Registered number: 09663756

JANGADA MINES

JANGADA MINES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
AND
NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 JUNE 2018

JANGADA MINES PLC

COMPANY INFORMATION

Directors	Brian McMaster – Executive Chairman Luis Azevedo – Non-Executive Director Louis Castro – Independent Non-Executive Director Nick von Schirnding - Independent Non-Executive Director
Company Secretary	Clive Hopewell
Registered Office	Level 2 34 Dover Street London W1S 4NG United Kingdom
Registered number:	09663756
Auditors	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH United Kingdom
Legal advisers as to English law	Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP United Kingdom
Legal advisers as to Brazilian law	FFA Legal Av. Jornalista Ricardo Marinho, 360 Sala 113, Ed. Cosmopolitan 22631-350 Barra da Tijuca, Rio de Janeiro Brasil
Nominated & Financial Adviser	Strand Hanson Limited 26 Mount Row London W1K 3SQ United Kingdom
Broker	Brandon Hill Capital Limited 1 Tudor Street, London EC4Y 0AH United Kingdom
Registrars	Computershare Investor Services Plc The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom
Stock Exchange	London Stock Exchange - AIM Stock Code - JAN
Website	www.jangadamines.com

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CHAIRMAN'S STATEMENT

The last twelve months have, again, been a particularly productive period for the Company at the Pedra Branca multi-commodity project ('Pedra Branca' or 'the Project') in the north east of Brazil. Pedra Branca is the largest and most advanced stage PGM asset in South America. It hosts a JORC (2012) compliant mineral resource estimate of 1.45 million ounces of palladium, platinum and gold, in addition to 140 million pounds of nickel, 26 million pounds of copper and 6.7 million pounds of cobalt. The Project is located 280km from Fortaleza, a major Brazilian port city.

In May 2018, we upgraded the JORC (2012) compliant resources of the Project by 50% and, in June 2018, reported the positive flotation and magnetic separation results from the metallurgy programme. We immediately proceeded with the completion of a rescoped PEA; this has envisaged a low cost, shallow open pit operation with an estimated 64,000 ounces of PGM and gold production per annum over a life of mine of 13 years. The planned mine has the potential to deliver an internal rate of return ('IRR') of 76%, with a net present value ('NPV') of US$192 million. These strong economics delivered by the PEA clearly highlight the exceptional potential of the Project. During the reporting period, we also completed an environmental study, supporting the application for an environmental licence to proceed with trial mining and were awarded the environmental permit at the end of September 2018, which represents an important milestone on the road to project development.

Over the reporting period, we have concluded several work streams that have advanced the Project towards development. These include a substantial upgrade in the precious metal and base metal mineral resource estimates and positive metallurgical test work resulting in the completion of a robust Preliminary Economic Assessment ('PEA') of the envisaged operation.

Over US$35 million of exploration work has been completed at Pedra Branca and a review of the database has led to the discovery of nickel and copper mineralisation immediately beneath the current PGM mining envelope.

CHAIRMAN'S STATEMENT *(continued)*

Furthermore, we received environmental authorisation for trial mining at the Project and announced the discovery of significant high-grade nickel and copper sulphide anomalies in close proximity to our current PGM resources. Finally, we secured a funding package of £2.1 million at the end of Q3 2018. This included a placing that raised £1.05 million in cash and an agreement reached with South African metallurgical consulting firm, Consulmet, for the acceptance of shares in lieu of services rendered to the value of just over £300,000. Furthermore, we secured a 12-month unsecured loan facility from Celtic Capital Pty Limited of US$1.0 million, which we have not yet drawn down. The team has delivered key value creating events, thereby establishing a strong platform as we advance the Project into the next important stage of its growth.

We have established a clear strategy to further develop the Project and unlock shareholder value over the coming months. We are now in a position to finance and deliver our work programme for the next period, which will include advancing the Project toward a BFS, quantifying the value of the nickel sulphide deposit, additional hydrology and metallurgical test work and exploration drilling at our vanadium project.

We believe Pedra Branca is truly a remarkable multi-commodity asset with strong potential to sustain a highly profitable operation.

Finally, on behalf of the Board, I say thank you to the Jangada team for their hard work and to our shareholders for their continued support.

B K McMaster
Director
29 November 2018
Jangada Mines plc

The Directors present the Strategic Report for the year ended 30 June 2018.

Introduction

Jangada Mines Plc (the "**Company**") was incorporated as an acquisition vehicle for the purposes of acquiring mining concerns in Brazil. The first acquisition was made on 30 April 2016 when the Company acquired the Pedra Branca project. The Company acts as a holding company for its subsidiary undertaking, Pedra Branca do Brasil Mineracao S/A ("**Pedra Branca**", together with the Company, the "**Group**"). The Company was admitted to trading on AIM on 29 June 2017.

The financial statements are presented in thousands of US Dollars (US$'000). The financial statements have been prepared in accordance with the requirements of the International Financial Reporting Standards adopted by the European Union ("**IFRS**").

