at amortised cost	3 070 690	316 496	1 132 168	1 662 026
Accruals	990 494	990 494	–	–
	4 429 396	1 675 202	1 132 168	1 662 026
	Total £s	Up to 3 months £s	3 to 12 months £s	1 to 5 years £s
Company				
2019				
Trade and other payables	25 546	25 546	–	–
Loans and other borrowings	1 602 656	1 602 656	–	–
	1 628 202	1 628 202	–	–
2018				
Trade and other payables	31 122	31 122	–	–
Loans and other borrowings	–	–	–	–
	31 122	31 122	–	–

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

Currency risk

The Group is exposed to fluctuations in foreign currencies arising from having deposits in various currencies as well as the purchase of goods and services in currencies other than the Group's measurement currency.

Jubilee operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the South African Rand, the US Dollar and the Pound Sterling. The Group is exposed to currency risk on South African assets, cash reserves, deposits received, trade receivables, and trade payables. The most significant of these being the inter-company loans which it holds with its South African subsidiaries. Revenues and borrowing costs are more sensitive to movement in US Dollar exchange rates in 2019 than 2018 because of the increased amount of US\$ denominated borrowings and the fact that the Group's revenue is priced in US\$ per tonne. The impact on profitability of any change in the US Dollar can be substantial. Exchange rates obtained when converting US dollars to rand are set by foreign exchange markets, over which the Group has no control. The relationship between currencies and commodities, which includes the PGM (4E) basket and chrome prices, is complex, and changes in exchange rates can impact on commodity prices, and vice versa.

The Group does not hedge its foreign exchange on funding of projects or when negotiating contracts for revenue and is mainly exposed to the spot rate fluctuations in currencies. The Group's activities do not include long lead items that would require hedging.

Currency movements mainly include movements that arise as a result of South African Rand-denominated projects that are re-valued at each period-end and revenue sales transaction prices that are based on, amongst other variables, commodity prices.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The table below classifies the Group's foreign currency risk between the different functional currencies as at year-end, and the respective balance thereof:

Exchange rates used for conversion of foreign items were:

	2019	2018
ZAR: £ (Average)	1:0.05452	1:0.05759
ZAR: £ (Spot)	1:0.05610	1:0.05505

The functional currencies of the companies in the Group are Pound Sterling, United States Dollars, South African Rands, Zambian Kwachas, Australian Dollars and Madagascar Ariary. The Group does not hedge against the effects of movements in exchange rates. These risks are monitored by the Board and executive management on a regular basis.

The following table discloses the year-end rates applied by the Group for the purposes of producing the financial statements:

Foreign currency units to £ 1.00	United States Dollar	Australian Dollar	South African Rand	Zambian Kwacha	Madagascar Ariary
At 30 June 2019	1.27	1.81	17.83	16.26	4 540
At 30 June 2018	1.32	1.78	18.17	–	3 980

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

24. FINANCIAL INSTRUMENTS *(continued)*

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Group	Liabilities		Assets	
	2019 £s	2018 £s	2019 £s	2018 £s
South African Rand	(4,122,194)	(1 877 130)	10,065,630	5 958 337
Zambian Kwacha	(8,786)	–	46,145	–
United States Dollar	(11,131,986)	(3 070 690)	18,143,554	1 497 328
Australian Dollar	(1,157)	(3 973)	1,323	521
Madagascar Ariary	(9,883)	(9 883)	3,863	3 863

The Company does not have any material financial assets or liabilities denominated in any currency other than the Pound Sterling, the United States Dollar and the ZAR.

The following table summarises the sensitivity of financial instruments held at reporting date to movements in the exchange rate of the South African Rands, Australian Dollars and Madagascar Ariary for the Group, with all other variables held constant. These currencies have been assessed using the sensitivities indicated in the table. These are based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding five-year period.

	Impact on profit/equity	
	2019 £s	2018 £s
Judgements of reasonable currency exposure		
10 % strengthening of ZAR against £	660 382	453 467
10 % weakening of ZAR against £	(594 344)	(408 121)
10 % strengthening of ZMK against £	4 151	–
10 % weakening of ZMK against £	(3 736)	–
10 % strengthening of AUS against £	18	(384)
10 % weakening of AUS against £	(17)	345
10 % strengthening of MGA against £	(668)	(668)
10 % weakening of MGA against £	547	547
10 % strengthening of US\$ against £	779 063	(174 818)
10 % weakening of US\$ against £	(701 157)	157 336

Borrowing facilities

The Group finances its operations through a combination of debt and the issue of equity share capital. Interest rate fluctuations on borrowings are not expected to give rise to a material risk as the Group's debt instruments are fixed rate products.

