Jubilee Platinum

ANNUAL REPORT

for the year ended 30 June 2017

Contents

Administrative information

DIRECTORS	Colin Bird *(Non-Executive Chairman)* Dr M Phosa *(Non-Executive Director)* Leon Coetzer *(Chief Executive Officer)* Andrew Sarosi *(Executive Director)* Christopher Molefe *(Non-Executive Director)*	
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Strategic report
Chairman's statement

Dear Shareholder,

The year under review has been an exceptional period of growth for Jubilee. Jubilee established itself as a diversified producer of metals entering both the chrome and platinum industry through the ramp-up of its DCM operations and commissioning of the Hernic project while the Tjate platinum project was awarded its mining licence. Jubilee continued its drive to grow post the period under review with the acquisition of the surface PGMs at PlatCro and joint venture agreement with BMR Group PLC ("BMR") to execute the Kabwe surface project in Zambia.

At the commencement of the year, the Hernic plant was approximately 50% built with the Company gaining significant financial contribution from Dilokong enjoying the benefits of increasing chrome prices and our participation in chrome benefits.

We announced on 6 February 2017 that the Hernic plant commenced production and that the first chromite concentrate had been produced. In the same announcement shareholders were advised that focus had now moved to the commissioning of the PGM recovery plant. The commissioning of the PGM circuit was completed towards the end of March 2017 and we announced PGM production on 29 March 2017. Thereafter we saw increased production of chromite and PGMs as the various circuits underwent troubleshooting and optimisation. Throughout the period under review the Hernic contribution improved month on month and, at the time of writing this report, we had reached a total of 3 682 ounces of PGM production. A significant financial performance was the PGM production cost of USD 476 per ounce for the third quarter 2017. This demonstrates that the operation is extremely resilient to the volatile and depressed PGM prices experienced during the year. We continue to optimise at Hernic and are confident of reduced cost throughout the operation, improving productivity and significant financial contribution to the group.

The Dilokong operation continued to grow its earnings with upgraded platinum concentrate stockpiles being accumulated at the operation. During the early part of this year, we advised shareholders that Dilokong financial results would be considerably advanced by the acquisition of third party ore to be processed at Dilokong and towards the end of the first quarter of 2017 we processed our first third party ore.

Post the closing of this review period, we announced a significant new partnership agreement for third party ore which will provide for an additional 40 000 tonnes of ore per month for a minimum three year period. The financial effect of this contract will be very positive to the Dilokong operation and to the attributable income for Jubilee.

In terms of the Middelburg smelter and power station disposal, final proceeds were received mid-March 2017 after full and final settlement post arbitration.

A major milestone for the Company was achieved on 2 March 2017 when we announced that the Tjate Platinum project had been awarded its mining right. The project represents an extremely, large PGM metal resource and in terms of the fourth generation of new platinum mines is favourably positioned in terms of depth, grade continuity and is relatively geologically untroubled compared to its peers. We are now busy carrying out all things necessary to maintain compliance with the terms and conditions of the mining right order. The board are fully aware that new mine development in the platinum industry is not immediately evident, but remain convinced that Tjate will play a significant role in the future growth of South Africa's platinum industry in general and this Company in particular.

Our new business development in the past has been proactive and responsive, and once projects have been acquired, financing structures have been sought to achieve the acquisition or earn-in requirements. The board considered this to be a less than satisfactory arrangement and commenced a search for a funding partner who knew our business and shared our aspirations for its growth.

Post balance sheet in August 2017, we announced an agreement with Riverfort Capital Group Limited for a project funding agreement of USD 50 million. We have not yet used this agreement for any new projects but are highly encouraged that we have the arrangement in place as we enter more and more discussions for new projects.

A further major post balance sheet announcement was made on 23 October 2017, which involved the joint venture with BMR. This joint venture is based in Zambia and relates to the Kabwe lead, zinc and vanadium historical surface deposits. This project involves Jubilee investigating, developing flow sheets and if appropriate building a treatment plant in joint venture with BMR. The surface deposits are large and entail at least 6 400 000 tonnes of material of which 50 % is JORC compliant. The joint venture entails that Jubilee, advances up to GBP 2.30 million stages and thereafter shares some 40 % of the beneficial earnings arising from the project. This agreement is very important on the basis that the Company is now involved in a different company, country and in different commodities thus providing a hedge to the Bushveld complex and South Africa.

In terms of PGM metal prices we remain somewhat disappointed as to their volatility and low top range. This being despite more cars being built and a prosperous new global economy with good signs for emerging markets. There is much talk about the electric car being the answer and therefore displacing the need for fuel cell powered motor cars. The Jubilee board believes that the electric car is an interim step and the emergence of the fuel cell will significantly enhance the fortunes of the platinum producing industry. In any event we are seeing the normal supply demand attrition and supply response which is a cycle common to all commodities.

Jubilee has emerged, at the time of writing this report, as a diversified producer with many significant opportunities currently being investigated and negotiated at an advanced level. A number of these opportunities, if brought to completion, could change the short-term prospects for Jubilee and make the mid-cap space, to which I often allude, a reachable target.

Jubilee, having completed two projects, is now at a very important stage in its evolution and the board has to consider the merits of organic growth against corporate acquisition growth or a combination thereof. We are mindful that the resource world has not rebounded from the woes of the past and that major opportunities exist for companies committed to growth. Jubilee is one of those companies.

Although the board expects to realise the value of the Nickel Tailings Project, the board felt it prudent to impair the asset until the legal impasse with BHP is resolved. The Group reported a loss per share for the period under review, excluding impairments of intangible assets, net of tax, of 0.25 pence (ZAR 4.27 cents) compared with a loss of 0.38 pence (ZAR 8.07 cents) for the comparative period. Impairment of intangible assets totaled GBP 8.47 million net of tax, which if included equates to a group loss per share of 1.07 pence (ZAR 18.55 cents).

Finally I would like to thank everyone concerned at whatever level in Jubilee who have assisted in taking the Company to its current position. In particular, I would like to thank the Chief Executive Officer Leon Coetzer and his immediate team for their commercial prowess and intellectual and managerial contribution to our projects. Their efforts have been instrumental in creating the Jubilee brand, which is now exportable, credible and achieving global recognition.

Colin Bird
Non-executive Chairman

9 November 2017

Strategic report
Chief Executive Officer's operations report

HIGHLIGHTS

- The DCM Operations delivers first full year of production with total chrome concentrate produced of 78 588 tonnes resulting in revenue of GBP 9.37 million (ZAR 161.74 million)
- The Hernic PGM and chrome project is brought into operation and delivers its first saleable platinum concentrate in April 2017, ramping up to reach 808 PGM[1] ounces produced by end June 2017 resulting in revenue of GBP 0.43 million (ZAR 7.43 million)
- Jubilee acquires the rights to the PGMs contained in the PlatCro material estimated at 1 400 000 tonnes of platinum containing surface material
- The Tjate Platinum project is awarded its mining right in March 2017

1= Precious Group Metals (platinum, palladium, rhodium, ruthenium, iridium + gold)

HIGHLIGHTS POST THE PERIOD UNDER REVIEW

- Jubilee replaces the DCM processing agreement with a 50/50 partnership agreement on all chrome concentrate produced at DCM while retaining its exclusive PGM right
- Jubilee executes a 3rd Party chrome ore processing agreement at DCM targeting the processing of 40 000 tonnes per month of chrome ore to supplement the DCM material
- Jubilee executes transaction with BMR Group PLC to enter into joint venture to execute the Kabwe lead, zinc and vanadium surface processing project, estimated to contain 6 400 000 tonnes of lead, zinc and vanadium rich material at surface
- Jubilee executes a funding agreement to access up to USD 50 million project funding towards its targeted project build programme

FINANCIAL HIGHLIGHTS

- Group revenue up to GBP 9.81 million (ZAR 169.59 million)[1] ((2016: GBP 1.47 million (ZAR 25.41 million))
- Group loss for the year, from continuing operations, excluding once off non-cash items[2], decreased by 61.87 % to GBP 2.10 million (ZAR 36.42 million) ((2016: loss of GBP 3.41 million (ZAR 58.97 million))
- Group loss per share from operations, excluding once off non-cash items[2] is 0.25 pence (ZAR 4.27 cents) ((2016: 0.38 pence) (2016: ZAR 8.07 cents))
- Operating expenses[3] from continuing operations down 26.69 % to GBP 3.44 million (ZAR 59.46 million) ((2016: GBP 4.69 million) (ZAR 81.06 million))

1= 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 at period end. All other conversions are at rates as at the time announced.
2= Impairment of intangible assets totaled GBP 8.47 million, net of tax, which if included equates to a group loss per share of 1.07 pence (ZAR 18.55 cents).
3= refer to page 14 of this report for a detailed breakdown of operating expenses.

Hemic Team

OPERATIONS OVERVIEW

Jubilee has delivered a remarkable operational performance during the period under review with continued strong growth post the period under review. The period has seen Jubilee being awarded the mining license for the Tjate platinum project and ramping-up the DCM chrome operation to reach 78 588 tonnes of saleable chrome concentrate, while delivering the Hernic chrome and platinum recovery plant targeting 660 000 feed tonnes per annum.

Post the period under review Jubilee continued acquiring further access to valuable surface resources which included the acquisition of the PGMs contained in the surface material at PlatCro Minerals ("PlatCro") in South Africa as well as entering into a joint venture agreement with BMR Group PLC ("BMR") to execute the Kabwe surface processing project targeting the recovery of lead, zinc and vanadium from surface material in Zambia. These transactions extended Jubilee's reach beyond the borders of South Africa into both PGMs and base metals leveraging off its in-house metallurgical skill, project execution track record and operational performance. Jubilee now holds a project portfolio containing low risk, high return, short projects which includes:

- Platinum project to recover PGMs from the estimated 1 400 000 tonnes surface stock at PlatCro in South Africa
- Platinum project to recover PGMs from the estimated 800 000 tonnes at surface at DCM in South Africa
- Kabwe project to recover lead, zinc and vanadium from the estimated 6 400 000 tonnes (3 200 000 tonnes JORC compliant) surface tailings at the Kabwe operations in Zambia

The Company continues to actively pursue further projects consistent with its stated mission to grow the Company's processing capacity of at or near-surface material. Jubilee has responded well to challenges in the global PGM markets as reflected in PGM prices by diversifying its earnings generation to include chrome and PGMs and expanding its project portfolio into base metals such as lead, zinc and vanadium. Jubilee's surface projects remain robust at these metal prices as reflected in Jubilee's Q3 2017 update, recording a unit cost per PGM ounce produced of USD 476, which is set to reduce further as the project continues to increase its production. Jubilee's surface projects have the benefit of not being exposed to mining cost or associated mining risk.

The Company has successfully responded to the current challenges and risks inherent to an exploration and metals production business and will continue to formulate preventative measures. The principal risks for an exploration and metals production company and the measures taken by the Group to mitigate them are detailed under the Report of the Directors on page 15.

JUBILEE's OPERATIONS

Hernic – South Africa

The Hernic project is the second of the Company's operating platinum-bearing surface tailings projects and targets processing in excess of 660 000 feed tonnes tailings per year. The project has access to an estimated 3 000 000 tonnes of PGM material, to which Hernic continues to add further current arisings material. The project, which is estimated to contain in excess of 224 000 (3PGM + Au) ounces, is the largest PGM beneficiation plant in South Africa to process surface chrome tailings.

The Hernic project commenced construction in June 2016 with commissioning starting in January 2017 and delivering its first PGM ounces to market in April 2017. Total project capital spent on the targeted 660 000 tonnes per annum chrome and PGM processing facility reached GBP 12.97 million (ZAR 220 million) of which the total debt burden of the project was reduced to GBP 2.98 million (ZAR 50.54 million) as at the date of this report.

The data below in table 1 captures the commissioning and ramp-up phases of the project with the data for Q3 2017 illustrating the continued increase in production and earnings growth following the period under review. The unit cost per PGM ounce produced has reduced to USD 476 during Q3 2017 and is set to reduce further in-line with the expected continued increase in production for Q4 2017.

Chief Executive Officer's operations report *(continued)*

Hernic Plant

Table 1 below presents the operational performance of the Hernic operations for the period under review (Q2 2017) and the following quarter Q3 2017:

	Tailings processed tonnes	PGM ounces delivered	Project revenue[1] (GBP'000)	Project revenue[2] (ZAR'000)	Project earnings[3] (GBP'000)	Project earnings (ZAR'000)	Jubilee attributable earnings (GBP'000)	Jubilee attributable earnings (ZAR'000)	Unit cost/ PGM ounce (USD)
Q2 2017	**80 828**	**808**	**459**	**7.604**	**(110)**	**(1.928)**	**(110)**	**(1.928)**	**901**
Q3 2017	**105 673**	**2 874**	**1.539**	**26.581**	**496**	**8.592**	**496**	**8.592**	**476**

1= Revenue from the current project phase – 100 % attributable to Jubilee until full capital recovery. Revenue is projected based on latest average PGM market prices and USD exchange rates and results are only final once final Quotational Period has passed

2= Average monthly conversion rates used

3= Project Earnings include all incurred operational costs including management services and mineral royalties

For an updated presentation of the Hernic project's current operations and performance please refer to the market update announced on 26 October 2017.

