

Jubilee Platinum to sell Middelburg smelter and power complex

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Jubilee Platinum (JBL), in a long-anticipated move, has agreed to sell its Middelburg smelter and power complex for R110.5m in cash.



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Critically, as part of the deal, Jubilee will retain the right to use a five megawatt smelter with a secured power allocation at the complex to treat material it plans to process from a tailings treatment project it is building.

In March, Jubilee CEO Leon Coetzer told *Business Day* it wanted to sell the complex to fund its first platinum producing assets.

Shareholders have to approve the R72m sale of the smelting and refining complex to a special purpose vehicle, the majority of which is owned by Siyanda Resources, which is involved in coal, manganese, ferrosilicon and chrome.

The vehicle will also buy Jubilee's 70% stake in Power Alt, which generates power from gas at the Middelburg complex, for R38.5m.

The smelter to which Jubilee uses the Mintek-patented ConRoast technology which can treat platinum group metal concentrate with high levels of chrome, something conventional smelters struggle to do.

Jubilee will put the money towards building its Dilokong Chrome Mine platinum processing plant.

"Terms for further funding, required to simultaneously execute both platinum surface processing projects, have been offered by a number of financial institutions," Coetzer said.

"I am delighted with the outcome of the disposal and remain committed to further growth of all of our platinum activities," he said.

Shareholders will vote on the transaction on August 7 in London.

At 3.49pm Jubilee's share price was up 10.53% to 42c.

Source: BDpro

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