Review of business

During the year, we focused on advancing the Pedra Branca PGM Project ('the **Project**') in Brazil towards a prefeasibility study ('**PFS**'). To this end, we announced in July 2017 an updated JORC (2012) compliant resource estimate, which added (based on spot prices at that time) an additional circa US$521 million to the in-situ value of the declared approximate 1 million ounces of PGM+Au resources at the Project. The updated mineral resource estimate included 23.138 Mt of ore in the Measured, Indicated and Inferred categories, containing 109 million pounds of nickel and 23 million pounds of copper grading at 0.214% Ni and 0.045% Cu respectively, which is anticipated to off-set the costs of producing PGM and should accrue material profitability upside at no additional cost.

In May 2018, the independently assessed, JORC resource estimate was increased substantially across the Project's commodity basket, including:

- 50% increase in global ore volume to 34.5 million tonnes at 1.3 g/t PGM+Au;
- 53% increase in PGM resource to 1.45 million ounces;
- 28% increase in nickel resource to 140 million pounds;
- 11% increase in copper resource to 26 million pounds; and
- 4% increase in cobalt resource to 6.7 million pounds.

In June 2018, we announced the results of the metallurgical test work which demonstrated that the inclusion of magnetic separation could materially positively impact the economics of the Project, with initial conventional test work yielding strong results in line with open pit PGM projects in South Africa, the world's largest regional PGM producer.

The addition of magnetic separation increased recoveries of PGM and yielded unexpectedly high gold and chrome grades in pre-concentrate with samples demonstrating:

- Pre-concentrate PGM grades up to 8.1 g/t;
- Average gold grades of 15 g/t, with the highest being 75.5 g/t; and
- Pre-concentrate chrome ('Cr_2O_3') grades of 42%.

As a result, work was commenced on incorporating magnetic pre-concentration into an optimised flow sheet, with the expectation of further significant efficiencies than originally anticipated, including reduced plant size, CAPEX and OPEX.

On 18 June 2018, we announced the results of the Preliminary Economic Assessment ('PEA') of the Project which confirmed the findings of the 2017 Scoping Study that the Project has the potential to become a robust, low CAPEX ($64 million) and OPEX ($17.31/t ROM), shallow, open pit operation yielding attractive financial returns, including an NPV of $192 million, an IRR of 67% and a very short payback period (1.6 years).

In late September 2018, we announced the agreement of a fundraise package of £2.1 million in order to to progress a bankable feasibility study ('BFS') at Pedra Branca polymetallic project ('the Project') and for general working capital.

Principal risks and uncertainties

There are a number of potential risks and uncertainties, which could have a material impact on the long-term performance of the Group and could cause actual results to differ materially from expected results.

Management considers the following to be the principal risk and uncertainties relating to the Group:

Foreign exchange risk

The Group holds cash funds in British Pounds Sterling, operates in US Dollars and Brazilian Reais and reports in US Dollars. As a result, the Company and Group are exposed to foreign exchange risk on the movement between the currencies. The Group manages this risk by monitoring exchange rate movements and assessing their likely impact on the Group's operations.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely and profitably.

External funding facilities are managed to ensure that both short-term and longer-term funding is available to provide short-term flexibility whilst providing sufficient funding to the working capital requirements of its subsidiary.

Regulatory decisions and changes in the regulatory environment

The Group must comply with a range of requirements that regulate and supervise the licencing and operation of its mining operations in different jurisdictions. Decisions by regulators regarding the granting, amendment or renewal of licenses to the Group could adversely affect future operations.

The Group mitigates this risk by monitoring changes to the regulatory landscape and ensuring the Group complies with all necessary requirements.

Emerging market footprint may present exposure to unpredictable economic, political, regulatory, tax and legal risks

Political, regulatory, economic and legal systems in emerging markets may be less predictable than in countries with more stable institutional structures. Since the Group operates in and is exposed to an emerging market, the value of investments in these markets may be adversely affected by political, regulatory, economic, tax and legal developments which are beyond the Group's control and anticipated benefits resulting from acquisitions and other investments made in these markets may not be achieved in the time expected, or at all.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2018 *(continued)*

The Group mitigates the risk associated with operating in an emerging market by closely monitoring economic and currency situations and developing business continuity plans to allow the Directors to respond effectively to a country economic crisis.

Key performance indicators

The key financial performance indicator for the Group is the overall performance of its investment in its subsidiary undertaking.

During the year, the Group made considerable progress in evaluating its PGM Project and incurred a consolidated loss attributable to the shareholders of the Company of US$1.6 million (2017: US$1.3 million). This was in line with business plans and the Directors' expectations whilst the Group invests significantly in the Pedra Branca PGM Project.

The Group also reviews budgets and monitors pre-production timing targets as non-financial performance indicators.