Dr Phosa site visit

Dilokong Chrome Mine (DCM) – South Africa

Jubilee's subsidiary, Jubilee Tailings and Treatment Company Proprietary Limited ("JTTC"), holds the exclusive rights to beneficiate the PGMs and chrome from the platinum and chrome-containing surface material at Dilokong Chrome Mine Proprietary Limited ("DCM") a subsidiary of ASA Metals Proprietary Limited ("DCM Platinum Project, Processing Agreement").

The Processing Agreement gives Jubilee access to more than 800 000 tonnes (Sept 2012) of surface material containing 74 000 ounces 4E PGM (platinum, palladium, rhodium and gold). In February 2016 Jubilee executed a further processing agreement ("the Processing Agreement") to expand and operate on DCM's behalf the chrome beneficiation plant. JTTC completed the expansion of the circuit and commissioning of the new chrome beneficiation circuit during Q2 2016 reaching stable designed operations during Q4 2016.

Immediately following the period under review, and in an ongoing co-operation with DCM, Jubilee executed a new framework treatment of tailings and chrome ore agreement ("New Agreement") with DCM, thereby cancelling and superseding all existing agreements in respect of chrome processing and PGM recovery at DCM. The New Agreement transforms Jubilee's DCM operations as an equal joint venture with DCM, on all chrome ore including 3rd party chrome ore. This New Agreement now affords Jubilee the right to 50 % of all chromite earnings generated including from the processing of third party or other Chromite Ore. This New Agreement captures the growth of the DCM project from initially Jubilee holding no rights to earnings from chromite ore at the outset of the DCM project to 50/50 joint venture with DCM. The New Agreement further secures Jubilee's unencumbered PGM rights from all material processed at DCM irrespective of source.

Jubilee further executed an ore processing agreement ("Ore Agreement") in addition to the New Agreement, in terms of which Jubilee is contracted to toll process up to 40 000 tonnes per month of 3rd party Chrome Ore for an initial three year term period – mutually extendable. Under the terms of the Ore Agreement Jubilee also secured the rights to the PGMs in the 3rd party Chrome Ore which further supplements the existing PGMs already contained in the surface material at DCM. DCM plant's spare capacity will be utilized for this processing, which has the potential to more than double current DCM's operational throughput. The additional PGMs secured provides Jubilee the opportunity to expand its PGM recovery strategy at DCM and materially add to the Company's earnings, since the fixed cost element of DCM's operation would remain relatively unchanged. This Ore Agreement continues Jubilee's organic growth in this field and is a step in its stated intent to consolidate chrome and platinum retreatment in the region.

Chief Executive Officer's operations report *(continued)*

Dilokong Chrome Mine

During the period under review the DCM operations performed well with its first full year of operation under the terms of the Processing Agreement. The New Agreement as announced on 5 September 2017, between DCM and Jubilee became effective on 1 September 2017. The effect on earnings of this New Agreement together with the ramp-up of processing 3rd party ore at the DCM operations will reflect in the 2018 financial period.

The table below presents the operational performance of the DCM operations for the period under review and Q3 2017:

	Chromite concentrate produced tonnes	Project revenue (GBP'000)	Project revenue[1] (ZAR'000)	Project earnings[2] (GBP'000)	Project earnings (ZAR'000)	Jubilee attributable earnings (GBP'000)	Jubilee attributable earnings (ZAR'000)
Total Q3 2016	26 848	2.141	38.368	1.581	28.320	587	10.505
Total Q4 2016	19 108	2.642	45.714	1.714	29.668	368	6.367
Total Q1 2017	14 973	3.372	55.224	2.407	38.862	408	6.664
Total Q2 2017	17 659	1.348	22.731	386	6.504	399	6.727
Total for period under review	**78 588**	**9.503[3]**	**162.037**	**6.088**	**103.354**	**1.762**	**30.263**
Total Q3 2017	15 134	1.129	19.526	184	3.173	356	6.139

1 = Average monthly conversion rates used

2 = Project earnings include project expenditure on plant and equipment

3 = Figures as announced, which can differ from annual audited figures due to conversion at the time of the announcement being different to conversion for the whole period under review.

For an updated presentation of the DCM project's current operations and performance please refer to the market update announced on 26 October 2017.

Mechanical Mining

SURFACE PROJECTS PIPE-LINE OVERVIEW

Jubilee continued to expand on its surface processing project pipe line with further acquisitions both in and beyond the South African borders.

The project pipe line offers significant growth potential in the short term (2 years) and we continue to actively pursue further opportunities.

Jubilee's projects pipe-line currently includes:

- Platinum project to recovery PGMs from the estimated 1 400 000 tonnes surface stock at PlatCro Minerals in South Africa
- Platinum project to recover PGMs from the estimated 800 000 tonnes at surface at DCM in South Africa
- Kabwe project to recover lead, zinc and vanadium from the estimated 6 400 000 tonnes (3 200 000 tonnes JORC compliant) surface tailings at the Kabwe operations in Zambia

These transactions extended Jubilee's reach beyond the borders of South Africa into both PGMs and base metals leveraging off its in-house metallurgical skill, project execution and operational performance.

PlatCro Proprietary Limited ("PlatCro") – South Africa

The Company acquired rights to PlatCro's 1 400 000 tonnes of new platinum-bearing surface material containing an estimated 2.7 g/t 4E PGMs (platinum, palladium, rhodium and gold) as well as all future platinum bearing material processed for an acquisition cost of £ 3.13 (ZAR 50) per tonne of material defined as surface material remaining after the further removal of contained chromite in the material by Platcro.

The acquisition, which is targeted to add 14 000 PGM ounces annually to Jubilee's existing PGM production from tailings and 3rd party ore, places the Company's potential production trajectory at stable operations of 50 000 PGM ounces per annum with no exposure to underground/open pit mining.

The new surface material is located within near trucking distance of the Hernic plant, however, the option is available to Jubilee to construct a dedicated PGM plant adjacent to the surface stockpile.

Kabwe project – Zambia

Post the period under review, Jubilee has executed a binding agreement to form a joint venture with AIM-quoted BMR to target the recovery of lead, zinc and vanadium from historical surface mine tailings and discards. A joint venture company will be established ("Kabwe"), which will be assigned all intellectual property developed for the execution of the project as well as the right to fund and execute the project on behalf of BMR. Kabwe will be appointed operator of the project, with responsibility for commissioning, funding, construction and operations. Kabwe will sub-contract operator responsibilities to Jubilee. Jubilee is also offered the right to earn into Kabwe through staged debt funding. Jubilee's earn-in interest in Kabwe will be through preferred shares issued in Kabwe, which will have equal voting rights to ordinary shares of Kabwe and will have the preferred right to receive 100 % of distributed profits from Kabwe until the debt funding plus a 30 % interest component is fully paid, where after the preferred shares will convert into ordinary shares of Kabwe.

Refer to the announcement made on 23 October 2017 for more details on the project.

MINING AND EXPLORATION

Tjate Platinum Project

Tjate Platinum Project – South Africa

During the period under review, on 1 March 2017, Tjate Platinum Corporation Proprietary Limited ("Tjate" or the "company") executed the grant of a mining right with the Department of Mineral Resources ("DMR") for its Tjate Platinum project, which has a SAMREC-compliant estimated resource of 22 330 000 (indicated and inferred) ounces 4E-PGM (platinum, palladium rhodium and gold). Post period under review, Tjate commissioned an independent review of the Project focussing on the evaluation of the current Project economics since 2011, the year in which the mining right application was submitted. The review established that despite declining commodity prices and inflated costs since 2011, with the benefit of a significant and overriding increase in ZAR against USD in the same period, the Project remains value accretive, demonstrating a post-tax, positive NPV (discounted at 10%) of ZAR1.4 billion at current commercially forecast PGM prices. The quoted NPV excludes the added benefit of further refining the PGM concentrates from the project using the patented ConRoast smelting process.

Opportunities exist to improve potentially the project economics, through a detailed value engineering focus on reducing mine development schedule and capital costs and adding significantly to projected mine life with additional on mine (infill) geotechnical studies. In this regard, the company is investigating options for project financing.

Leinster Nickel Tailings Project – Australia

In November 2016, Jubilee's Australian subsidiary, Braemore Nickel Proprietary Limited ("Braemore"), has received from BHP Billiton Proprietary Limited ("BHP") a notice of termination of the Tailings Supply Agreement, which dates back to 2005 relating to the Leinster Nickel project operations in Western Australia.

Braemore informed BHP that it rejected the termination notice since it believes no factual or legal basis exists for such termination. This project does not form part of Jubilee's earnings nor has any influence on the execution of Jubilee's platinum and chrome projects.

Although the board expects to realise the value of the Nickel Tailings Project, the board felt it prudent to impair the asset until the legal impasse with BHP is resolved.

LOOKING AHEAD

I am looking forward to a period of continued growth for Jubilee by consolidating the performance of Jubilee's existing surface operations at DCM and Hernic, while bringing to value both Jubilee's DCM and PlatCro PGM projects as well as the Kabwe lead, zinc and vanadium project in Zambia.

We will continue to strive to expand Jubilee's brand internationally to increase our access to further metals recovery projects and delivering value to our shareholders.

Leon Coetzer
Chief Executive Officer

This Strategic Report was approved by the Board and signed on its behalf by Leon Coetzer.

9 November 2017

Report of the Directors

The Directors present their report together with the financial statements for the year ended 30 June 2017.

Principal activities and place of incorporation

The Group and Company are principally engaged in exploration and exploitation of natural resources. Jubilee Platinum PLC 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"). Having secured a funding offer from a major institutional investor and the proceeds from the recent sale of its Middelburg Operations, the Company is now well-positioned to focus on the exploitation and development to production of its secured two platinum surface tailings projects and on strategically seeking further similar resource opportunities.

Business review

A review of the Group and Company's operations during the year ended 30 June 2017 and future developments is contained in the Strategic Report on pages 3 to 12.

The Directors did not recommend the payment of a dividend for the year under review (2016 : £ nil).

Financial review

Earnings per ordinary share for the year ended 30 June 2017 were as follows:

	June 2017	June 2016
Basic loss for the year – continuing operations (£'000)	**(10 570)**	(3 412)
Basic loss for the year – discontinuing operations (£'000)	**–**	(283)
Total loss for the year	**(10 570)**	(3 695)
Weighted average number of shares in issue ('000)	**984 780**	906 241
Weighted average number of shares in issue discontinued operations ('000)	**–**	906 241
Loss per share – continuing operations (pence)	**(1.07)**	(0.38)
Loss per share – discontinuing operations (pence)	**–**	(0.03)
	(1.07)	(0.41)
Loss per share – continuing operations (ZAR cents)	**(18.55)**	(8.07)
Loss per share – discontinuing operations (ZAR cents)	**–**	(0.67)
	(18.55)	(8.74)

The Group reported a net asset value of 5.04 pence (ZAR 85.54 cents) (2016: 5.65 pence (ZAR 112.38 cents) per ordinary share. Tangible net asset value for the period under review was 0.73 pence (ZAR 12.42 cents) ((2016: -0.57 pence) (ZAR -11.25 cents)).

The total number of ordinary shares in issue as at 30 June 2017 were 1 118 360 942 shares (2016: 991 087 994).

Major components of the Group's operating expenses comprised the following main categories:

Figures in pound sterling	**Continued operations June 2017**	**Total June 2017**	**Operations**	**Business Development**	**Head Office**
Admin, corporate and operational costs	581 333	581 333	341 742	580 601	(341 010)
Consulting and professional fees	847 717	847 717	601 559	75 107	171 050
Human resources	628 695	628 695	393 942	–	234 754
Corporate listing costs	150 104	150 104	–	–	150 104
Loss on exchange differences	72 418	72 418	47 714	–	24 704
Travelling	16 633	16 633	159	–	16 474
Repairs and Maintenance	11 249	11 249	9 538	–	1 711
	2 308 149	2 308 149	1 394 654	655 708	257 787
Other once off and non-cash operating expenses					
Amortisation, depreciation and impairments	1 108 866	1 108 866	1 108 866	–	–
Share-based payment charge – new warrants issued	22 025	22 025	–	–	22 025
Total operating expenses	**3 439 040**	**3 439 040**	**2 503 521**	**655 708**	**279 812**

	Continued operations June 2016	Discontinued operations June 2016	Total June 2016	Operations	Business Development	Head Office	Discontinued operations
Consulting and professional fees	712 607	12 000	724 607	497 708	–	214 899	12 000
Human resources	556 106	221 430	777 536	296 125	–	259 981	221 430
Admin, corporate and operational costs	269 940	482 469	752 409	78 146	–	191 794	482 469
Corporate listing costs	121 446	–	121 446	–	–	121 446	–
Loss on exchange differences	80 638	–	80 638	3 067	–	77 571	–
Travelling	28 124	1 863	29 987	5 628	–	22 496	1 863
Repairs and Maintenance	5 425	296 871	302 296	3 918	–	1 507	296 871
Loss on disposal of fixed asset	1 082	–	1 082	1 082	–	–	–
	1 775 368	1 014 633	2 790 001	885 674	–	889 694	1 014 633
Other once off non-cash operating expenses							
Amortisation and depreciation	598 451	–	598 451	598 451	–	–	–
Share based payment charge							
– options awarded	1 155 847	–	1 155 847	–	–	1 155 847	–
Share-based payment charge							
– new warrants issued	304 925	–	304 925	–	–	304 925	–
Provision for impairment of other financial assets	856 271	–	856 271	–	–	856 271	–
Total operating expenses	**4 690 862**	**1 014 633**	**5 705 495**	**1 484 126**	**–**	**3 206 737**	**1 014 633**

1 Total operating expenses down 26.69 % to £ 3.44 million (2016: £ 4.69 million)

2 Head office overheads excluding non-cash and once items down 71 % to £ 0.26 million (2016: £ 0.89 million)

The table above forms part of supplementary information and has not been audited.