Interest rate risk

The Group manages the interest rate risk associated with the Group's cash and cash equivalent assets by ensuring that interest rates are as favourable as possible, whether this is through investment in floating or fixed interest rate deposits, whilst managing the access the Group requires to the funds for working capital purposes. The only interest liability is as disclosed in the statement of financial position, under other financial liabilities. A 1% interest rate change would have no material effect on the financial statements.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

The interest rate profile of the Group and Company's financial assets at 30 June 2019 was as follows:

Group	Pound Sterling	United States Dollar	South African Rand	Australian Dollar	Zambian Kwacha	Madagascar Ariary	Total
Cash at bank floating interest rate	5 542	11 542 668	609 068	–	–	–	12 157 278
Cash at bank on which no interest is received	844	6 220 144	477 333	1 165	6 480	2 044	6 708 010
	6386	17 762 812	1 086 401	1 165	6 480	2 044	18 865 288
Company							
Cash at bank floating interest rate	5 542	11 542 668	4 154	–	–	–	11 552 364
Cash at bank on which no interest is received	637	3 208	–	–	–	–	3 845
	6 179	11 545 876	4 154	–	–	–	11 556 209

The interest rate profile of the Group and Company's financial assets at 30 June 2018 was as follows:

Group	Pound Sterling	United States Dollar	South African Rand	Australian Dollar	Madagascar Ariary	Total
Cash at bank floating interest rate	2 741 774	–	2 118 196	–	–	4 859 970
Cash at bank on which no interest is received	12 375	1 497 328	4 075	361	2 045	1 516 184
	2 754 149	1 497 328	2 122 271	361	2 045	6 376 154
Company						
Cash at bank floating interest rate	2 741 774	–	–	–	–	2 741 774
Cash at bank on which no interest is received	4 702	1 497 328	4 075	–	–	1 506 105
	4 247 879	1 497 328	4 075	–	–	4 247 879

There is no significant difference between the carrying value and fair value of cash and cash equivalents.

Financial liabilities	Weighted interest rate %	1 year or less £s	2 to 5 years £s	Total £s
Group 2019				
Interest-bearing borrowings	12%	4 063 025	8 606 170	12 669 195
Group 2018				
Interest-bearing borrowings	12%	1 184 632	1 886 058	3 070 690

Total interest costs in the year relating to financial liabilities held at amortised cost were £ 1 112 909 (2018: £1 375 732).

Interest rates on borrowings are fixed and agreed contractually. A 1% increase in interest rates would not have had a material impact on the Group's financial statements, therefore no additional sensitivity analysis was considered necessary.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

24. FINANCIAL INSTRUMENTS *(continued)*

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings (excluding derivative financial liabilities), cash and cash equivalents disclosed, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position, plus net debt.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

25. CONTINGENCIES AND COMMITMENTS

Other than disclosed in note 27 of this report, there are no material contingent assets or liabilities as at 30 June 2019.

26. RELATED PARTIES

	Group		Company	
	2019 £s	2018 £s	2019 £s	2018 £s
Transactions with related parties				
26.1 Theuns Klopper, a director of Nexia Australia, received director fees from Base Metal Technologies (Pty) Ltd (Formerly Braemore Nickel (Pty) Ltd)	2 133	2 133	–	–
26.2 Lion Mining Finance, with common director Colin Bird, received office rent from the Company	33 600	33 600	33 600	33 600
26.3 Jubilee paid C de Beer through Motswiri Partners for her services as Group Executive – Governance and Compliance, which is considered part of key management personnel. She is a member of Motswiri Partners. She is also a director of Braemore Platinum Limited (UK)	107 942	119 192	94 858	111 091
26.4 Jubilee paid Johan Meyer through Hambo Dato for his services as Technical Manager SA, which is considered part of key management personnel. He is the owner of Hambo Dato. He also received a salary from Braemore Platinum Smelters (Pty) Ltd. He is a director of the following group companies:				
• Braemore Platinum Smelters (Pty) Ltd				
• Jubilee Processing (Pty) Ltd				
• Jubilee Tailings Treatment Company (Pty) Ltd				
• Braemore Precious Metals Refiners (Pty) Ltd	139 893	79 711	–	–