Directors' equity interests in the company

The interests (all of which are beneficial unless otherwise stated) of the Directors and their immediate families and the persons connected with them (within the meaning of section 252 of the Companies Act 2006, the "**2006 Act**") in the issued share capital of the Company or the existence of which could, with reasonable diligence, be ascertained by any director are as follows:

Directors' interests:	No. of ordinary shares held	% of share capital	No. of ordinary shares over which options are granted
Brian McMaster	46,177,800	23.4%	3,000,000
Luis Azevedo (1)	45,000,000	22.8%	2,000,000
Nicholas von Schirnding	-	-	1,000,000
Louis Castro	-	-	1,000,000

(1) Held through a corporate vehicle, Flagstaff International Investments Ltd, on Mr Azevedo's behalf.

Strategy and future developments

The Group's key strategic goal is to exploit the opportunities available to it through its ownership of the Pedra Branca project. Wherever possible, the Group will collaborate with experienced contractors to reduce capital expenditure and utilise existing infrastructure to maximise shareholder value.

This report was approved by the Directors on 29 November 2018.

B K McMaster
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The Directors present their report and the audited financial statements for the year ended 30 June 2018.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable law.

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 company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Companies Act 2006. 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.

They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Jangada Mines Plc web site is the responsibility of the Directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Principal activities

The Company acts as a holding company. The principal activity of the Group is the operation of business engaged in the exploration and development of PGM mining assets in Brazil, the initial such business being that of its subsidiary, Pedra Branca.

Results and dividends

The loss for the period, after taxation, amounted to US$1.6 million (2017: US$1.3 million).

The Directors do not recommend payment of a dividend.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018 *(continued)*

Going concern

In making its going concern assessment the Directors have prepared cash flow forecasts through to 31 December 2019. Notwithstanding the fundraising package of £2.1m, as disclosed in Note 18, agreed since the year end the Group will require further funding to finance its work programme. The Directors are confident that the Group will be able to raise funds for such requirements from investors as required although no ongoing and binding funding agreement, other than that detailed in the Company's announcement on 27 September 2018, is in place at the date of this report. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Group and Company's ability to continue as a going concern.

The financial statements do not include any adjustments that would result if the Group and Company were unable to continue as a going concern.

Directors

The Directors who served during the year were:

L E Castro (appointed 5 May 2017)
L M F De Azevedo (appointed 5 May 2017)
B K McMaster (appointed 30 June 2015)
N K Von Schrinding (appointed 5 May 2017)

Financial instruments

Details of the Company's financial instruments are given in note 13.

Matters covered in the Strategic Report

The Strategic Report contains a fair review of the business; the principal risks and uncertainties faced by the business; an indication of likely future developments of the Company and the key financial and non-financial performance indicators as considered by the Directors. This information is therefore excluded from the Directors' Report.

Post balance sheet events are discussed in note 18.

Independent auditors

Crowe U.K. LLP has indicated its willingness to be re-appointed as independent auditors and a proposal for their re-appointment will be made at the annual general meeting.

Statement of disclosure of information to auditors

Each person who was a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the Directors on 29 November 2018.

B K McMaster
Director

STATEMENT OF COMPLIANCE WITH THE QCA CORPORATE GOVERNANCE CODE

Chairman's Corporate Governance Statement

The Directors recognise the importance of, and are committed to, high standards of corporate governance. The corporate governance framework within which the Group operates, including the Directors' leadership and effectiveness, Directors' remuneration, and internal control is based upon practices which the Directors believe are proportional to the size, risks, complexity and operation of the business.

My role as Executive Chairman effectively combines the roles of chairman and chief executive, although, in practise, much of the day-to-day running of the Company's operations is delegated to the Chief Operating Officer who is not a director of the Company. Whilst, this does not satisfy the QCA statement that the "chair must have adequate separation from the day-to-day business to be able to make independent decisions", this reflects both the entrepreneurial nature and early stage of development of the Company and its business and the continued combination of the two roles will be reviewed as the business develops further.

The Board of Directors currently comprises an Executive Chairman, and three non-executive directors. It is the main decision-making body of the Company, being responsible for:

a) the overall direction and strategy of the Company;
b) monitoring performance;
c) understanding risk, and
d) reviewing controls.

It is collectively responsible for the success of the Company. The Directors are satisfied that it has a suitable balance between independence and knowledge of the business to allow it to discharge its duties and responsibilities effectively. The Chairman is ultimately responsible for the implementation and practice of sound corporate governance.

The Company does not currently undertake a formal annual evaluation of the performance of the Board of Directors or individual Directors but will consider doing so at an appropriate stage of its development in accordance with general market practice.

The Directors maintain a regular dialogue with Strand Hanson, its nominated adviser, and obtains legal, financial and other professional advice as required to ensure compliance with the AIM Rules and other governance requirements.

In the statement below, we explain our approach to governance, and how the Directors with their committees operate. It is the role of the Directors to ensure that the Group is managed for the long-term benefit of all shareholders, with effective and efficient decision making. Effective corporate governance is an essential part of that role, reducing risk and adding value to our business.

Brian McMaster
Executive Chairman

29 November 2018

STATEMENT OF COMPLIANCE WITH THE QCA CORPORATE GOVERNANCE CODE *(continued)*

Adoption of the QCA Corporate Governance Code

Changes to the AIM Rules on 30 March 2018 required AIM companies to apply a recognised corporate governance code from 28 September 2018. Of the two widely recognised formal codes, the Directors have decided to adopt the Quoted Companies Alliance Corporate Governance Code (the QCA Code), which was revised in April 2018.