Risk review

The Board and the Executive Committee keep the risks inherent in an exploration and production business under constant review. The principal risks for an Exploration and Production Company and the measures taken by the Group to mitigate them are detailed below:

- 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 to minimise risk, there is a possibility of a materially adverse impact on the Group's operations and its financial results. 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 will develop and maintain 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 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 and to process it. The principal metals in the Group's portfolio are Platinum Group Metals, nickel and copper. The price of these metals has been unstable during the financial year. 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.
- Security of tenure

  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.

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. Jubilee has raised funds, which allowed the Company to continue to seek potential acquisition opportunities in near-term mining projects consistent with its Mine-to-Metals strategy, and to ensure sufficient funding for its platinum projects and ConRoast growth strategies. 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 finances its overseas operations by transferring Pound Sterling and US Dollars 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 is included in note 21 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 and the size and stage of development of the Group. The Group also takes due regard of the Quoted Companies Alliance ("QCA") Guidelines on Corporate Governance for Smaller Quoted Companies.

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.

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 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 2017 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 Group Chief Financial Officer, Ms C de Beer, and the finance function, and is unanimously satisfied of her continuing 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.

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' consideration of going-concern is made in note 27 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 25 % of the issued capital of the Company.

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 2017	30 June 2016
C Bird (Direct)	**11 047 555**	9 797 555
A Sarosi (Direct)	**64 444**	64 444
L Coetzer (Direct)	**27 810**	27 810
Dr M Phosa (Indirect)[1]	**2 834 884**	986 717
Total	**13 974 693**	10 876 526

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

A new share option scheme was agreed by shareholders on 29 April 2016. In awarding these options the Board was cognisant of the efforts and personal motivation directed towards the Company's objectives by all members of the Board.

The Directors who served during the year and their 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	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

Refer to note 17 on page 58 of this report for details of the options awarded.

	Remuneration paid £	**Provision for unpaid remuneration £**	**Shares issued £**	**Benefits in kind £**	**Total 2017 £**	**Total 2016 £**
C Bird	45 333	34 667	–	7 650	87 650	400 897
A Sarosi	41 167	23 833	–	–	65 000	322 348
C Molefe	14 976	2 949	–	–	17 925	45 688
L Coetzer	157 909	94 213	–	–	252 122	767 043
Dr Phosa	32 594	–	2 050	–	34 644	58 941
	291 979	155 662	2 050	7 650	457 341	1 594 917

During the period under review the Directors' remuneration was adjusted to align with the cash flow requirements of the Group and Company. The unpaid portion of the Directors' remuneration are to be settled 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. The amount that was short-paid to Directors for the period under review amounted to £ 155 662 (2016: £ 252 769) and has been provided for in the accounts. Refer to note 6 on page 49 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 and up to the date of this report.

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 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 established the first black law firm in Nelspruit in 1981. He is a renowned strategic and business leader who has had an immeasurable impact on the lives of numerous South Africans. He led the military wing of Umkhonto we Sizwe from Mozambique and was part of the ANC delegation which successfully negotiated a peaceful transition into a fully democratic South Africa. Dr Phosa was elected as the first Premier of Mpumalanga Province in 1994 and went on to serve as the Treasurer-General within the Executive Committee of the ANC from 2007 to 2012. He has provided a sustainable legacy through his commitment to Special Olympics South Africa, Innibos Arts Festival and as Chairperson of the Council of Unisa. Commercially Dr Phosa sits on a number of listed Company Boards (Value Group and Jubilee Platinum) as well as a number of unlisted entities (Frans Schutte and Mathews Phosa Inc, Hans Merensky Holdings, Vuka Timbers, and Mathews Phosa & Associates).

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. Dr Phosa launched an English anthology called "Chants of Freedom" on 2 June 2015.

Dr Phosa's decorated career achievements include a lifetime achievement award in July 2013 at the 12th awards ceremony of the Oliver Empowerment Awards, for his continued persistence in ensuring we engage in debates around reshaping and rebuilding our understanding of "real" transformation and empowerment. The Congolese Order of Merit presented to him in February 2014 by the Congolese President Denis Sassou Nguesso. Dr Phosa is the only recipient to receive two awards at the African Achievers Awards in Abuja, Nigeria in July 2016 – the first award bestowed on him was "Leadership Excellence in Africa". He dedicated it to good governance and democracy, and the second "Lifetime Achiever" award he dedicated to former President, the late Cde Nelson Mandela. Dr Phosa further made history when he became the first man to be presented with an award by the African Women in Leadership Organisation at their 8th conference in the USA in August 2016 for "African Man of the Year" for his effort and support to 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 Dipapatso 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 Office of Breamore Resources in 2008. Breamore 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 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.

Mr Andrew Sarosi

Executive Director

Andrew Sarosi is a mineral processing engineer with 43 years' experience in operations, management, consulting and Corporate responsibilities for gold, silver, tungsten, tin, copper, zinc, diamond and rare earth projects in Saudi Arabia, Ethiopia, Southern Africa, West Africa, Madagascar and the United Kingdom. Andrew has held senior and advisory positions with Consolidated Gold Fields (UK), Amax UK, Petromin (Mahad adh Dahab – Saudi Arabia), Mackay & Schnellmann (UK), CSM Associates UK (now Wardell Armstrong), Lion Mining Finance and ad hoc adviser to Wolf Minerals PLC. Andrew is currently Executive Director of Jubilee, having been appointed in January 2006 and is on the Board of Galileo Resources PLC and other resource companies.

Major shareholders

The Directors are aware of the following substantial shareholdings of 3 % or more of the share capital of 1 118 360 942 ordinary shares at 30 June 2017:

Ordinary shares of 1p each	Number	Percentage
Barclayshare Nominees Limited	76 234 537	6.82
Hargreaves Lansdown (Nominees) Limited	58 313 168	5.21
Jim Nominees Limited	53 185 408	4.76
Hargreaves Lansdown (Nominees) Limited	51 455 533	4.60
TD Direct Investing Nominees (Europe) Limited	51 256 001	4.58
TD Direct Investing Nominees (Europe) Limited	46 774 234	4.18
Hargreaves Lansdown (Nominees) Limited	37 290 753	3.33
HSDL Nominees Limited	33 995 114	3.04
Wealth Nominees Limited	33 891 364	3.03

Report of the Directors *(continued)*

Share issues

Details of the shares issued in the year are disclosed in note 16 on page 56 of the financial statements.

Post-reporting date events

Details of post-reporting date events are disclosed in note 28 on page 70 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 (2016: £ 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

9 November 2017

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 9 November 2017 and signed on its behalf by:

L Coetzer
Chief Executive Officer

9 November 2017

Company number 04459850

Report of the Audit and Risk Committee

for the year ended 30 June 2017

The Audit and Risk Committee is chaired by Mr Christopher Molefe. During the financial year ended 30 June 2017 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 Chief Financial Officer, C de Beer, and is unanimously satisfied of her continuing suitability for the position.

The Audit and Risk Committee recommended the financial statements for the year ended 30 June 2017 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

9 November 2017

Company number 04459850

Independent auditor's report to the members of Jubilee

Opinion

We have audited the financial statements of Jubilee Platinum Plc for the year ended 30 June 2017 which comprise the Consolidated and Company Statements of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash flows and notes to the financial statements, including a summary of significant accounting policies set out on pages 30 to 71. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of affairs of the Group and of the parent company as at 30 June 2017 and of their losses for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 auditors' 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.

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 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, 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 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 statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Carrying value of intangible assets

The carrying value of intangible assets included in the Group's balance sheet at 31 December 2017 was stated at £48.2m, contained within 3 cash generating units ("CGUs").

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 the there is an uncertain timeframe.

Deferred tax liabilities are recognised on certain intangible assets following business combinations and these liabilities are re-evaluated at each reporting period end.

Any impairment in these CGUs could lead to subsequent impairments in the parent company investments in subsidiaries or intercompany loans to these subsidiaries.

Due to the significance of the intangible assets to the consolidated financial statements, the significant judgements involved in these calculations and the potential impact to parent company investments and intercompany loans, the carrying value of intangible assets is a key audit matter.

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Our audit procedures included the following:

- Assessing the methodology used by the Directors to calculate recoverable amounts and evaluated if it complies with the requirements of IAS 36;
- Assessing the viability of the platinum group elements ("PGE") exploration asset by analysing future projected cash flows used in the value in use calculations for the CGU to determine whether the assumptions used in projecting the cash flows are reasonable and supportable given the current macroeconomic climate;
- Performing sensitivity analysis on key assumptions and testing the mathematical accuracy of models;
- Comparing foreign exchange rates used in management's calculations against third party sources;
- Understanding the commercial prospects of the assets, and where possible comparison of assumptions 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 8, *intangible assets, of the group financial statements*; and
- Recalculating the deferred tax liability relating to specific intangible assets and assessing applicable tax rates.

Based on our procedures, we noted no material exceptions and considered management's key assumptions to be within reasonable ranges.

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<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
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Revenue recognition

Revenue for the year was £9.8m, representing a significant increase on 2016. Additionally, this is the first year of production at Hernic, leading to the recognition of revenue from platinum group metals ("PGM") concentrate sales as well as chromite concentrate.

As required by IFRS as adopted by the European Union, an entity is required to recognise revenue at the fair value of the consideration received or receivable when the following conditions have been satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

For the sale of chromite concentrate and PGM concentrate, revenue is initially recognised at the fair value of the consideration receivable, which is an estimate of the final sales price (see note 1.11, *revenue recognition accounting policy*, for the full revenue recognition policy).

Due to the significance of revenue to the consolidated financial statements, the judgement involved in estimating consideration receivable and this being the first year of revenue generated at the Hernic project, revenue recognition is a key audit matter.

</td><td>

Our audit procedures included the following:

- Evaluating the Group's revenue recognition policy and management's current year accounting assessment for the fair value of consideration receivable;
- Confirming the implementation of the Group's policy to both PGM concentrate sales at Hernic and chromite concentrate sales at DCM 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 to weighbridge tickets and underlying calculations to terms stipulated in individual customer contracts ; and
- Assessing the appropriateness of the related disclosures in notes 1.1 and 3, *revenue recognition accounting policy* and *revenue split by commodity*, of the group financial statements.

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.

</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
Accounting for project finance raised in the year The carrying value of project finance liabilities at 30 June 2017 was £3.8m. Funding was raised in the year to finance the construction and working capital of the Hernic project. These borrowings are required to be held at amortised cost under IAS 39. Additionally, when the conditions for borrowing costs to be capitalised are met these are required to be capitalised in accordance with IAS 23. Due to the introduction of new, and significant, liabilities during the year, together with the requirement to capitalise certain elements of borrowing costs, accounting for project finance is a key audit matter.	Our audit procedures included the following: • Reviewing loan agreements to determine all individual cash flows necessary to calculate the effective interest rate required to hold the loans at amortised cost; • Recalculating the effective interest rate and the total liability as at 30 June 2017; • Reviewing loan agreements and other third party evidence to determine when the conditions under IAS 23 where met to commence and cease capitalisation of borrowing costs; • Recalculating the borrowing costs required to be capitalised during the year; • Comparing foreign exchange rates used in management's calculations; and • Assessing the appropriateness and completeness of the related disclosures in notes 19 and 21, *other financial liabilities and financial instruments*. Based on our procedures, we noted no material exceptions and considered that disclosures relating to project finance have been made appropriately.

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 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 £620,000 (2016: £500,000) for both the Group and Company financial statements. This is based on 1% of net assets prior to 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 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 600, obtained sufficient evidence regarding the audit of seven subsidiaries undertaken by component auditors in South Africa and Australia. 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 Australia, 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 Australia was performed at materiality levels of £100,000, lower than Group materiality.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 22, 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 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 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.

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

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.