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

	Group		Company	
	2019	2018	2019	2018
Transactions with related parties	£s	£s	£s	£s
26.5 Jubilee paid Kirsten Venter, Chief Financial Officer SA Operations, a salary from Braemore Platinum Smelters (Pty) Ltd whom is considered part of key management personnel. He is a director of the following group companies:				
• Jubilee Processing (Pty) Ltd				
• Jubilee Tailings Treatment Company (Pty) Ltd				
• Braemore Precious Metals Refiners (Pty) Ltd				
	127 281	117 123	–	–
26.6 Jubilee paid Bertus van der Merwe through Olifantsdraai Eiendomsbeperk for his services as Chief Operating Officer which, is considered part of key management personnel. He was appointed 1 May 2019.	25 623	–	–	–
26.7 Jubilee paid Nelius Pretorius, senior Metallurgist, a salary from Braemore Platinum Smelters (Pty) Ltd who is considered to be part of key management personnel.	70 398	66 101	–	–

There were no amounts owed to any of the parties above at year-end. The total remuneration of key management personnel amounted to £ 471 137 (2018: £ 382 127).

The following related party transactions were entered into with its Directors:

- Dr Phosa holds his interest in Jubilee through a trust named NMP Trust, of which he is a trustee. Refer to the Directors' report and note 6 on page 62 for more details on Directors' remuneration.

Kgato Investments (Pty) Ltd ("Kgato"), owned by Dr. Mathews Phosa a director of Jubilee, owns 26.25% shareholding in the ordinary share capital of BPMR.

Kgato's shareholding is financed through vendor finance on loan. The loan shall be interest free for as long as the Inyoni Operations has funding obligations and liabilities outstanding. Once settled, interest may be charged to the loan at an interest rate as determined by the board of directors but not more than the prime lending rate from time to time.

The effective date vendor loan was recognised on 1 July 2017 in an amount of £ 266 423 (ZAR 4 840 107). The net assets of BPMR at the effective date was negative £ 146 968 of which £ 38 579 was attributable to Kgato. The Effective date vendor loan is carried initially at fair value through profit or loss and any subsequent changes in the fair value is recognised directly in equity. During the period under review, the value of the vendor loan was increased to £ 312 367 (ZAR 5 568 040), which loan was certified by the auditors of BPMR. The vendor loan is revalued at each period end.

Pursuant to the sale agreement, the parties also entered into a shareholders' agreement, effective 1 July 2017, to regulate the relationship between the shareholders. In terms of the shareholders' agreement, Kgato shall not be entitled to any distributions from profit until such time as Jubilee's investment, including settlement in full of all funding obligations inclusive of costs and interest is repaid. Only thereafter shall BPMR be entitled to make distributions to Kgato which will first be utilised to settle the vendor loan in full. The Agreement therefore has no impact on Jubilee's obligations, rights and duties in terms of the Co-Op Agreement. The sale agreement does not dilute Jubilee's control over BPMR, and Jubilee remains the operator of the Inyoni Operations in all aspects.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

27. BUSINESS COMBINATIONS

Windsor Chrome Operations

On 10 December 2018 Jubilee announced that it has executed a sale and purchase agreement to acquire all of the chrome beneficiation assets including plant, equipment, intellectual property and all rights to the existing surface material estimated in excess of 1.8 million tonnes ("Assets") owned by PlatCro Minerals (Pty) Ltd ("PlatCro") and associated companies ("the Target"), for a combined cost of £ 8.26 million (US\$ 10.5 million) ("the Acquisition"). The business was acquired free from any historic liabilities.

The Assets acquired include:

- Plant and equipment offering processing capacity in excess of 75 000 tonnes per month
- All associated property including all rights to existing surface material
- All stock and materials accolated with operating the business

The aggregate purchase price for the Acquisition was settled by Jubilee on 7 January 2019. Jubilee took ownership and operational control of the Target on 7 January 2019.

The purchase price was settled through a combination of own cash, debt and the issue of 52 493 438 new Jubilee shares ("Acquisition Shares") at a price of 2.5 pence per share. Of the total purchase price, a total of £ 0.28 million is only payable upon completion of certain conditions precedent to the Acquisition.