The QCA Code is constructed around ten broad principles and a set of disclosures. We have considered how we apply each principle to the extent that the Directors judge these to be appropriate in the circumstances and below we provide an explanation of the approach taken in relation to each. The Directors consider that the only departure arises under principle 7 where, given its small size, the Company has no formal succession planning process or performance evaluation of the Directors in place.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

The Company has a clearly articulated strategy and business plan as the holding company of a Brazilian focussed PGM pre-development mining operation. Our business model has been to discover and develop highly prospective, low risk PGM projects with low cost production. With our existing Pedra Branca project continuing to be developed towards production, we are focused on overcoming the hurdles before moving into the production phase and generating revenues.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Company recognises that maintaining strong communications with its shareholders promotes transparency and will drive value in the medium to long-term. As such, the Group is committed to communicating openly with its shareholders to ensure that its strategy and performance are clearly understood.

We communicate with shareholders through the Annual Report and Accounts and Interim Accounts, full-year and half-year announcements thereto, trading updates and other regulatory announcements and the Annual General Meeting (AGM).

The Directors actively seek to build relationships with both private and institutional shareholders and potential investors. The Executive Chairman and Chief Operating Officer, who is not a director of the Company, also give regular presentations to investors, including one-to-one meetings with major shareholders.

An up to date information flow is also maintained on the Company's website (www.jangadamines.com) which contains all press announcements and financial reports as well as extensive operational information on the Company's activities.

The Directors also encourage shareholders to attend the Annual General Meeting, at which members of the Board of Directors are available to answer questions and present a summary of the year's activity and the corporate outlook for the Company.

STATEMENT OF COMPLIANCE WITH THE QCA CORPORATE GOVERNANCE CODE *(continued)*

Principle 3: Consider wider stakeholder and social responsibilities and their implications for long-term success

The Group is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. In addition to its shareholders, these include the Group's employees, customers, local partners, and suppliers. The Group's operating and working methodologies take account of the need to balance the needs of all stakeholder groups while maintaining focus on the Directors' primary responsibility to promote the success of the Group for the benefit of its shareholders as a whole. The Group endeavours to take account of feedback received from stakeholders, making amendments to arrangements and plans where appropriate and where such amendments are consistent with the Group's longer term strategy.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Directors review risks facing the business on a regular basis. The Directors maintain full control and direction over appropriate strategic, financial, organisational and compliance issues, and has put in place an organisational structure with defined lines of responsibility and delegation of authority.

The annual budget and forecasts are reviewed by the Directors prior to approval being given. This includes the identification and assessment of the business risks inherent in the Company along with associated financial risks.

The Directors have established a system of financial controls and reporting procedures which they consider to be appropriate given the size and structure of the Group. These controls will be reviewed following any significant acquisitions by the Group and adjusted accordingly. The key procedures include:

- budgeting programme with an annual budget approved by the Directors;
- review by the Directors of actual results compared with budget and forecasts;
- establishment of procedures for acquisitions, capital expenditure and expenditure incurred in the ordinary course of business;
- reporting to the Directors on changes in legislation and practices within the sector and accounting and legal developments pertinent to the Company; and
- appointing experienced and suitably qualified staff to take responsibility for key business functions to ensure maintenance of high standards of performance.

The Company's auditors are encouraged to raise comments on internal control in their management letter following their audit, and the points raised and actions arising are monitored through to completion by the Audit Committee.

Other areas that will be subject to ongoing review as the Company grows will include regulatory compliance, business integrity, health and safety, risk management, business continuity and corporate social responsibility (including ethical trading, supplier standards, environmental concerns and employment diversity).

Principle 5: Maintain the Board of Directors as a well-functioning, balanced team led by the chair

The Board of Directors

The Board of Directors, whose size is commensurate with the Company' s current stage of development, consists of one Executive Director, Brian McMaster (Executive Chairman) and three Non-Executive Directors, Luis Azevedo (NED), Nicholas von Schirnding (NED) and Louis Castro (NED). Merrs??? von Schirnding and Castro are considered by the Directors to be independent. In addition, the COO, Heinrich Muller, reports directly to the Directors as required.

In the past year there have been two Board of Directors' meetings and all of the Directors attended all meetings held.

Description of Roles

The Chairman is responsible for overseeing the running of the Board of Directors and ensuring its effectiveness, and that no individual dominates the Directors' decision-making. He is also responsible for making sure that the Directors operate in the interests of the shareholders and other stakeholders. Additionally, the Chairman is responsible for managing the day-to-day business activities and for the implementation of the strategy.

The Chief Operating Officer's primary role is to manage and plan the operations at Pedra Branca.

The role of Chairman and Chief Executive are not separate. However, given the size of the Company, its stage of development and the seniority and experience of the Non-Executive Directors, the Directors believe that there is an effective counter-balance on the Board of Directors which is perfectly appropriate for the Group.