Andrew Gaskell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

9 November 2017

Consolidated statements of financial position

as at 30 June 2017

Figures in Sterling	Note(s)	Group 2017	Group 2016	Company 2017	Company 2016
Assets					
Non-current assets					
Property, plant and equipment	9	**13 161 021**	4 977 784	**–**	–
Intangible assets	8	**48 166 942**	61 838 764	**–**	–
Investments in subsidiaries	10	**–**	–	**37 555 277**	37 923 854
Loans to Group companies	11	**–**	–	**45 773 902**	39 519 656
Deferred tax asset	26	**–**	218 345	**–**	–
		61 327 963	67 034 893	**83 329 179**	77 443 510
Current assets					
Inventories		**44 789**	–	**–**	–
Other financial assets	21	**–**	555 159	**–**	–
Current tax receivable		**15 870**	15 870	**–**	–
Trade and other receivables	12	**3 222 150**	1 074 509	**36 228**	37 082
Cash and cash equivalents	13	**4 635 636**	4 414 908	**3 404 682**	3 760 540
		7 918 445	6 060 446	**3 440 910**	3 797 622
Total assets		**69 246 408**	73 095 339	**86 770 089**	81 241 132
Equity and liabilities					
Equity attributable to equity holders of parent					
Share capital	16	**87 674 940**	82 515 169	**87 674 940**	82 515 169
Reserves		**23 078 043**	17 997 713	**24 520 583**	25 131 350
Accumulated loss		**(57 261 760)**	(46 799 127)	**(26 484 952)**	(26 883 903)
		53 491 223	53 713 755	**85 710 571**	80 762 616
Non-controlling interest	16	**2 867 039**	2 456 318	**–**	–
		56 358 262	56 170 073	**85 710 571**	80 762 616
Liabilities					
Non-current liabilities					
Other financial liabilities	19	**688 000**	–	**–**	–
Deferred tax liability	26	**5 362 500**	14 677 152	**–**	–
		6 050 500	14 677 152	**–**	–
Current liabilities					
Other financial liabilities	19	**3 083 581**	–	**–**	–
Trade and other payables	20	**3 754 065**	2 248 114	**1 059 518**	478 516
		6 837 646	2 248 114	**1 059 518**	478 516
Total liabilities		**12 888 146**	16 925 266	**1 059 518**	478 516
Total equity and liabilities		**69 246 408**	73 095 339	**86 770 089**	81 241 132

The accompanying accounting policies and notes on pages 35 to 72 form an integral part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 9 November 2017 and signed on its behalf by:

Leon Coetzer
Chief Executive Officer

Company number: 04459850

Consolidated statements of comprehensive income

for the year ended 30 June 2017

Figures in Sterling	Note(s)	Group 2017	Group 2016	Company 2017	Company 2016
Continuing operations					
Revenue		**9 805 701**	1 473 921	**–**	346 041
Cost of sales		**(8 038 731)**	(608 309)	**–**	(19 019)
Gross profit		**1 766 970**	865 612	**–**	327 022
Other income		**348**	10 725	**14 961**	–
Operating expenses	4	**(3 439 040)**	(4 690 862)[1]	**(255 106)**	(3 206 738)
Operating loss		**(1 671 722)**	(3 814 525)	**(240 145)**	(2 879 716)
Investment revenue		**18 673**	144 077	**6 304**	23 701
Gain/(loss) on non-current assets held for sale or disposal groups	24	**–**	84 680	**–**	(4 286 166)
Impairment of intangible assets		**(18 570 584)**	–	**–**	(6 174 421)
Finance costs		**(198 565)**	(13 418)	**–**	(13 413)
Loss before taxation		**(20 422 198)**	(3 599 186)	**(233 841)**	(13 330 015)
Taxation	7	**9 849 606**	201 901	**–**	–
Loss from continuing operations		**(10 572 592)**	(3 397 285)	**(233 841)**	(13 330 015)
Discontinued operations					
Loss from discontinued operations	24	**–**	(276 660)	**–**	–
Loss for the year		**(10 572 592)**	(3 673 945)	**(233 841)**	(13 330 015)
Other comprehensive income:					
Exchange differences on translating foreign operations		**6 104 352**	2 653 926	**–**	–
Total comprehensive loss		**(4 468 240)**	(1 020 019)	**(233 841)**	(13 330 015)
Attributable to:					
Owners of the parent:					
Loss for the year from continuing operations		**(10 570 058)**	(3 412 174)	**(233 841)**	(13 330 015)
Loss for the year from discontinuing operations		**–**	(283 749)	**–**	–
Loss for the year attributable to owners of the parent		**(10 570 058)**	(3 695 923)	**(233 841)**	(13 330 015)
Non-controlling interest:					
Profit/(loss) for the year from continuing operations	16	**(2 534)**	14 889	**–**	–
Profit/(loss) for the year from discontinuing operations		**–**	7 089	**–**	–
Profit for the year attributable to non-controlling interest		**(2,534)**	21 978	**–**	–
Total comprehensive loss attributable to:					
Owners of the parent		**(4 878 961)**	(1 009 610)	**(233 841)**	(13 330 015)
Non-controlling interest	16	**410 721**	(10 409)	**–**	–
		(4 468 240)	(1 020 019)	**(233 841)**	(13 330 015)
Basic and diluted loss per share (pence) – continuing operations		**(1.07)**	(0.38)		
Basic and diluted loss per share (pence) – discontinued operations		**–**	(0.03)		
Loss per share		**(1.07)**	(0.41)		

1 *Refer to the Directors' report on page 14 for a breakdown of the major components of the Group's operating expenses.*

Consolidated statements of changes in equity

for the year ended 30 June 2017

Figures in Sterling	Share capital	Foreign currency translation reserve	Merger reserve	Share-based payment reserve	Total reserves	Accumulated loss	Total attributable to equity holders of the Group/ Company	Non-controlling interest	Total equity
Group									
Balance at 1 July 2015	**75 896 582**	**(11 640 768)**	**23 184 000**	**5 199 026**	**16 742 258**	**(43 495 910)**	**49 142 930**	**365 071**	**49 508 001**
Changes in equity									
Total comprehensive income for the year	–	2 686 313	–	–	2 686 313	(3 695 923)	(1 009 616)	(10 409)	(1 020 019)
Issue of share capital net of costs	6 618 587	–	–	–	–	–	6 618 587	–	6 618 587
Disposal of subsidiaries	–	1 820 818	–	–	1 820 818	(1 820 818)	–	(397 268)	(397 268)
Warrants issued	–	–	–	304 925	304 925	–	304 925	–	304 925
Options issued under new scheme	–	–	–	1 155 847	1 155 847	–	1 155 847	–	1 155 847
Options cancelled under old scheme	–	–	–	(4 450 210)	(4 450 210)	4 450 210	–	–	–
Warrants exercised	–	–	–	(258 306)	(258 306)	258 306	–	–	–
Warrants lapsed	–	–	–	(3 932)	(3 932)	3 932	–	–	–
Adjustment to NCI	–	–	–	–	–	(2 498 923)	(2 498 923)	2 498 923	–
Total changes	6 618 587	4 507 131	–	(3 251 676)	1 255 455	(3 303 216)	4 570 826	2 091 246	6 662 072
Balance at 30 June 2016	**82 515 169**	**(7 133 637)**	**23 184 000**	**1 947 350**	**17 997 713**	**(46 799 126)**	**53 713 756**	**2 456 317**	**56 170 073**
Changes in equity									
Total comprehensive income for the year	–	5 691 097	–	–	5 691 097	(10 570 058)	(4 878 961)	410 721	(4 468 239)
Issue of share capital net of costs	5 159 771	–	–	–	–	–	5 159 771	–	5 159 771
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–
Warrants issued	–	–	–	22 025	22 025	–	22 025	–	22 025
Warrants exercised	–	–	–	(632 792)	(632 792)	632 792	–	–	–
Increase in investments	–	–	–	–	–	(525 367)	(525 367)	–	(525 367)
Total changes	5 159 771	5 691 097	–	(610 767)	5 080 330	(10 462 633)	(222 532)	410 721	188 190
Balance at 30 June 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**
Notes	16			17			16		

Consolidated statements of changes in equity *(continued)*

for the year ended 30 June 2017

Figures in Sterling	Share capital	Merger reserve	Share-based payment reserve	Total reserves	Accumulated loss	Total attributable to equity holders of the Group/ Company	Total equity
Company							
Balance at 1 July 2015	**75 896 582**	**23 184 000**	**5 199 026**	**28 383 026**	**(18 266 336)**	**86 013 272**	**86 013 272**
Changes in equity							
Total comprehensive income for the year	–	–	–	–	(13 330 015)	(13 330 015)	(13 330 015)
Issue of shares	6 618 587	–	–	–	–	6 618 587	6 618 587
Warrants issued	–	–	304 925 304	925	–	304 925	304 925
Options issued under new scheme	–	–	1 155 847	1 155 847	–	1 155 847	1 155 847
Option cancelled under old scheme	–	–	(4 450 210)	(4 450 210)	4 450 210	–	–
Warrants exercised	–	–	(258 306)	(258 306)	258 306	–	–
Warrants lapsed	–	–	(3 932)	(3 932)	3 932	–	–
Total changes	6 618 587	–	(3 251 676)	(3 251 676)	(8 617 567)	(5 250 656)	(5 250 656)
Balance at 30 June 2016	**82 515 169**	**23 184 000**	**1 947 350**	**25 131 350**	**(26 883 903)**	**80 762 616**	**80 762 616**
Changes in equity							
Total comprehensive income for the year					(233 841)	(233 841)	(233 841)
Issue of shares	5 159 771	–	–	–	–	5 159 777	5 159 777
Warrants issued	–	–	22 025	22 025	–	22 025	22 025
Warrants exercised	–	–	(568 806)	(568 806)	568 806	–	–
Warrants lapsed	–	–	(63 985)	(63 985)	63 985	–	–
Total changes	5 159 771	–	(610 767)	(610 767)	398 951	4 947 955	4 947 955
Balance at 30 June 2017	**87 674 940**	**23 184 000**	**1 336 583**	**24 520 583**	**(26 484 952)**	**85 710 571**	**85 710 571**
Notes	16		17				

Consolidated statements of cash flows

for the year ended 30 June 2017

		Group		Company	
Figures in Sterling	**Note(s)**	**2017**	2016	**2017**	2016
Cash flows from operating activities					
Cash used in operations	14	**(160 100)**	(688 883)	**(161 979)**	(619 316)
Interest income		**18 673**	144 077	**6 304**	23 701
Finance costs		**(384 935)**	(13 418)	**–**	(13 413)
Net cash from operating activities		**(526 362)**	(558 224)	**(155 675)**	(609 028)
Cash flows from investing activities					
Purchase of property, plant and equipment	9	**(7 161 323)**	(4 548 858)	**–**	–
Sale of property, plant and equipment	9	**19 145**	–	**348**	–
Purchase of other intangible assets	8	**(37 685)**	(4 239)	**–**	–
Receipt of final payment from sale of disposal group	22	**–**	3 986 126	**–**	–
Loans advanced to group companies		**–**	–	**(5 360 302)**	(1 741 969)
Receipt/(payment) of loan	23	**555 159**	(555 159)	**–**	–
Payment in advance for tailings		**(1 179 220)**	–	**–**	–
Net cash from investing activities		**(7 803 924)**	(1 122 130)	**(5 359 954)**	(1 741 969)
Cash flows from financing activities					
Net proceeds on share issues		**5 159 771**	5 865 560	**5 159 771**	5 865 560
Proceeds from other financial liabilities		**(2 986 434)**	(102 490)	**–**	(102 490)
Repayment of other financial liabilities		**6 135 647**	–	**–**	–
Net cash from financing activities		**8 308 984**	5 763 070	**5 159 771**	5 763 070
Total cash movement for the year		**(21 302)**	4 082 716	**(355 858)**	3 412 073
Total cash at the beginning of the year		**4 414 908**	360 829	**3 760 540**	348 467
Effect of exchange rate movement on cash balances		**242 030**	(28 637)	**–**	–
Total cash at end of the year	13	**4 635 636**	4 414 908	**3 404 682**	3 760 540

1. STATEMENT OF ACCOUNTING POLICIES

The Group and Company results for the year ended 30 June 2017 have been prepared using the accounting policies applied by the Company in its 30 June 2016 annual report, which are in accordance with International Financial Reporting Standards (IFRS and IFRC interpretations) issued by the International Accounting Standards Board ("IASB") as 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). They are presented in Pound Sterling.

For income statement purposes conversions are at the average £:ZAR rates and for balance sheet purposes conversions are 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 return 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.

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, liability 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.

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.

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.

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.

For the Nickel project core drilling costs and other costs relating to the pilot plant test and to complete the Definite Feasibility Study ("DFS") on the reclamation and processing of the sulphite nickel tailings are capitalised to the Nickel project.

Once the definite feasibility and commercial viability of the Nickel tailings resources are demonstrable, the asset will first be tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

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.

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.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

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, except for equity investments classified as available-for-sale. Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

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.

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.

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

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.

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.

1.5 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

1.6 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 assets and liabilities

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.

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 and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to profit or loss; or
- a business combination.

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.

1.7 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. STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.8 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.

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, pro rata 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.

1.9 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.

1.10 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.

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.

1.11 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.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented;
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation. Contingent assets and contingent liabilities are not recognised.

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

The following specific recognition criteria must also be met before revenue is recognised:

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.

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 chromite concentrate sales, revenue is initially recognised on delivery and measured at the fair value of the consideration receivable.

The fair value of the consideration is subsequently adjusted if there are changes to the final sales price.

Changes to the fair value of the consideration receivable are recognised as an adjustment to revenue in the income statement 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.

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.

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.

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 investment.

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.

Critical judgements and key sources of estimation uncertainty

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

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

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. The Group tests annually whether goodwill has 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.

Determination of fair values of intangible assets acquired in business combinations

On the acquisition of a company, fair values reflective of the conditions that exist are attributed to the identifiable assets (including intangibles), liabilities, and contingent liabilities acquired. Fair values are determined by reference to active market value or, if unavailable, by reference to the current market price of similar assets or obligations, or by discounting expected future cash flows to their present values, using either market values or risk free rates adjusted for risk. The key assumption applied in the value-in-use calculation is a discount factor of 10 %.

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 16 and 17 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 9 for detail of the values of property, plant and equipment.

2. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Effective date, annual period beginning on or after
Annual Improvements 2012-2014 cycle	1 January 2016
IFRS 11 (amendments) – *Accounting for acquisitions of interests in joint operations*	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 – *Investment entities – Applying the Consolidation Exception*	1 January 2016
IAS 16 *Property, Plant & Equipment* and IAS 38 – *Intangible assets* (amendments)	1 January 2016
IAS 1 – Disclosure Initiative	1 January 2016
IAS 27 (amendments) – *Equity Method in Separate Financial Statements*	1 January 2016

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

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
Annual Improvements 2014-2016 cycle	1 January 2017/ 1 January 2018
Amendments to IAS 12 – *Recognition of Deferred Tax for Unrealised Losses*	1 January 2017
Amendments to IAS 7 – *Disclosure Initiative*	1 January 2017
IFRS 9 *Financial instruments*	1 January 2018
IFRS 15 *Revenue from contracts with Customers* including amendments to IFRS 15: *Effective date of IFRS 15*.	1 January 2018
Clarifications to IFRS 15 -*Revenue from contracts with Customers*	1 January 2018
IFRS 16 *Leases*	1 January 2019
IFRS 2 (amendments) – *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
IFRIC Interpretation 22 – *Foreign Currency Transactions and Advance Consideration*	1 January 2018
IFRIC 23 – *Uncertainty over Income Tax Treatments*	1 January 2019

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

3. REVENUE

	Group		Company	
	2017	2016	**2017**	2016
	£s	£s	**£s**	£s
Chromite concentrate sold	**9 374 811**	935 270	**–**	346 041
PGM ounces sold	**430 890**	538 651	**–**	–
Total revenue	**9 805 701**	1 473 921	**–**	346 041

Revenue consists of the sale of chromite concentrate and PGM concentrate. Jubilee has certain contractual rights and interests in terms of its Treatment of Tailings Agreement with Dilokong Chrome Mines. Jubilee earns revenue on the basis of the percentage completed chromite concentrate sold as contained in the Treatment of Tailings Agreement. All revenue recognised in the year was derived from three customers which are considered to be of high quality.

Revenue also includes sale of PGM ounces processed at Jubilee's Hernic operations, delivered to one customer who is considered to be of a high quality.

4. OPERATING LOSS

Operating loss for the year is stated after accounting for the following:

Operating lease charges				
Premises				
Contractual amounts	**70 383**	65 455	**29 847**	29 905
Equipment				
Contractual amounts	**18 754**	8 671	**–**	–
	89 137	74 126	**29 847**	29 905
Profit/(loss) on sale of property, plant and equipment	**348**	(1 082)	**348**	–
Impairment of other financial liabilities	**(2 587)**	–	**–**	–
Impairment of other financial assets	**53 806**	856 271	**53 806**	856 271
Fees paid for audit of group financial statements	**66 000**	70 000	**66 000**	70 000
Group auditor non-audit fees:				
Taxation advice	**2 600**	–	**2 600**	–
Audit of UK subsidiaries	**4 000**	–	**4 000**	–
Profit/(loss) on exchange differences	**72 418**	66 846	**(14 613)**	77 571
Amortisation of intangible assets	**702 028**	566 272	**–**	–
Depreciation of property, plant and equipment	**288 385**	32 179	**–**	–
Share-based payment charges	**2 050**	1 460 772	**2 050**	1 460 772
Employee costs	**450 512**	353 687	**28 000**	28 000
Bad debts recovered	**109 007**	–	**–**	–

Refer to note 6 on page 49 for details of employee costs.

5. FINANCE COSTS/(INCOME)

Interest-bearing borrowings	**198 565**	13 417	**-**	13 413
Total finance costs	**198 565**	13 417	**–**	13 413
Finance income				
Bank interest received	**18 673**	(144 077)	**6 304**	(23 701)
Total finance income	**18 673**	(144 077)	**6 304**	(23 701)

6. EMPLOYEE COSTS (INCLUDING DIRECTORS)

	Group		Company	
	2017	2016	**2017**	2016
	£s	£s	**£s**	£s
Salaries	**450,512**	353 687	**28 000**	28 000
Directors' fees and remuneration	**299 629**	186 300	**141 720**	65 317
Provision for unpaid remuneration	**141 720**	252 769	**61 449**	149 935
Share-based payments	**2 050**	1 155 847	**2 050**	1 155 847
Total staff costs	**893 911**	1 948 603	**233 219**	1 399 099

The Group averaged 12 (2 administrative) employees during the period ended 30 June 2017 (2016: 6 employees (2 administrative)).

Directors and the Company's Chief Financial Officer – C de Beer's, has been assessed as key management of the Group. Refer to note 23 for details of C de Beer's remuneration. The Company provides the directors and officers with Directors' and Officers' liability insurance at a cost of £ 6 820 (2016: £ 6 789). This cost is not included in the above remuneration.

	Group		Company	
	2017	2016	**2017**	2016
Directors' fees and remuneration	**£s**	£s	**£s**	£s
Directors' short-term benefits				
Directors' fees (including benefits in kind)	**47 570**	26 859	**47 570**	26 859
Directors' salaries	**252 059**	159 441	**94 150**	38 458
Provision for unpaid remuneration	**155 662**	252 769	**61 449**	149 935
Total Director remuneration	**455 291**	439 069	**203 169**	215 252
Share-based payments	**2 050**	1 155 847	**2 050**	1 155 847
Total Director remuneration	**457 341**	1 594 916	**205 219**	1 371 099

The highest paid director is Mr L Coetzer with annual remuneration of £ 252 122 (2016: £ 223 817). The share-based payment charge in relation to Mr L Coetzer's options awarded is £ Nil (2016: £ 543 226).

7. TAXATION

	Group		Company	
	2017	2016	**2017**	2016
	£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	**–**	–	**–**	–
Deferred				
Impairment of intangible asset	**(10 099 909)**	–	**–**	–
Arising from previously unrecognised tax loss	**250 303**	(201 901)	**–**	–
	(9 849 606)	(201 901)		
The tax rate assessed for the year is higher (2016: higher) than the standard rate of corporation tax in the UK.				
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense:				
Accounting loss	**(20 422 198)**	(3 599 186)		(13 330 015)
Tax at the applicable tax rate of 28% (2016: 28%)	**(5 718 215)**	(1 007 772)		(3 732 404)
Tax effect of adjustments on taxable income				
Non-deductible expenditure	**4 812**	305 475		281 026
Assessed loss not recognised	**310 966**	500 396		3 451 378
Unwind provision for deferred tax liability	**(4 447 169)**			
	(9 849 606)	(201 901)	**–**	–
Deferred tax				
Deferred tax liability				
Fair value adjustment arising from business combinations	**(5 144 155)**	(14 677 152)		
Tax losses available for set off against future taxable income	**(218 345)**	218 345		
	(5 362 500)	(14 458 807)		
Reconciliation of deferred tax liability				
At beginning of the year	**(14 458 807)**	(13 738 729)		
Deferred tax adjustment for impairment of intangibles	**10 099 909**	–		
Foreign exchange movement	**(785 257)**	(938 423)		
Increase (decrease) in tax losses available for set off	**(218 345)**	218 345		
	(5 362 500)	(14 458 807)		

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 £ 53 141 328 (2016: £ 52 830 362) to carry forward against future periods.

8. INTANGIBLE ASSETS

	2017				2016		
Group Figures in Sterling	**Cost/ Valuation**	**Impairment**	**Accumulated amortisation**	**Carrying value**	Cost/ Valuation	Accumulated amortisation	Carrying value
Nickel tailing project[1]	**18 554 683**	**(18 554 683)[1]**	**–**	**–**	20 778 966	–	20 778 966
PGEs exploration Expenditure[2]	**43 907 806**	**–**	**(2 313 044)**	**41 594 762**	40 173 987	(2 313 057)	37 860 930
Development cost[3]	**13 838 239**	**–**	**(7 266 059)**	**6 572 180**	8 806 022	(5 607 154)	3 198 868
Total	**76 300 728**	**(18 554 683)**	**(9 579 103)**	**48 166 942**	69 758 975	(7 920 211)	61 838 764

Reconciliation of intangible assets – Group – 2017

	Opening balance £s	Additions £s	Transfers £s	Foreign exchange movements £s	Amortisation £s	Impairments £s	Total £s
Nickel tailing project	20 778 966	–	(3 550 500)	1 326 217	–	(18 554 683)	–
PGEs exploration expenditure	37 860 931	37 685	–	3 712 035	–	(15 889)	41 594 762
Development cost	3 198 869	–	3 550 500	524 840	(702 029)	–	6 572 180
	61 838 766	**37 685**	**–**	**5 563 092**	**(702 029)**	**(18 570 572)**	**48 166 942**

Reconciliation of intangible assets – Group – 2016

	Opening balance £'s	Additions £'s	Foreign exchange movements £'s	Amortisation £'s	Total £'s
Nickel tailing project	18 214 493	43	2 564 430	–	20 778 966
PGEs exploration expenditure	36 950 637	4 196	906 097	–	37 860 930
Development cost	3 904 223	–	(139 083)	(566 272)	3 198 868
	59 069 353	4 239	3 331 444	(566 272)	61 838 764

1 *The Company completed a scoping study on the processing of the tailings in February 2009, in part towards an engineering study and economic evaluation ("ESEE") of the project. By a deed of access, the Company drilled fresh samples of the tailings for test work in early 2012. These samples were required following an independent review of the project in 2010 with recommendations for complementary testing, primarily pre-flotation, in order to refine the scoping study flow sheet. The Company commissioned Mintek, South Africa's national mineral research organisation to perform the work in March 2012. Results of this testing to date indicate a potential for significantly reducing the nickel tailings mass required for acid leaching to recover nickel, with consequential potential impact on the project's costs. Work continues on the last phase of this testing, which is aimed at utilising the sulphur in the reduced nickel tailings mass to generate acid for leaching, thereby potentially eliminating the requirement for an external supply of sulphur, and consequently impacting further on the project's costs.*

Included in the value of the intangible for the Nickel Tailing project is an amount of GBP3.5 million which was re-allocated to development costs being in particular the Company's recent flowsheet optimisation in the liberation of minerals locked in tailings. This approach 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 rationale for this reclassification is because the costs incurred 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. These costs will be recovered through the revenues generated by new contracts such as the Kabwe project in Zambia.

During the period under review management took a prudent approach to the current value of the Nickel tailings project. An impairment of GBP 8.47 million net of tax was recognised in profit and loss. The Jubilee board still believes that Jubilee has the necessary legal basis to reject the termination of the Tailings Supply Agreement with BHP Billiton Proprietary Ltd and intends to continue to evaluate its options to recover the project.

2 *The PGEs exploration expenditure relates to the exploration of Tjate Platinum Corporation Proprietary Limited.*

3 *Development costs relate to the ConRoast technology, converting and autoclave process, CVMR® process and leaching and hydro-processing. The remaining amortisation period is 36 months (2016: 48 months). It also includes tailings development costs in an amount of GBP 3.5 million that were allocated from the Nickel tailings project as described above.*

Management tests the intangible assets carrying amounts annually for impairment, or more frequently if there are indications that they may be impaired. The review is performed in accordance with the Group's accounting policies.

9. PROPERTY, PLANT AND EQUIPMENT

	2017			2016		
Group Figures in Sterling	**Cost/ Valuation**	**Accumulated depreciation**	**Carrying value**	Cost/ Valuation	Accumulated depreciation	Carrying value
Buildings	**–**	**–**	**–**	3 785	–	3 785
Plant and machinery	**13 529 784**	**(404 293)**	**13 125 491**	551 732	(111 215)	440 517
Furniture and fixtures	**127 148**	**(122 541)**	**4 607**	126 159	(121 302)	4 857
Motor vehicles	**37 458**	**(6 536)**	**30 922**	22 500	(616)	21 884
IT equipment	**30 464**	**(30 463)**	**1**	41 003	(41 002)	1
Computer software	**–**	**–**	**–**	3 870	(3 870)	–
Plant work in progress	**–**	**–**	**–**	4 506 740	–	4 506 740
Total	**13 724 854**	**(563 833)**	**13 161 021**	5 255 789	(278 005)	4 977 784
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 – 2017

Figures in Sterling	**Opening balance £s**	**Additions £s**	**Transfers/ Disposals £s**	**Foreign exchange movements £s**	**Depreciation £s**	**Total £s**
Buildings	**3 785**	**–**	**(3 785)**	**–**	**–**	**–**
Plant and machinery	**440 517**	**18 289**	**12 130 840**	**826 853**	**(291 008)**	**13 125 491**
Furniture and fixtures	**4 857**	**–**	**–**	**798**	**(1 048)**	**4 607**
Motor vehicles	**21 884**	**26 183**	**(15 012)**	**3 574**	**(5 707)**	**30 922**
IT equipment	**1**	**–**	**–**	**–**	**–**	**1**
Plant under construction	**4 506 740**	**7 624 100**	**(12 130 840)**	**–**	**–**	**–**
	4 977 784	**7 668 572**	**(18 797)**	**831 225**	**(297 763)**	**13 161 021**

Reconciliation of property, plant and equipment – Group – 2016

Figures in Sterling	Opening balance £s	Additions £s	Disposals £s	Foreign exchange movements £s	Depreciation £s	Total £s
Buildings	3 878	–	–	(93)	–	3 785
Plant and machinery	75 834	351 398	–	42 032	(28 747)	440 517
Furniture and fixtures	6 841	–	–	(300)	(1 684)	4 857
Motor vehicles	–	21 033	–	1 421	(570)	21 884
IT equipment	1 511	–	(200)	(131)	(1 179)	1
Plant under construction	–	4 176 427	–	330 313	–	4 506 740
	88 064	4 548 858	(200)	373 242	(32 180)	4 977 784

Construction of the integrated Hernic plant was completed in March 2017 with a total project capital expenditure of GBP 12.97 million (ZAR 220 million). The Jubilee chromite recovery plant at Hernic was commissioned and its tie-in into the existing Hernic operations was completed in January 2017. The PGM recovery plant (PGM Plant), which follows process-wise and was tied in to the chromite recovery plant during February 2017. Commissioning and ramp-up of the fully integrated Hernic operation commenced in March 2017 with the first platinum production during April 2017. During the year borrowing costs of £ 507 249 (ZAR 29.35 million) were capitalised in relation to the construction of the Hernic plant. Plant at Hernic premises are pledged as security for certain financial liabilities shown in note 19.