Fair value of the purchase consideration, net assets acquired and gain on bargain purchase are as follows:

	Group 2019 £s
Cash paid	6 826 281
Ordinary shares issued	1 183 202
Contingent consideration	280 001
	8 289 484

The fair value of the 52 493 438 ordinary shares issued as part of the consideration paid was based on the published share price on 7 January 2019 of 2.5 pence per share. Issue costs of £ 59 175 directly attributable to the issue of the shares have been netted against the deemed proceeds.

The assets recognised as a result of the acquisition are as follows:

	Group 2019 £s
Land	684 898
Buildings	637 954
Plant and machinery	3 678 512
Motor vehicles	574 565
Total property, plant and equipment	5 575 929
Intangible assets	1 441 709
Inventories	991 845
Net identifiable assets acquired	8 009 483
Contingent asset acquired¹	280 001
Net assets acquired	8 289 484

1. The contingent asset acquired represents the purchase of the issued shares of PlatCro for a consideration of £ 280 001 which is only payable upon the condition that PlatCro is able to successfully renew its mining right with the DMR. At the date of this report the mining right had not been renewed by the DMR.

There were no acquisitions in the previous period.

Revenue and profit contribution

The acquired assets contributed revenues of £ 5.72 million and attributable earnings of £ 1.94 million to the Group for the period from 7 January to 30 June 2019.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

28. BUSINESS SEGMENTS

In the opinion of the Directors, the operations of the Group companies comprise of four reporting segments being:

- the beneficiation of Platinum Group Metals ("PGMs"), chrome and base metals and development of PGM smelters utilising exclusive commercialisation rights of the ConRoast smelting process, located in South Africa ("Base metals beneficiation");
- the evaluation of the reclamation and processing of sulphide nickel tailings in Australia and the development and implementation of process solutions, specifically targeting both liquid and solid waste streams from mine processes ("Business Development");
- the exploration and mining of Platinum Group Metals ("PGMs") ("Exploration and mining"); and
- the parent company operates a head office based in the United Kingdom, which incurs certain administration and corporate costs. ("Corporate").

The Group's operations span six countries, South Africa, Australia, Madagascar, Mauritius, Zambia and the United Kingdom. There is no difference between the accounting policies applied in the segment reporting and those applied in the Group financial statements. Mauritius and Madagascar do not meet the quantitative threshold under IFRS 8, consequently no separate reporting is provided.

Segment report for the year ended 30 June 2019

	Base metals beneficiation £s	Business development £s	Exploration and mining £s	Corporate £s	Total Continuing operations £s
Total revenues	23 585 846	–	–	–	23 585 846
Cost of sales	(10 709 444)	–	–	–	(10 709 444)
Forex losses	(8 163)	(6 711)	–	246 226	231 352
Share of loss from associate	–	–	–	(865 489)	(865 489)
Interest received	21 802	–	207	8 050	30 059
Interest paid	(933 307)	–	–	(179 604)	(1 112 911)
Loss before taxation	4 357 520	(229 145)	(231 989)	4 049 881	7 946 266
Taxation	(15 870)	–	–	(954 101)	(969 971)
Loss after taxation	4 341 649	(229 145)	(231 989)	3 095 780	6 976 295
Depreciation and amortisation	(3 400 232)	(70 359)	(231 568)	–	(3 702 159)
Total assets	(43 389 556)	(15 872 277)	(25 885 711)	(16 894 725)	(102 042 269)
Total liabilities	15 602 932	3 343 970	1 398 627	3 006 927	23 352 457

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

28. BUSINESS SEGMENTS *(continued)*

Segment report for the year ended 30 June 2018

	Base metals beneficiation £s	Business development £s	Exploration and mining £s	Corporate £s	Total Continuing operations £s
Total revenues	14 139 510	–	–	–	14 139 510
Cost of sales	(8 672 325)	–	–	–	(8 672 325)
Forex losses	(92 893)	–	–	(27 500)	(120 394)
Share of loss from associate	(308 451)	–	–	–	(308 451)
Interest received	22 526	–	263	2 797	25 586
Interest paid	(1 375 732)	–	–	–	(1 375 732)
Loss before taxation	(952 910)	(348 840)	(30 946)	(1 070 671)	(2 403 369)
Taxation	–	–	–	–	–
Loss after taxation	(952 910)	(348 840)	(30 946)	(1 070 671)	(2 403 369)
Depreciation, amortisation and impairments	(2 898 310)	(338 440)	–	–	(3 236 750)
Total assets	(25 555 593)	(14 016 052)	(25 325 043)	(4 540 056)	(69 436 744)
Total liabilities	5 393 954	3 305 224	1 376 573	558 265	10 634 016