The Non-Executive Directors constructively challenge and help to develop strategy, whilst also scrutinising the performance of management.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Directors believes that the composition and breadth of experience of the Board of Directors are appropriate for the Group at present and that its blend of relevant experience, skills and personal qualities and capabilities is sufficient to enable it to successfully execute its strategy. The skills and experience required for the next stage in the Group's development are kept under continual review and appropriate actions taken when needs are identified. The biographies of the members of the Directors are published on the Company's website.

The Articles of Association require that one-third of directors must stand for re-election by shareholders at every AGM. However, the Directors have adopted a policy whereby all directors retire and stand for re-election every year.

The Company has appointed a professional Company Secretary in the UK who assists the Chairman in preparing for effective meetings with Directors, including the timely dissemination of appropriate information. The Company Secretary provides advice and guidance to the extent required by the Directors on the legal and regulatory environment.

Principle 7: Evaluate Directors' performance based on clear and relevant objectives, seeking continuous improvement

The Company does not currently undertake a formal annual evaluation of the performance of the Board or individual Directors but will consider doing so at an appropriate stage of its development in accordance with general market practice. Given its small size, the Company has no formal succession planning process in place. Recommendations for Board-level appointments are put to the Directors by the Nominations Committee for approval by the Executive Chairman.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Directors are committed to delivering high standards of corporate governance, a key element of which is managing the Company in a socially responsible way. We are mindful of the Company's impact on all our stakeholders, including employees, clients, suppliers, shareholders and local communities.

The Directors believe that a healthy corporate culture both protects and generates value for the Company and we see this as an asset in its own right. We therefore seek to operate within a corporate culture that is based on sound ethical values and behaviours. These values, which we seek to instil throughout the Company, include integrity, respect, honesty and transparency. As a small company, these characteristics are far more visible to staff than might otherwise be the case to ensure that our corporate culture is structured accordingly to protect the business against the principal risks and uncertainties discussed in Group's Strategic Report on page 7.

We aim to continually improve our work in these areas and will maintain a quality system appropriate to the standards required for a Company of its size.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Directors

The Directors provide strategic leadership for the Group and operates within the scope of a robust corporate governance framework. The Executive Chairman and the Chief Operating Officer have day-to-day responsibility for the operational management of the Group's activities. The Non-Executive Directors are responsible for bringing independent and objective judgement to the Board of Directors' decisions.

<u>Matters Reserved for the Board of Directors as a whole</u>

The Directors operate both formally, through Board of Director meetings, and informally, through regular contact amongst Directors. High-level decisions on such matters as strategy, financial performance and reporting, dividends, risk management, major capital expenditure, acquisitions and disposals are reserved for the Directors.

Appointment of Directors

The Directors formally approves the appointment of all new Directors, following consideration of the recommendation from the Nomination Committee. All Directors are required to submit themselves for re-election at each Annual General Meeting following their appointment.

Board of Directors' Committees

The Board of Directors has three Committees, each with their own specific areas of responsibility – Audit, Remuneration and Nomination. Each Committee meets in accordance with its Terms of Reference and on an ad hoc basis as required.

Audit Committee

The Audit Committee reports to the Directors on any matters in respect of which it considers that action or improvement is needed, and makes recommendations as to the steps to be taken. The members of the Audit Committee are Louis Castro and Nicholas von Schirnding, with Louis Castro acting as Chairman.

Terms of Reference:

The Audit Committee operates under Terms of Reference agreed by the whole Board of Directors.

Activities:

In particular the Audit Committee is responsible for:

- ensuring that the financial performance of the Group is properly monitored and reported;
- monitoring and reviewing formal announcements relating to financial performance;
- meeting the auditors and agreeing audit strategy;
- reviewing reports from the auditors and management relating to accounts and internal control systems; and
- making recommendations to the Directors in respect of external auditor appointment and remuneration.

2018 Review:

During the past 12 months the Audit Committee has:

- approved full year and interim accounts, including key judgements and policies to ensure they are fair, balanced and understandable to our shareholders; and
- reviewed and recommended the re-appointment of our external auditor, Crowe U.K. LLP, including fee structure.

STATEMENT OF COMPLIANCE WITH THE QCA CORPORATE GOVERNANCE CODE *(continued)*

Remuneration Committee

The members of the Remuneration Committee are Nicholas von Schirnding and Louis Castro with Nicholas von Schirnding acting as Chairman.

Terms of Reference:

The Remuneration Committee operates under Terms of Reference agreed by the whole Board of Directors.

Activities:

The details of each Director's remuneration are presented in note 9.

2018 Review:

During the past 12 months the Remuneration Committee has:

- ensured the Directors and organisation remains fit for purpose for its business activities; and
- monitored the pay and benefits of the Chairman and Directors.

Nomination Committee

The members of the Nomination Committee are Nicholas von Schirnding, Louis Castro and Brian McMaster with Nicholas von Schirnding acting as Chairman.

Terms of Reference:

The Nomination Committee operates under Terms of Reference agreed by the whole Board of Directors.