10. INVESTMENTS IN SUBSIDIARIES

Name of company	**Carrying amount 2017 £s**	Carrying amount 2016 £s
Braemore Resources Ltd	**18 712 852**	18 712 852
New Plats (Tjate) Pty Ltd[1]	**13 815 227**	13 289 860
Windsor Platinum Investments Pty Ltd	**3 425 823**	3 425 823
Mineral Resources of Madagascar Sarl	**917 034**	917 034
Jubilee Tailings Treatment Company Pty Ltd	**–**	893 944
K Plats Pty Ltd	**649 734**	649 734
Antsahabe (Madagascar) Sarl	**34 466**	34 466
Maude Mining and Exploration Pty Ltd	**141**	141
	37 555 277	37 923 854

1= During the period under review and as announced on 2 March 2017, Tjate has executed a mining right with the Department of Mineral Resources in respect of the Project comprising the Farms Dsjate 249 KT, Fernkloof 539KS and Quartzhill 542 KS, situated in the Magisterial District of Sekhukhune in the Limpopo Province of South Africa. This achieves hurdle 3 of the deferred share agreement, requiring Jubilee to issue a total of 4 464 880 new Jubilee Ordinary shares of 1 pence will be issued to the Beneficiaries at a price of 10.59 pence (ZAR1.527147 cents) being the 30 day volume weighted average share price of Jubilee on 21 January 2009, the date of signature of the Agreement. Included in the statement of financial position is an accrual for this share issue in an amount of GBP 525 367.

		Holding		**Number of shares**	
Subsidiaries of Jubilee	**Country of**	**2017**	2016	**2017**	2016
Direct	**incorporation**	**%**	%		
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
Antsahabe (Mauritius) Ltd	Mauritius	**100**	100	**100**	100
Maude Mining and Exploration Pty Ltd	South Africa	**65**	65	**653**	653
New Plats (Tjate) Pty Ltd	South Africa	**49**	49	**169**	169

10. INVESTMENTS IN SUBSIDIARIES *(continued)*

		Holding	
Subsidiaries of Jubilee		**2017**	2016
Indirect	**Country of incorporation**	**%**	%
Via Windsor Platinum Investments Pty Ltd			
Tjate Platinum Corporation Pty Ltd	South Africa	**63**	63
Dullstroom Plats Pty Ltd	South Africa	**100**	100
Via K-Plats Pty Ltd			
Maude Mining and Exploration Pty Ltd	South Africa	**26**	26
Via Braemore Resources Ltd			
Braemore Platinum Ltd	United Kingdom	**100**	100
Braemore Holdings (Mauritius) Pty Ltd	Mauritius	**100**	100
Braemore Nickel Pty Ltd	Australia	**100**	100
Via Braemore Holdings (Mauritius) Pty Ltd			
Braemore Platinum Pty Ltd	South Africa	**100**	100
Via Braemore Platinum Pty Ltd			
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	**100**	100
Jubilee Tailings Treatment Company Pty Ltd	South Africa	**100**	100
Via Antsahabe (Mauritius) Ltd			
Antsahabe (Madagscar) Sarl	Madagascar	**100**	100

The nature of the above subsidiaries' business is mining in all its facets.

The financial year-ends of all the companies in the Group are June. The carrying amounts of subsidiaries are shown net of impairment losses.

11. LOANS TO GROUP COMPANIES

	Company	
	2017	2016
	£s	£s
Subsidiaries		
Windsor Platinum Investments Pty Ltd	**25 039 620**	25 039 620
Braemore Platinum Smelters Pty Ltd	**10 802 029**	10 340 301
Braemore Resources Ltd	**1 703 305**	1 703 305
Jubilee Tailings Treatment Company Pty Ltd	**7 047 940**	1 298 579
Braemore Nickel Pty Ltd	**711 332**	678 297
Maude Mining and Exploration Pty Ltd	**212 536**	212 536
Dullstroom Plats Pty Ltd	**156 795**	156 795
Mineral Resources of Madagascar Sarl	**62 353**	62 353
Braemore Holdings (Mauritius) Pty Ltd	**37 992**	27 870
	45 773 902	39 519 656

The loans are unsecured, non-current, interest-free and have no fixed repayment terms. The loans are disclosed as non-current loans in the statement of financial position.

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	**2017**	2016
	£s	£s	**£s**	£s
Trade receivables	**393 122**	434 137	**–**	–
Prepayments	**1 261 108**	33 805	**32 942**	33 796
Deposits	**5 154**	4 885	**3 286**	3 286
VAT	**542 839**	499 934	**–**	–
Other receivables	**1 019 927**	101 748	**–**	–
	3 222 150	1 074 509	**36 228**	37 082

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	**4 635 636**	4 414 908	**3 404 682**	3 760 540

14. CASH USED IN OPERATIONS

Loss before taxation	**(20 422 198)**	(3 599 186)	**(233 841)**	(13 330 015)
Adjustments for:				
Depreciation and amortisation	**999 791**	598 451	**–**	–
(Loss)/profit on sale of assets	**(348)**	1 082	**(348)**	–
Receipt of final payment from sale of disposal group	**–**	(84 680)	**–**	4 286 166
Interest received	**(18 673)**	(144 077)	**(6 304)**	(23 701)
Finance costs	**198 565**	13 418	**–**	13 413
Impairment of intangibles	**18 570 584**	–	**–**	–
Impairment of loans	**51 219**	–	**–**	6 174 421
Impairment of debtors	**–**	856 271	**–**	856 271
Share-based payments – Employee costs	**–**	1 155 847	**–**	1 155 847
Share-based payments – Expenses	**22 025**	297 959	**22 025**	297 959
Changes in working capital:				
Inventories	**(44 789)**	19 019	**–**	19 019
Trade and other receivables	**(1 022 227)**	(702 667)	**854**	276 026
Trade and other payables	**1 505 951**	1 245 731	**55 635**	1 319
Deferred income	**–**	(346 041)	**–**	(346 041)
	(160 100)	(688 883)	**(161 979)**	(619 316)

15. EARNINGS AND DIVIDENDS PER SHARE

	Group	
	2017	2016
	£s	£s
EARNINGS PER SHARE		
Loss attributable to:		
Owners of the parent – continued operations	**(10 570 058)**	(3 412 174)
Owners of the parent – discontinued operations	**–**	(283 749)
Total loss for the year attributable to owners of the parent	**(10 570 058)**	(3 695 923)
Weighted average number of shares	**984 779 800**	906 241 300
Basic loss per share (pence) – continuing operations	**(1.07)**	(0.38)
Basic loss per share (pence) – discontinued operations	**–**	(0.03)
Loss per share attributable to owners of the parent (pence)	**(1.07)**	(0.41)

DIVIDENDS PER SHARE

The Board has resolved not to declare any dividend to shareholders for this reporting period.

16. SHARE CAPITAL AND SHARE PREMIUM

	Group		Company	
	2017	2016	**2017**	2016
	£s	£s	**£s**	£s
Authorised				
The share capital of the Company is divided into an unlimited number of ordinary shares of 1 pence each.				
Issued share capital fully paid				
Ordinary shares of 1 pence each (£)	**11 183 609**	9 910 872	**11 183 609**	9 910 872
Share premium (£)	**76 491 331**	72 604 297	**76 491 331**	72 604 297
Total issued capital	**87 674 940**	82 515 169	**87 674 940**	82 515 169

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

Date	Number of shares	Issue price – pence	Purpose of the issue
Opening balance	**991 087 194**		
21 November 2016	25 000 000	3.55	Warrants
21 November 2016	1 848 167	2.44	Director remuneration
23 January 2017	2 300 000	3.16	Warrants
31 January 2017	2 500 000	3.15975	Warrants
03 February 2017	10 550 581	3.23	Warrants
09 February 2017	2 500 000	3.15975	Warrants
14 February 2017	2 000 000	3.15975	Warrants
17 February 2017	2 000 000	3.15975	Warrants
22 February 2017	1 450 000	3.15975	Warrants
27 February 2017	625 000	2.0	Warrants
27 February 2017	500 000	2.5	Warrants
10 March 2017	10 000 000	4.725	Warrants
23 March 2017	66 000 000	5.0	Issue for cash
Closing balance at year-end	1 118 360 942		
Balance as at the last practicable date	**1 118 360 942**		

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

During the year transaction costs accounted for as a deduction from equity amounted to £ 314 050.

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

Number of warrants	Issue date	Subscription price £s	End of Exercise period	Volatility %	Spot at issue date Pence
3 591 742	2015-08-12	0.04750	2018-08-12	77.49	4.48
8 244 825	2016-03-23	0.04725	2019-03-23	83.81	2.94
11 836 567					

The fair value of these warrants was determined using the Black-Scholes Valuation Model with the inputs illustrated in the table above. A risk free rate of 0.5 % were applied in the valuation. The company recognised a share-based payment charge against the share-based payment reserve in the amount of £ 22 025 (2016: £ 304 925) in accordance with section 610 (2) of the United Kingdom Companies Act 2006. This charge relates to equity placings successfully completed. Refer to note 17 for a reconciliation of the share-based payment reserve account.

Non-controlling interests in equity (adjusted in prior year)

In March 2017 the Tjate Platinum project was awarded its mining right and a non-controlling interest is recognised to reflect the non-controlling interests.

Jubilee Platinum Plc consolidates Tjate Platinum Corporation Proprietary Limited, a company incorporated in South Africa, with a 37% non-controlling interest. During the year Tjate Platinum Corporation Proprietary Limited made a loss of £ 20 506 (2016: £ 16 505) of which £ 7 590 (2016: £ 6 107), was attributable to non-controlling interests. At year end the subsidiary had total intra-group liabilities of £6.1 million (2016: £5.2 million), an intangible asset of £14 million (2016: £12 million) and net assets of £7.9 million (2016: £6.8 million), of which £2.9 million (2016: £2.5 million) is attributable to non-controlling interests. The cash flows of the subsidiary during the year were immaterial to the group.

Jubilee Platinum Plc also consolidates Maude Mining and Exploration Proprietary Limited, a company incorporated in South Africa, with a 9% non-controlling interest. At the year end the subsidiary had net liabilities of £607,496, of which £54,675 is attributable to non-controlling interests. All other consolidated subsidiaries are fully owned or the non-controlling interests are not material.

17. SHARE-BASED PAYMENTS

Equity-settled share option plan

The following options are outstanding in terms of the Company's share option scheme dated 29 April 2016:

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	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 options granted	15 000 000	16 000 000	9 000 000	9 000 000	49 000 000

The weighted average remaining life of share warrants at the year-end was 8.8 years.

Reconciliation of warrants in issue	2017 £s	2016 £s
Opening balance	**83 234 837**	102 483 990
Exercised during the year	**(59 425 581)**	(47 764 897)
Repriced during the year	**–**	7 519 177
Issued during the year	**1 125 000**	21 836 557
Expired during the year	**(13 097 689)**	(840 000)
Closing balance	**11 836 567**	83 234 837

The weighted average remaining life of share warrants at the year-end was 1.5 years.

Information on valuation inputs for options granted

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

The following inputs were used:

Spot at grant date (pence)	3.438
Expected volatility	83.90%
Expected option life	5 years
Expected dividends	Nil
The risk free interest rate	0.50%

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.