29. DEFERRED TAX

	Group		Company	
	2019 £s	2018 £s	2019 £s	2018 £s
Deferred tax liability				
Fair value adjustments	6 018 620	5 065 422	954 101	–
Deferred tax asset				
Tax losses available for set-off against future taxable income	–	–	–	–

30. GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Report of the Directors on pages 17 to 31. The financial position of the Group, its cash flows, liquidity position are disclosed in the financial statements on page 42 to 46 of this report. In addition, note 24 to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk and borrowing facilities.

Jubilee's business strategy is based on three core business pillars:

1. Process business development

- Consists of a combination of targeted process consulting and business development, focussed on the development and implementation of process solutions, specifically targeting both liquid and solid waste streams from mine processes.
- Our business development includes existing pilot operations as part of the process development cycle to provide mature solutions which includes extractive-metallurgy, pyro-metallurgy and hydro-metallurgy.
- This process has led to many previously non-viable environmental and metals recovery projects becoming commercially viable. We have experienced a very strong demand in Africa.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

2. Operations

- a. Jubilee owns and operates recovery plants for the recovery of metals and minerals, currently recovering precious metals including PGMs and Chrome and targeting base metals including lead, zinc, vanadium and copper.

3. Project Funding

- a. Jubilee is able to provide funding to support its partners within smaller or larger companies to implement the waste recovery projects. The funding especially assists in instances where the company holding the mineral right prefers to be a passive investment partner.

Factors in support of the Group's treasury position are listed below:

- b. In March 2019 the Company successfully completed a placing of 491 814 444 new ordinary shares of 1 pence each in Jubilee at a price of 2.25 pence (ZAR 43.22 cents) per share raising approximately £ 11.07 million before expenses (ZAR 212.57 million) (Conversion rates applicable on the date of the announcement being 21 March 2019).

- c. The Group's current operating projects are cash generative and contributes to the treasury of the Group.

The Group meets its day-to-day working capital requirements through cash generated from operations. The Group's current operational projects are all fully funded and self-sustaining.

The current global economic climate creates to some extent uncertainty particularly over:

- d. the trading price of metals; and
- e. the exchange rate fluctuation between the US\$ and the ZAR and thus the consequence for the cost of the company's raw materials as well as the price at which the product can be sold.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, commodity prices and currency fluctuations, indicates that the Group should be able to operate within the level of its current cash flow earnings forecasted for the next twelve months.

The Group is adequately funded and has access to further equity placings, which together with contracts with a number of high profile customers strengthens the Group's ability to meet its day-to-day working capital requirements, including its capital expenditure requirements. As a consequence, the directors believe that the Group is suitably funded and placed to manage its business risks successfully despite identified economic uncertainties.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, thus continuing to adopt the going concern basis of accounting in preparing the annual financial statements.

31. EVENTS AFTER THE REPORTING PERIOD

31.1. Acquisition of Sable Zinc Limited (Zambia)

As announced on 21 March 2019, Jubilee executed the acquisition of 100% of the issued capital of Sable Zinc Kabwe Limited in Zambia from two subsidiaries of Glencore plc "Glencore" for a consideration of £ 9.16 million (US\$ 12 million) (ZAR 175.97 million) (the "Acquisition").

The Acquisition was funded through a combination of debt and equity. Jubilee secured a convertible loan note for £ 6.11 million (US\$ 8 million) (ZAR 117.31 million) with ACAM LP and successfully completed a placing of 491 814 444 new Jubilee shares at an issue price of 2.25 pence per share to raise £ 11.07 million (US\$ 14.50 million) (ZAR 212.57 million) before expenses.

On 23 August 2019 the Acquisition became unconditional ("Closing Date"), Jubilee obtained control and commenced with the implementation of a fully integrated multi-metal refinery in Zambia.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

31. EVENTS AFTER THE REPORTING PERIOD *(continued)*

The consideration for the Acquisition is payable in stages as follows:

- US\$ 6 000 000 within 5 business days after fulfilment or waiver of the conditions precedent to the share purchase agreement ("Closing Date");
- US\$ 3 000 000 on the earlier of the date falling 30 days after the date of completion of the conversion of the Sable Zinc Kabwe plant to a zinc processing plant and the date falling 6 months after the Closing Date ("Second Instalment"); and
- US\$ 3 000 000 on the earlier of the date falling 30 days after the date of commencement of commercial production and the date falling 6 months after the Second Instalment.