Activities:

In particular, the Nomination Committee is responsible for:

- identifying the skills and experience required for the next stage in the Company's development;
- keeping close watch on succession planning and possible candidates for future Director roles; and
- providing assistance to the Chairman of the Board in taking steps to remove any underperforming director.

2018 Review:

During the past 12 months the Nomination Committee has ensured the Directors and organisation remains fit for purpose for its business activities.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Group places a high priority on regular communications with its various stakeholder groups and aims to ensure that all communications concerning the Group's activities are clear, fair and accurate. It communicates with its shareholders through the Annual Report and Accounts and Interim Accounts, full and half year announcements, the Annual General Meeting (AGM) and one to one meetings with existing or potential new shareholders, as well as trading updates and other regulatory announcements.

A range of corporate information (including all Company announcements and Annual Reports) is also available to shareholders, investors and the public on the Group's corporate website, www.jangadamines.com.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JANGADA MINES PLC

Opinion

We have audited the financial statements of Jangada Mines Plc (the "Parent Company") and its subsidiary (the "Group") for the year ended 30 June 2018, which comprise:

- the Group statement of comprehensive income for the year ended 30 June 2018;
- the Group and Parent Company balance sheets as at 30 June 2018;
- *the Group and Parent Company cash flow statements for the year then ended;*
- the Group and Parent Company statements of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company financial statements is applicable law and International Financial Reporting Standards as adopted by the European Union (IFRSs).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2018 and of the Group's loss for the year then ended;
- the Group's financial statements have been properly prepared in accordance with IFRS;
- the Parent Company's financial statements have been properly prepared in accordance with IFRS as applied in accordance with the requirements of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group 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.

Material uncertainty related to going concern

We draw attention to notes 2 and 3 of the financial statements which indicate further funding will be required to finance the Group's and Company's pre-production programme in Brazil. The Directors are confident that the Company will be able to raise these funds however there is no binding agreement, other than that detailed in Note 18, in place at the date of this report.

These conditions indicate the existence of a material uncertainty and may cast doubt on the ability of the Group and Company to continue as a going concern. Our opinion is not modified in respect of this matter. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JANGADA MINES PLC
(continued)

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified. Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be US$11,000, based on 2% of the Group's total assets for the period.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and Directors' remuneration. We agreed with the Audit Committee to report to it all identified errors in excess of US$500. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The Group had very limited activity in the year ended 30 June 2018 but we performed work in both the UK and Brazil in order to obtain sufficient, appropriate audit evidence.

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) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JANGADA MINES PLC *(continued)*

In addition to the matter described in the 'Material uncertainty related to going concern section', we have determined the following key audit matters. This is not a complete list of all risks identified by our audit.

Key audit matter	*How the scope of our audit addressed the key audit matter*
Exploration and evaluation assets The group's aim is to develop the Platinum Group Metal Project through its operations in Pedra Branca, Brazil. Exploration expenditure in the year totalled US$324,000. We have considered the risk that exploration assets are incorrectly capitalised or impaired.	We agreed the costs capitalised to underlying supporting documentation and considered whether it met the criteria set out within IFRS 6 "Exploration for and Evaluation of Mineral Resources". We reviewed management's assessment which concluded that there are no facts or circumstances that suggest the carrying amount of the assets exceed the recoverable amount. In considering this assessment we considered the following sources of evidence: • the Board of Director's minutes and budgets setting out the group's plans for continued commercial appraisal of the exploration assets; and • the Preliminary Economic Assessment of the project which was prepared by a specialist, independent mineral consulting company.

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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JANGADA MINES PLC *(continued)*

Matters on which we are required to report by exception:

In light of the knowledge and understanding of the Group and Company and their 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' responsibilities statement, on page 9, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JANGADA MINES PLC
(continued)

Use of our report

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

Steve Gale.

Steve Gale FCA (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

29 November 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

		Year ended 30 June 2018 $'000	Year ended 30 June 2017 $'000
Project costs		(73)	(103)
Administration expenses		(1,534)	(1,072)
Loss from continuing operations		(1,607)	(1,175)
Finance expense	6	(34)	(122)
Loss before tax		(1,641)	(1,297)
Tax expense	7	-	-
Loss from continuing operations and total loss for the year		(1,641)	(1,297)
Other comprehensive income:			
Items that will or may be classified to profit or loss:			
Currency translation differences arising on translation of foreign operations		9	(3)
Total comprehensive loss attributable to owners of the parent		(1,632)	(1,300)
Loss per share attributable to the ordinary equity holders of the Company during the period			
- Basic and diluted	8	(0.0)	(0.0)

The notes on pages 31 to 43 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2018

		As at 30 June 2018 $'000	As at 30 June 2017 $'000
Assets			
Non-current assets			
Exploration and evaluation assets	11	324	-
Property, plant and equipment		4	8
		328	8
Current assets			
Other receivables	12	22	227
Cash and cash equivalents		198	2,450
		220	2,677
Total assets		548	2,685
Liabilities			
Current liabilities			
Trade payables		74	-
Loans and borrowings	13	58	458
Accruals & other payables		153	619
Total liabilities		285	1,077
Issued capital and reserves attributable to owners of the parent			
Share capital	14	102	102
Share premium	14	2,844	2,844
Translation reserve		7	(2)
Retained earnings		(2,690)	(1,336)
Total equity		263	1,608
Total equity & liabilities		548	2,685

The financial statements were approved and authorised for issue by the Directors and were signed on 29 November 2018.