Reconciliation of share options and warrants	2017 £s	2016 £s
Opening balance	**1 947 350**	5 199 026
Share-based payment charge – options cancelled	**–**	(4 450 210)
Share-based payment charge – new options granted	**22 025**	1 155 847
Share-based payment charge – warrants granted	**–**	304 925
Share-based payment charge – warrants lapsed	**(568 805)**	(3 932)
Share-based payment charge – warrants exercised	**(63 985)**	(258 306)
Closing balance	**1 336 583**	1 947 350

18. OTHER COMPREHENSIVE INCOME

	Group	
	2017	2016
Components of other comprehensive income	**£s**	£s
Exchange differences arising on translation of foreign operations attributable to owners of the parent	**5 691 097**	2 653 926
Attributable to non-controlling interest	**413 255**	32 387
Exchange differences arising on translation of foreign operations	**6 104 352**	2 686 313

19. OTHER FINANCIAL LIABILITIES

	Group		Company	
	2017	2016	**2017**	2016
	£s	£s	**£s**	£s
Held at amortised cost				
Yorkville Advisors	**1 997 122**	–	**–**	–
Riverfort Capital	**1 774 459**	–	**–**	–
	3 771 581	–	**–**	–
Current liabilities				
Interest-bearing borrowings				
Repayment of borrowings:				
Not later than one year	**3 083 581**	–	**–**	–
Later than one year and not later than five years	**688 000**	–	**–**	–
	3 771 581	–	**–**	–

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 £s	2016 £s	**2017 £s**	2016 £s
Trade payables	**1 643 635**	182 192	**48 212**	7 678
VAT	**3 977**	25 886	**3 222**	–
Accruals	**1 226 205**	1 224 870	**595 367**	85 454
Other payables	**880 261**	815 167	**412 717**	385 384
	3 754 066	2 248 115	**1 059 518**	478 516

21. FINANCIAL INSTRUMENTS

The Group's financial instruments were categorised as follows:

Group	Loans and receivables £s	Financial liabilities at amortised cost £s	Total £s
30 June 2017			
Assets as per statement of financial position			
Other financial assets	**–**	**–**	**–**
Trade and other receivables	**393 122**	**–**	**393 122**
Cash and cash equivalents	**4 635 636**	**–**	**4 635 636**
	5 028 758	**–**	**5 028 758**
Liabilities as per statement of financial position			
Trade and other payables	**–**	**1 643 635**	**1 643 635**
Financial liabilities held at amortised cost	**–**	**3 771 581**	**3 771 581**
Accruals	**–**	**1 226 205**	**1 226 205**
	–	**6 641 421**	**6 641 421**
30 June 2016			
Assets as per statement of financial position			
Other financial assets	555 159	–	555 159
Trade and other receivables	434 137	–	434 137
Cash and cash equivalents	4 414 908	–	4 414 908
	5 404 264	–	5 404 264
Liabilities as per statement of financial position			
Trade and other payables	–	182 192	182 192
Other financial liabilities	–	–	–
		182 192	182 192

During the year the group made short-term interest free loans of £Nil (2016: £555 159) to the DCM Project. This loan was repaid in full during the period under review.

Company	Loans and receivables £s	Financial liabilities at amortised cost £s	Total £s
30 June 2017			
Assets as per statement of financial position			
Trade and other receivables	**–**	**–**	**–**
Cash and cash equivalents	**3 404 682**	**–**	**3 404 682**
Loans to group companies	**45 773 902**	**–**	**45 773 902**
	49 178 584	**–**	**49 178 584**
Liabilities as per statement of financial position			
Trade and other payables	**–**	**48 212**	**48 212**
Other financial liabilities	**–**	**–**	**–**
	–	**48 212**	**48 212**

Company	Loans and receivables £	Financial liabilities at amortised cost £	Total £
30 June 2016			
Assets as per statement of financial position			
Trade and other receivables	–	–	–
Cash and cash equivalents	3 760 540	–	3 760 540
Loans to group companies	39 519 656	–	39 519 656
	43 280 196	–	43 280 196
Liabilities as per statement of financial position			
Trade and other payables	–	7 678	7 678
Other financial liabilities	–	–	–
		7 678	7 678

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. 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

				Past due	
30 June 2017 Group	**Total £s**	**Not past due £s**	**30 days £s**	**90 days £s**	**120 days £s**
Trade receivables not impaired	**393 122**	**393 122**	**–**	**–**	**–**
Trade receivables impaired	**–**	**–**	**–**	**–**	**–**
	393 122	**393 122**	**–**	**–**	**–**
30 June 2016					
Trade receivables not impaired	434 137	434 137	–	–	–
Trade receivables impaired	679 902	679 902	–	–	–
	1 114 039	1 114 039	–	–	–

21. 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:

Group	Total £s	Up to 3 months £s	3 to 12 months £s	1 to 2 years £s
2017				
Trade and other payables	**1 643 635**	**1 643 635**	**–**	**–**
Financial liabilities held at amortised cost	**3 771 581**	**499 111**	**2 604 470**	**668 000**
Accruals	**1 226 205**	**1 226 205**	**–**	**–**
	6 641 421	**3 368 951**	**2 604 470**	**668 000**
2016				
Trade and other payables	182 172	–	–	–
Loans and other borrowings	–	–	–	–
	182 172	–	–	–

Company	Up to 3 months £s	3 to 12 months £s	1 to 2 years £s	2 to 5 years £s
2017				
Trade and other payables	**48 212**	**–**	**–**	**–**
Loans and other borrowings–	**–**	**–**	**–**	**–**
	48 212	**–**	**–**	**–**
2016				
Trade and other payables	7 678	–	–	–
Loans and other borrowings	–	–	–	
	7 678	–	–	–

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 and 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 as well as its South African intangible assets. Profit is more sensitive to movement in US Dollar exchange rates in 2017 than 2016 because of the increased amount of USD-denominated borrowings, hence the significant adjustment to the fair value of the intangible assets.

The Group does not hedge its foreign exchange on funding of projects as management is of the opinion that it would not have reduced the risk of foreign currency fluctuations. Currency movements mainly include movements that arise as a result of South African Rand-denominated projects that are re-valued at each period-end.

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:

	2017	2016
ZAR: £ (Average)	**1:0.05786**	1:0.05047
ZAR: £ (Spot)	**1:0.05896**	1:0.04667

The functional currencies of the companies in the Group are Pound Sterling, South African Rand, 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	**Australian Dollar**	**South African Rand**	**Madagascar Ariary**
At 30 June 2017	1.70	16.96	3 929
At 30 June 2016	1.80	19.81	5 000

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

	Liabilities		**Assets**	
	2017	2016	**2017**	2016
Group	**£s**	£s	**£s**	£s
South African Rand	**(6 212 052)**	(1 749 834)	**4 121 988**	2 233 653
Australian Dollar	**(1 788)**	(581)	**622**	2 018
Madagascar Ariary	**(9 883)**	(9 883)	**–**	–
Company				
South African Rand	**–**	–	**–**	8 988

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

The following table summarises the sensitivity of financial instruments held at reporting date to movements in the exchange rate of the South African Rand, Australian Dollar and Madagascar Ariary for the Group, with all other variables held constant. The South African Rand, Australian Dollar and Madagascar Ariary instruments 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	
	2017	2016
	£s	£s
Judgements of reasonable currency exposure		
10% strengthening of ZAR against £	**(232 229)**	53 757
10% weakening of ZAR against £	**209 006**	(48 382)
10% strengthening of AUS against £	**(130)**	288
10% weakening of AUS against £	**117**	(260)
10% strengthening of MGA against £	**(1 098)**	(1 098)
10% weakening of MGA against £	**899**	899

21. FINANCIAL INSTRUMENTS *(continued)*

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.

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 statement of financial position, under other financial liabilities. A 1% interest rate change will have no material effect on the financial statements.

The interest rate profile of the Group and Company's financial assets at 30 June 2017 was as follows:

Group	**Pound Sterling**	**South African Rand**	**Australian Dollar**	**Madagascar Ariary**	**Total**
Cash at bank floating interest rate	**1 817 507**	**1 224 183**	**–**	**–**	**3 041 690**
Cash at bank on which no interest is received	**1 591 119**	**–**	**347**	**2 045**	**1 593 511**
	3 480 626	**1 224 183**	**347**	**2 045**	**4 635 201**
Company					
Cash at bank floating interest rate	**1 817 507**	**–**	**–**	**–**	**1 817 507**
Cash at bank on which no interest is received	**1 587 175**	**–**	**–**	**–**	**1 587 175**
	3 404 682	**–**	**–**	**–**	**3 404 682**

The interest rate profile of the Group and Company's financial assets at 30 June 2016 was as follows:

Group	Pound Sterling	South African Rand	Australian Dollar	Madagascar Ariary	Total
Cash at bank floating interest rate	3 719 468	648 762	–	–	4 368 230
Cash at bank on which no interest is received	44 407	–	225	2 045	46 677
	3 763 875	648 762	225	2 045	4 414 908
Company					
Cash at bank floating interest rate	3 719 468	–	–	–	3 719 468
Cash at bank on which no interest is received	32 084	8 988	–	–	41 072
	3 751 552	8 988	–	–	3 760 540

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

Group and Company 2017

Financial liabilities	Weighted interest rate %	1 year or less £s	2 to 5 years £s	Total £s
Interest-bearing borrowings	**18**	**3 083 581**	**668 000**	**3 771 581**
Total				
2016				
Interest-bearing borrowings	–	–	–	–
Total	–	–	–	–

Total interest costs in the year relating to financial liabilities held at amortised cost were £ 712 898 of which £ 507 249 were capitalised as borrowing costs.

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.

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.

22. CONTINGENCIES AND COMMITMENTS

Other than disclosed below, there are no material contingent assets or liabilities as at 30 June 2017.

22.1 PlatCro Platinum and Chrome Tailings Project ("PlatCro project")

Jubilee executed a framework and processing of tailings agreement ("the Agreement") with PlatCro Proprietary Limited ("PlatCro"). The Agreement provides for the acquisition of the platinum, palladium, rhodium and gold ("4E PGMs") contained in the existing surface material as well as all future material at the PlatCro. Existing surface material is estimated to be 1.25 million tonnes at an estimated grade of 2.7 g/t 4E PGMs.

On 9 May 2017 Jubilee executed the first payment of GBP 1.16 million (ZAR 20 million) as part of the PlatCro project. The PlatCro project includes the upfront acquisition of all PGMs contained in surface material as well as future PGMs from further processing and mining operations of which the first payment equates to approximately 50 % of the acquisition value.

The final payment for the existing surface PGMs is subject to the completion of the surface drill programme and receiving regulatory approval to commence with the processing of the PGMs. The first payment was recognised in the statement of financial position as a prepayment until such time as the necessary conditions have been met. On 31 July 2017 Jubilee notified PlatCro that it has undertaken and completed a survey of the dam as provided for in the Agreement. As at the period end Jubilee recognised the first payment of the acquisition value as a prepayment in an amount of GBP 1.16 million (ZAR 20 million).

23. RELATED PARTIES

Loans/payments to related parties	Group **2017** **£s**	Group 2016 £s	Company **2017** **£s**	Company 2016 £s
– GDA, a related party to Mr G Anderson (a Director in Braemore Nickel Pty Ltd) received Director fees;	**3 567**	2 703	**–**	–
– Jubilee paid Lion Mining Finance, with common Director Colin Bird, office rent for office space in the UK;	**33 600**	33 600	**33 600**	33 600
– Braemore Platinum Smelters Pty Ltd paid Motswiri Partners for the services of Ms de Beer as Group Chief Financial Officer, which is considered part of key management personnel. Ms de Beer is a member of Motswiri Partners.	**121 497**	105 984	**–**	–

During the year 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 on page 18 of this report and note 6 on page 49 for more details on Directors' remuneration.

24. DISCONTINUED OPERATIONS – DISPOSAL GROUP HELD FOR SALE

As previously announced on 31 March 2016, the remaining purchase consideration of the Middelburg Disposal was calculated at approximately GBP 0.390 million (ZAR 8.9 million) net of closing adjustments including stock and supplier adjustments. The final settlement amount of GBP 0.462 million (ZAR 7.4 million) has been received by Jubilee during the period under review.

In last year's results, the board considered it prudent to impair the balance of the purchase consideration to the income statement as it was the subject of an unsubstantiated warranty claim against the Company. The arbitration has since been settled and the final settlement followed. Included in profit and loss is an amount of GBP 0.462 million, representing the final proceeds received.

The revenue and expenses of the disposal group are set out below:

	Group **Year to 30 June 2017** **£s**	Group Year to 30 June 2016 £s
Revenue	**–**	1 420 145
Cost of sales	**–**	(682 365)
Gross profit	**–**	737 780
Depreciation, amortisation and impairments	**–**	–
Finance costs	**–**	–
Interest received	**–**	193
Other operating expenses	**–**	(1 014 633)
Net loss before tax	**–**	(276 660)
Tax	**–**	–
Net loss after tax	**–**	(276 660)
Non-controlling interest	**–**	(7 089)
	–	(283 749)

	Group	
	Year to 30 June 2017 £s	Year to 30 June 2016 £s
Cash flows from discontinued operations		
Cash flows from operating activities	**–**	(45 061)
Cash flows from financing activities	**–**	–
Net cash flows from discontinued operations	**–**	(45 061)
Opening cash balance on discontinued operations	**–**	163 003
Closing cash balance on discontinued operations	**–**	117 942
Consideration received		
Cash	**461 728**	4 104 068
Asset-deferred payments	**–**	749 241
	461 728	4 853 309
Net cash flow on acquisition		
Cash consideration received	**461 728**	4 104 068
Cash sold	**–**	(117 942)
	461 728	3 986 126

	Group		Company	
	2017 £s	2016 £s	**2017 £s**	2016 £s
Profit/(loss) on disposal				
Proceeds received	**461 728**	4 853 310	**461 728**	4 853 310
Net asset value/Investments	**–**	(4 768 629)	**–**	(9 139 476)
	461 728	84 680	**461 728**	(4 286 166)

25. BUSINESS SEGMENTS

In the opinion of the Directors, the continuing operations of the Group companies comprise of four reporting segments (including those reported on during the prior period) being:

- the beneficiation of Platinum Group Metals ("PGMs") and development of PGM smelters utilising exclusive commercialisation rights of the ConRoast smelting process, located in South Africa ("PGM beneficiation and development");
- the evaluation of the reclamation and processing of sulphide nickel tailings at BHP Billiton's Leinster, Kambalda and Mount Keith properties in Australia (Nickel tailings);
- the exploration and mining of Platinum Group Metals ("PGMs") (Exploration and mining);
- the parent company operates a head office based in the United Kingdom, which incur certain administration and corporate costs.