Jubilee's Kabwe Operations seeks to establish a fully integrated metal recovery and refining operational footprint in Zambia. The Project combines access to large surface material with the adjacent multi-metal refining capability. The Kabwe Operations resource comprises an estimated 6.4 million tonnes (3.2 million JORC compliant) of surface assets containing 356 843 tonnes of zinc, 351 386 tonnes of lead and 1.26% equivalent vanadium pentoxide. This excludes further third party sourced copper and zinc rich mined material for further refining. The adjacent Sable Zinc Refinery will be expanded to include a copper, zinc, vanadium and lead refining circuit based on Jubilee's extensive process development and optimisation works programme.

The Kabwe Operations will be implemented over three phases as outlined below.

Phase 1: Upgrade and commissioning of the copper refining circuit with a targeted capacity of 3 000 tonnes of refined copper per annum, targeting implementation during Q4 2019.

Phase 2: Implementation of both the zinc and vanadium refinery circuit with an initial targeted capacity of 8 000 tonnes per annum of zinc contained in a high grade zinc concentrate suitable for the market and 1 500 tonnes per annum of vanadium pentoxide, targeting commissioning of the zinc and vanadium refinery circuit during Q2 2020.

Phase 3: Implementation of the lead refining circuit with an initial targeted capacity of 11 000 tonnes per annum of lead contained in a high-grade concentrate during Q2 2021.

The Kabwe Refinery process flowsheet offers flexibility with two separated fully equipped electro-winning circuits able to produce either high grade copper or zinc with only minor adjustments. The Company can allocate this refining capacity either to both metals individually or a combination of the two metals depending on the prevailing market conditions to maximise returns.

Prior to taking ownership of the Sable Zinc Refinery, Jubilee actively pursued the completion of the project design and initiating final equipment selection to enable rapid implementation of the process flowsheet.

At the date of this report, the initial accounting for the business combination was not complete and an allocation of the purchase price and determination of the fair values of assets and liabilities acquired has not been completed. The reason being that since the date the Acquisition became unconditional Jubilee has been busy with a process of determining the fair values of the assets acquired and the liabilities assumed and this process involves a number of steps including a valuation of the stock piles on site as well as a valuation of the different components of the property, plant and equipment.

As a result Jubilee was not able to disclose the following information as required by paragraph 64 of IFRS 3:

- The acquisition date fair value of the total consideration transferred and the acquisition date fair value of each class of assets and liabilities acquired (Par. 64 (f));
- Any gain on bargain purchase or any goodwill that may arise as a result of determining the fair values as described above, including any amounts of goodwill that may be deductible for tax purposes (Par. 64 (e),(k) and (n));
- Any amounts to be recognised as of the acquisition date for each major class of assets acquired and liabilities assumed (Par. 64 (i));

There were no separate transactions that would require separate recognition as required by paragraph B64.

Notes to the Group and Company financial statements *(continued)*

for the year ended 30 June 2019

31.2 Acquisition of significant tailings

Jubilee owns and operates a chrome and PGM processing facility at Hernic with a processing capacity of 55 000 tonnes per month. The facility currently produces up to 9 000 tonnes of saleable chrome concentrate and 2 250 ounces of PGMs per month.

Previously, Jubilee had a Co-Operation Agreement ("Hernic Agreement") with Hernic Ferrochrome Pty Ltd ("Hernic Ferrochrome"), whereby Jubilee had the rights to all PGM earnings from the tailings at Hernic until it secured a 30% return on investment, where after Hernic secured the majority of earnings. Under the Hernic Agreement, all of the chrome concentrate produced is returned to Hernic Ferrochrome for its own use or sale to the market.