B K McMaster
Director

The notes on pages 31 to 43 form part of these financial statements.

JANGADA MINES PLC

COMPANY BALANCE SHEET
AS AT 30 JUNE 2018

	Note	As at 30 June 2018 $'000	As at 30 June 2017 $'000
Assets			
Current assets			
Group and other receivables	12	522	350
Cash and cash equivalents		196	2,440
		718	2,790
Total assets		718	2,790
Liabilities			
Current liabilities			
Trade payables		67	-
Loans and borrowings	13	58	458
Accruals and other payables		149	619
Total liabilities		274	1,077
Issued capital and reserves attributable to owners of the parent			
Share capital	14	102	102
Share premium	14	2,844	2,844
Translation reserve		-	(7)
Retained earnings		(2,502)	(1,226)
Total equity		444	1,713
Total equity & liabilities		718	2,790

The loss for the year dealt with in the accounts of Jangada Mines plc was $1,563,000 (2017: $1,188,000).

The financial statements were approved and authorised for issue by the Directors and were signed on 29 November 2018.

B K McMaster
Director

The notes on pages 31 to 43 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	Year ended 30 June 2018	Year ended 30 June 2017
Cash flows from operating activities	**$'000**	**$'000**
Loss before Tax	(1,641)	(1,297)
Add back: depreciation	4	4
Non-cash share option charge	287	-
Decrease/(increase) in other receivables	205	(227)
(Decrease)/increase in trade and other payables	(390)	596
Net cash outflow from operating activities	**(1,535)**	**(924)**
Investing activities		
Development of exploration and evaluation assets	(324)	-
Net cash outflow from investing activities	**(324)**	**-**
Financing activities		
Share capital issue	-	2,960
Proceeds from related party borrowings	-	33
Issue of convertible loan notes	-	380
Repayment of convertible loan notes	(400)	-
Net cash from financing activities	**(400)**	**3,373**
Net movement in cash and cash equivalents	**(2,259)**	**2,449**
Cash and cash equivalents at beginning of period	**2,450**	**3**
Movements in foreign exchange	7	(2)
Cash and cash equivalents at end of year	**198**	**2,450**

The notes on pages 31 to 43 form part of these financial statements.

COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	Year ended 30 June 2018	**Year ended 30 June** 2017
Cash flows from operating activities	$'000	$'000
Loss before Tax	(1,563)	(1,188)
Non-cash share option charge	287	-
Decrease/(increase) in other receivables	210	(227)
(Decrease)/increase in trade and other payables	(404)	627
Net cash flows from operating activities	(1,470)	(788)
Financing activities		
Share capital issue	-	2,946
Proceeds from related party borrowings	-	27
Loans to subsidiary	(381)	(123)
Issue of convertible loan notes	-	380
Repayment of convertible loan notes	(400)	-
Net cash from financing activities	(781)	3,230
Net movement in cash and cash equivalents	(2,251)	2,442
Cash and cash equivalents at beginning of period	2,440	-
Movements in foreign exchange	7	(2)
Cash and cash equivalents at end of year	196	2,440

The notes on pages 31 to 43 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Share capital	Share premium	Translation reserve	Retained Earnings	Total equity
	$'000	$'000	$'000	$'000	$'000
As at 1 July 2016	-	-	1	(39)	(38)
Comprehensive Income for the year					
Loss	-	-	-	(1,297)	(1,297)
Other comprehensive income	-	-	(3)	-	(3)
Total comprehensive Income for the year	-	-	(3)	(1,297)	(1,300)
Transactions with owners					
Share issue	102	2,844	-	-	2,946
Total transactions with owners	102	2,844	-	-	2,946
As at 30 June 2017	102	2,844	(2)	(1,336)	1,608
Comprehensive Income for the year					
Loss	-	-	-	(1,641)	(1,641)
Other comprehensive income	-	-	9	-	9
Total comprehensive Income for the year	-	-	9	(1,641)	(1,632)
Transactions with owners					
Share options issued	-	-	-	287	287
Total transactions with owners	-	-	-	287	287
As at 30 June 2018	102	2,844	7	(2,690)	263

The notes on pages 31 to 43 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Share capital $'000	Share premium $'000	Translation reserve $'000	Retained earnings $'000	Total equity attributable to owners $'000
As at 1 July 2016	-	-	-	(38)	(38)
Comprehensive Income for the year					
Loss	-	-	-	(1,188)	(1,188)
Other comprehensive income	-	-	(7)	-	(7)
Total comprehensive Income for the year	-	-	(7)	(1,188)	(1,195)
Transactions with owners					
Share issue	102	2,844	-	-	2,946
Total transactions with owners	102	2,844	-	-	2,946
As at 30 June 2017	102	2,844	(7)	(1,226)	1,713
Comprehensive Income for the year					
Loss	-	-	-	(1,563)	(1,563)
Other comprehensive income	-	-	7	-	7
Total comprehensive Income for the year	-	-	7	(1,563)	(1,556)
Transactions with owners					
Share options issued	-	-	-	287	287
Total transactions with owners	-	-	-	287	287
As at 30 June 2018	102	2,844	-	(2,502)	444

The notes on pages 31 to 43 form part of these financial statements.