The results of the discontinued operations comprise of two segments which have been combined into one segment referred to as Disposal Group being:

- base metal smelting in South Africa; and
- electricity generation in South Africa.

25. BUSINESS SEGMENTS *(continued)*

The Group's operations span five countries, South Africa, Australia, Madagascar, Mauritius 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 qualitative threshold under IFRS 8, consequently no separate reporting is provided.

Segment report for the year ended 30 June 2017

£s	PGM beneficiation and development	Nickel tailings	Exploration and mining	Other operations	Total Continuing operations	Disposal Group
Total revenues	**(9 805 702)**	**–**	**–**	**–**	**(9 805 702)**	**–**
Cost of sales	**8 038 731**	**–**	**–**	**–**	**8 038 731**	**–**
Forex losses	**47 714**	**–**	**–**	**24 704**	**72 418**	**–**
Loss before taxation	**1 511 175**	**18 566 747**	**71 118**	**734 887**	**20 883 927**	**(461 728)**
Taxation	**250 303**	**(10 099 909)**	**–**	**–**	**(9 849 605)**	**–**
Loss after taxation	**1 761 478**	**8 466 838**	**71 118**	**734 887**	**11 034 322**	**(461 728)**
Interest received	**(11 609)**	**–**	**(760)**	**(6 304)**	**(18 673)**	**–**
Interest paid	**198 565**	**–**	**–**	**–**	**198 565**	**–**
Depreciation, amortisation and impairments	**1 108 866**	**18 554 683**	**15 901**	**–**	**19 679 451**	**–**
Total assets	**24 149 529**	**15 131 292**	**26 524 677**	**3 440 910**	**69 246 408**	**–**
Total liabilities	**(7 138 099)**	**(2 275 862)**	**(2 414 659)**	**(1 059 526)**	**(12 888 146)**	**–**

Segment report for the year ended 30 June 2016

£s	PGM beneficiation and development	Nickel tailings	Exploration and mining	Other operations	Total Continuing operations	Disposal Group
Total revenues	(1 127 880)	–	–	(346 041)	(1 473 921)	(1 420 145)
Cost of sales	589 290	–	–	19 019	608 309	682 365
Forex losses	(7 658)	–	–	77 571	69 913	–
Loss before taxation	787 554	10 711	16 174	2 784 748	3 599 187	276 660
Taxation	–	–	–	–	–	–
Loss after taxation	787 554	10 711	16 174	2 784 748	3 599 187	276 660
Interest received	(120 301)	–	(75)	(23 701)	(144 077)	(193)
Interest paid	5	–	–	13 413	13 417	–
Depreciation and amortisation	597 613	–	838	–	598 451	–
Total assets	**14 004 569**	**31 666 391**	**23 626 458**	**3 797 622**	**73 095 339**	**–**
Total liabilities	**(2 904 304)**	**(9 656 474)**	**(3 885 972)**	**(478 516)**	**(16 925 267)**	**–**

26. DEFERRED TAX

	Group		Company	
	2017	2016	**2017**	2016
Figures in Sterling	**£s**	£s	**£s**	£s
Deferred tax liability				
Foreign exchange fair value adjustments and impairments to intangible assets	**(5 362 500)**	(14 677 152)	**–**	–
Deferred tax asset				
Tax losses available for set-off against future taxable income	**–**	218 345	**–**	–

27. GOING CONCERN

The Directors have adopted the going-concern basis in preparing the financial statements.

The period under review was transformational for the Jubilee Group of companies and it has continued to successfully implement its Metals Recovery Strategy which is advancing at an encouraging pace and the Board is confident that the Group can make further acquisitions to complement its existing projects and extend its brand and capabilities into other global surface projects.

The objectives of Jubilee's Metals Recovery Strategy are threefold:

– Secure low risk, low capital intensive, long-term commodity production from mine waste at an attractive point on the global cost curve by using advanced, environmentally sustainable metal recovery techniques;

– Diversify across multiple commodities including platinum, cobalt, copper and gold to hedge income risk and to align with global trends; and

– Rehabilitate the adverse footprint left by legacy mining in accordance with International Environmental Standards.

The field of extractive metallurgy has made substantial technological progress in the last 10 years increasing the ability to profitably re-process materials that contain metals and minerals missed by the initial recovery path. For several years now, Jubilee has developed successful proprietary processing techniques to optimise metal recovery in an environmentally friendly and sustainable manner for many companies including large blue-chip mining houses. Jubilee Processing is well positioned to capitalise on its in-house expertise to become a global leader in this field.

27.1 On 9 August 2017, Jubilee secured a project funding structure, provided by RiverFort Capital Group Limited ("RiverFort"), which is modelled on the successful Hernic platinum and chrome recovery project which was also financed through RiverFort.

The key features of the Agreement are: –

- Funding will be provided at project-level directly to the Jubilee project subsidiary by RiverFort
- USD50 million pre-approved debt funding targeting multiple surface based metal recovery projects based on established individual project criteria
- The funding commitment is for an initial 33-month period with the flexibility for mutual extension
- In recognition of the funding commitment, RiverFort has been granted the right to exercise a 2.5 % maximum preference equity stake in the subsidiary Jubilee Processing

27. GOING CONCERN *(continued)*

27.2 As previously announced on 31 March 2016, the remaining purchase consideration of the Middelburg Disposal was calculated at approximately GBP 0.390 million (ZAR 8.9 million) net of closing adjustments including stock and supplier adjustments. The final settlement amount of GBP 0.463 million (ZAR 7.4 million) has been received by Jubilee in March 2017. These proceeds strengthened the Group's cash flow and its ability to fund its projects.

27.3 During March 2017 the Company successfully completed a placing of 66 000 000 new ordinary shares of 1 pence each ("Ordinary Shares") in Jubilee (the "Placing Shares") at a price of 5.0 pence (ZAR 78.70 cents) per share to raise approximately GBP 3.3 million before expenses (ZAR 51.9 million at current conversion rates).

The Directors are of the opinion that the Group and Company are funded sufficiently to enable it to continue with its operations as a going concern.

28. EVENTS AFTER THE REPORTING PERIOD

28.1 PlatCro Platinum and Chrome Tailings Project ("PlatCro project")

Post the period under review the Company executed a Framework and Processing of Tailings Agreement ("the Agreement") with PlatCro in March 2017 for the acquisition of new platinum, palladium, rhodium and gold ("4E" or "PGMs") bearing surface material existing at PlatCro as well as all future surface material at PlatCro. The existing surface material is estimated at 1.25 million tonnes with an estimated grade of 2.7 g/t 4E PGMs. This ensured Jubilee the sole right to future earnings from the platinum bearing material.

The PlatCro project will target a processing rate of 25 000 tonnes per month to complement Jubilee's surface tailings platinum production by a further 14 200 ounces of PGMs per annum. This projects a total production target at stable operations of approximately 50 000 ounces of PGMs per annum for Jubilee from all its surface tailings and 3rd party ore projects.

Under the Agreement Jubilee will acquire the existing material for a total consideration of GBP 3.13 (ZAR 50.00) per tonne of surface material remaining after on-going further recovery of residual chromite by PlatCro. Approximately 79% of the material is estimated to remain following chromite removal, which equates to a 4E PGM acquisition value of GBP 3.50 million (ZAR 55.40 million).

The Agreement allows for a two-stage payment over an estimated three month period following the conclusion of the Agreement. Future material will be acquired at a value of GBP 3.13 (ZAR 50.00) per tonne of material post chromite removal. The surface material is located within trucking distance of Jubilee's Hernic operation, thereby offering the opportunity to process the additional material at the Company's existing Hernic plant for PGM recovery. Jubilee also holds the option to acquire property located adjacent to the surface material for the construction of a dedicated platinum processing plant, if deemed appropriate, and at Jubilee's election.

On 9 May 2017 Jubilee executed the first payment of GBP 1.16 million (ZAR 20 million) as part of the PlatCro project. The PlatCro project includes the upfront acquisition of all PGMs contained in surface material as well as future PGMs from further processing and mining operations.

The final payment for the existing surface PGMs is subject to the completion of the surface drill programme and receiving regulatory approval to commence with the processing of the PGMs. The first payment was recognised in the statement of financial position as a prepayment until such time as the necessary conditions have been met. On 31 July 2017 Jubilee notified PlatCro that it has undertaken and completed a survey of the dam as provided for in the Agreement.

28.2 Project funding secured

On 9 August 2017, Jubilee secured a USD50 million project funding structure, provided by RiverFort Capital Group Limited ("RiverFort"), which is modelled on the successful Hernic platinum and chrome recovery project which was also financed through RiverFort. Refer to note 27.1 for key features of the funding.

28.3 Kabwe project in Zambia

On 23 October 2017, Jubilee formed a joint venture with BMR Group PLC ("BMR") to recover zinc, lead and vanadium at the Kabwe Project in Zambia.

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

Kabwe Operations will be appointed operator of the Project, with responsibility for commissioning, funding, construction and operations of the Project. Kabwe Operations will sub-contract operator responsibilities to Jubilee.

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

Jubilee Key Earn-in Terms for Kabwe Operations

(a) Phase 1 – Jubilee will provide access to funding for Kabwe Operations to the value of £300,000 to secure a 15 % equity interest in Kabwe Operations held as a Preferred Share. The funding will be towards the confirmation by Jubilee of the initial design, work programme and budget for construction of the Project ("Approved Works Programme") to be prepared by Jubilee by 28 February 2018. At the completion of Phase 1 Jubilee will confirm its decision at its full discretion to proceed with the Project and further farm-in of Kabwe Operations ("Approval Notice").

(b) Phase 2 – Jubilee will provide access to a further £1,000,000 funding towards the implementation of the Approved Works Programme to secure a further 15 % equity interest in Kabwe Operations taking the aggregate interest of Jubilee to 30% held as a Preferred Share. As security for the Jubilee Debt Finance, the BMR Group would grant security over the whole of its shareholding in the Kabwe project through its subsidiary Enviro Processing Limited.

(c) Phase 3 – Jubilee will provide access to a further £1,000,000 funding towards the implementation of the Approved Works Programme and targeting commercial production to secure a further 10 % equity interest in Kabwe Operations taking the aggregate interest of Jubilee to 40 % held as a Preferred Share.

In the event that the Joint Venture Agreement is deemed to be a fundamental change of business to BMR, in accordance with Rule 15 of the AIM Rules for Companies, and is not approved by shareholders of BMR at a General Meeting, Kabwe Operations (guaranteed by BMR) shall immediately repay the £300,000 of Jubilee Debt Finance together with 100 % interest thereon. Jubilee shall retain its interest in 15 % of Kabwe Operations's voting share capital and shall have a pre-emptive right to participate in any future equity issue or joint venture relating to BMR's Kabwe project and the right to realise its interest in Kabwe Operations at the future equity issue price or joint venture implied value, as appropriate.

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 2/2013 issued by the South African Institute of Chartered Accountants (SAICA).

Reconciliation of Headline earnings per share

Headline loss per share	Jun 17 2017	Jun 16 2016
Headline loss per share comprises the following:		
Continuing operations		
Loss from continuing operations for the period attributable to ordinary shareholders	**(10 570)**	(3 412)
Impairment of other financial assets	**–**	856
Impairment of intangible assets net of tax	**8 522**	–
Loss on sale of property plant and equipment	**–**	1
Profit on exchange differences	**72**	81
Headline loss from continuing operations	**(1 976)**	(2 474)
Weighted average number of shares in issue	**984,780**	906 241
Headline loss per share from continuing operations (pence)	**(1.07)**	(0.27)
Headline loss per share from continuing operations (ZAR cents)	**(18.55)**	(5.85)
Discontinued operations		
Loss from discontinued operations for the period attributable to ordinary shareholders	**–**	(283)
Impairment of other financial liabilities	**–**	–
Headline loss from discontinued operations	**–**	(283)
Weighted average number of shares in issue	**984,780**	906 241
Headline loss per share from discontinued operations (pence)	**–**	(0.03)
Headline loss per share from discontinued operations (ZAR cents)	**–**	(0.67)
Average conversion rate used for the period under review £:ZAR	**0.05786**	0.04667

Shareholder analysis

as at 30 June 2017

Register date:	30 June 2017
Issued share capital:	1,118,360,942

Shareholder spread	Number of shareholders	%	Number of shares	%
1 – 5 000 shares	710		1 076 993	0.10
5 001 – 10 000 shares	120		910 842	0.08
10 001 – 50 000 shares	186		4 415 510	0.39
50 001 – 100 000 shares	49		3 640 356	0.33
100 001 – 1 000 000 shares	102		35 866 968	3.21
1 000 001 shares and over	65		1 072 450 273	95.89
	1 232		1 118 360 942	100

Distribution of shareholders	Number of shareholders	%	Number of shares	%
Private shareholders	862	69.97	293 442 541	26.24
Deceased accounts	8	0.65	23 343	0.01
Nominee companies	338	27.44	815 972 412	72.96
Limited companies	12	0.97	4 691 630	0.42
Bank and bank nominees	9	0.73	3 253 473	0.29
Other institutions	3	0.24	977 543	0.08
	1 232	100	1 118 360 942	100

Public/Non-public shareholders	Number of shareholders	%	Number of shares	%
Non-public shareholders				
Directors and associates of the Company holdings	4		13 974 693	1.25
Public shareholders	1 228		1 104 386 249	98.75
	1 232		1 118 360 942	100

For your notes

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