As announced on 24 October 2019, Jubilee has entered into a Framework and Tailings Purchase Agreement ("Tailings Agreement") with K2018239983 (SOUTH AFRICA) (PTY) LTD ("NewCo"), a subsidiary of one of the world's largest ferrochrome producers, to acquire 100% of the rights to PGM earnings from the current and future tailings produced at Jubilee's Inyoni Operations (previously Hernic) located in the Bushveld Complex, South Africa. In addition to the current unprocessed 1.70 million tonnes of historical tailings at the Hernic Operations and the 630 000 tonnes of previously processed tailings, Jubilee has acquired the rights to a further c. one million tonnes of PGM rich material. The total consideration for all the PGMs contained in the historical tailings is c. US\$ 5.1 million and will be settled from Jubilee's cash resources. Jubilee has also entered into an exclusive agreement with NewCo whereby NewCo may elect to include the sale of all further chrome rights to the chrome contained in all of the current tailings at Hernic at a predetermined value.

The operations and assets of Hernic Ferrochrome are being acquired by NewCo and following entering into the Tailings Agreement with NewCo, the Hernic Agreement is terminated with immediate effect.

As announced on 5 November 2019, NewCo has exercised its rights in terms of the Exclusive Agreement announced on 24 October 2019, to sell all further chrome rights to the chrome contained in all of the historical tailings at Inyoni to Jubilee.

Under the Exclusive Agreement, Jubilee:

- a) has acquired 100% of all further chrome rights to the chrome contained in all of the historical tailings at Inyoni.
- b) The total consideration for all the chrome contained in the historical tailings is approximately US\$16.39 million (at current conversion rates), which will be majority funded from Jubilee's existing cash and operating cash flows, together with project funding as necessary. The total consideration will be settled in three tranches, each 30 business days apart.

Headline earnings per share

Accounting policy

Headline earnings per share ("HEPS") is calculated using the weighted average number of shares in issue during the period under review and is based on earnings attributable to ordinary shareholders, after excluding those items as required by Circular 4/2018 issued by the South African Institute of Chartered Accountants (SAICA).

In compliance with paragraph 18.19 (c) of the JSE Listings Requirements the table below represents the Group's Headline earnings and a reconciliation of the Group's loss reported and headline earnings used in the calculation of headline earnings per share:

Reconciliation of headline earnings per share

	June 2019		30 June 2018	
	Gross '000	Net '000	Gross '000	Net '000
Figures in pounds sterling				
Earnings/(loss) for the period attributable to ordinary shareholders		6 994		(2 115)
Fair value adjustments of other financial assets	(5 022)	(3 616)	–	–
Share of impairment loss from equity accounted associate	783	564	93	67
Impairment of intangible assets	231	166	622	448
Headline earnings/(loss) from continuing operations		4 108		(1 600)
Weighted average number of shares in issue ('000)		1 466 128		1 203 479
Diluted weighted average number of shares in issue ('000)		1 475 698		1 203 479
Headline earnings/(loss) per share from continuing operations (pence)		0.28		(0.13)
Headline earnings/(loss) per share from continuing operations (ZAR cents)		5.14		(2.31)
Diluted headline earnings/(loss) per share from continuing operations (pence)		0.28		(0.13)
Diluted headline earnings/(loss) per share from continuing operations (ZAR cents)		5.11		(2.31)
Average conversion rate used for the period under review £:ZAR		0.05452		0.05759

Shareholder analysis

as at 30 June 2019

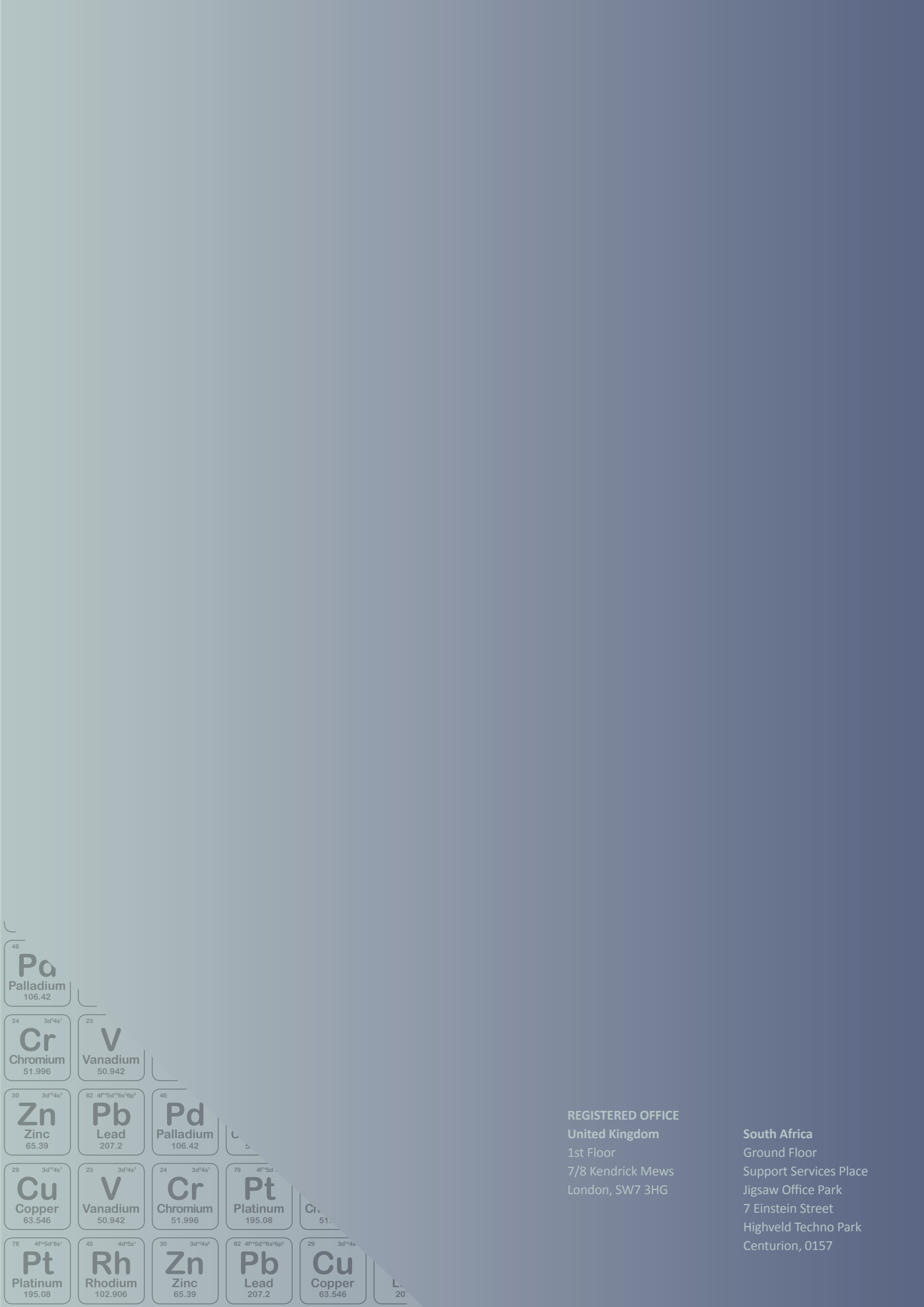
Register date: 30 June 2019
 Issued share capital: 1,855,300,673

Shareholder spread	Number of shareholders	%	Number of shares	%
1 – 5 000 shares	664		984,280	0.05
5 001 – 10 000 shares	108		806 348	0.04
10 001 – 50 000 shares	167		3 959 277	0.21
50 001 – 100 000 shares	53		3 924 725	0.21
100 001 – 1 000 000 shares	94		33 843 796	1.83
1 000 001 shares and over	74		1 811 782 247	97.66
	1 160		1 855 300 673	100

Distribution of shareholders	Number of shareholders	%	Number of shares	%
Private shareholders	811	69.91	300 029 546	16.17
Deceased accounts	8	0.69	7 944	0.01
Nominee companies	318	27.41	1 485 585 010	80.07
Limited companies	12	1.03	4 052 336	0.22
Bank and bank nominees	7	0.60	65 465 604	3.53
Other institutions	3	0.26	158 639	0.00
Family Interests	1	0.10	1 594	0.00
	1 160	100	1 855 300 673	100

Public/Non-public shareholders	Number of shareholders	%	Number of shares	%
Non-public shareholders				
Directors and associates of the Company holdings	3		13 910 249	0.75
Public shareholders	1 157		1 841 390 424	99.25
	1 160		1 855 300 673	100

For your notes



46 Pd Palladium 106.42					
24 Cr Chromium 51.996	23 V Vanadium 50.942				
30 Zn Zinc 65.39	82 Pb Lead 207.2	46 Pd Palladium 106.42			
29 Cu Copper 63.546	23 V Vanadium 50.942	24 Cr Chromium 51.996	78 Pt Platinum 195.08		
78 Pt Platinum 195.08	45 Rh Rhodium 102.906	30 Zn Zinc 65.39	82 Pb Lead 207.2	29 Cu Copper 63.546	

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