1. General information

The Company is a public limited company, incorporated in England and Wales on 30 June 2015 with the registration number 09663756 and with its registered office at Level 2, 34 Dover Street, London W1S 4NG. The Company's principal activities are the provision of mining services.

2. Accounting policies

Basis of preparation and going concern basis

The audited consolidated financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU issued by the International Accounting Standards Board, under the historical cost convention.

The consolidated financial information is presented in United States Dollars ($), which is also the functional currency of the Company and Group and is the preferred currency of the owners of the Company. Amounts are rounded to the nearest thousand ($'000), unless otherwise stated.

The preparation of consolidated financial information in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's and Group's accounting policies (see below and note 3).

As provided by section 408 of the 2006 Act, no statement of comprehensive income is presented in respect of the Company. The Company's loss for the year is disclosed on the Company balance sheet.

As discussed in the Directors' Report there exists a material uncertainty which may cast significant doubt about the Group and Company's ability to continue as a going concern. The financial statements do not include the adjustment that would result if the Group and Company were unable to continue as a going concern.

Accounting standards in issue but not yet effective

At the date of authorisation of these financial statements, a number of standards and interpretations were in issue but not yet effective. The Directors do not anticipate that the adoption of these standards and interpretations, or any of the amendments made to the existing standards as a result of the annual improvements cycle, will have a material effect on the financial statements of the year of initial application.

IFRS 9 "Financial Instruments"

In July 2014, the IASB issued IFRS 9 "Financial Instruments" that replaces IAS 39 "Financial Instruments: Recognition and Measurement" and all previous versions of IFRS 9. IFRS 9 "Financial Instruments" incorporates the three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. Except for hedge accounting, the standard should be applied using the retrospective application.

This standard will be effective for Jangada Mines Plc's year ending 30 June 2019.

The Directors do not expect the adoption of this standard will have a material impact on Jangada Mines Plc financial statements.

2. Accounting policies *(continued)*

Accounting standards in issue but not yet effective *(continued)*

IFRS 15 "Revenue from Contracts with Customers"

In May 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers". The standard requires an entity to recognise revenue in a manner that depicts the transfer of goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard will supersede all current revenue recognition requirements under IFRS when it becomes effective.

This standard will be effective for Jangada Mines Plc's year ending 30 June 2019.

The Directors do not expect the adoption of this standard will have a material impact on the Jangada Mines Plc Financial Information.

IFRS 16 "Leases"

This standard will require lessees to recognise most leases on the balance sheet as liabilities.

This standard will be effective for Jangada Mines Plc's year ending 30 June 2020.

The Directors do not expect the adoption of this standard will have a material impact on the Jangada Mines Plc Financial Information.

Basis of Consolidation

The Group consolidates the financial information of Jangada Mines Plc and its subsidiary drawn up to 30 June each year. The subsidiary is consolidated from the date of its acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases. The Company has control over a subsidiary if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The financial information of the subsidiary is prepared for the same reporting year as the parent company, using consistent accounting policies and is consolidated using the acquisition method. Intra-group balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Pedra Branca's year end is 31 December and has not been adjusted to be consistent with the Company's year end as Brazilian law requires Pedra Branca to prepare its statutory financial statements with a 31 December year end.

Foreign currency

Transactions entered into by the Group in a currency other than the currency of its primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date.

2. Accounting policies *(continued)*

Financial liabilities

The Company classifies its financial liabilities into one category:

Other financial liabilities

Other financial liabilities include the other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Exploration and evaluation assets

Exploration and evaluation assets represent the costs of pre-feasibility studies, field costs, government fees and the associated support costs at the Group's Pedra Branca Platinum Group Metal project.

Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the Statements of Profit or Loss and Other Comprehensive Income. Only material expenditures incurred after the acquisition of a license interest are capitalised. Historically, the expenditures related to exploration and evaluation have not been material, as the Company is active in areas where there are minimal and immaterial exploration and evaluation costs and therefore the costs in previous years have been expensed.

Taxation

The charge for current tax is based on the taxable income for the period. The taxable result for the period differs from the result as reported in the statement of comprehensive income because it excludes items which are not assessable or disallowed and it further excludes items that are taxable and deductible in other years. It is calculated using tax rates that have been enacted or substantially enacted by the statement of financial position date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Audited consolidated statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

3. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Judgements, estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3. Critical accounting estimates and judgements *(continued)*

Judgements

As discussed in the Directors' Report there exists a material uncertainty which may cast significant doubt about the Group and Company's ability to continue as a going concern. The Directors are confident that the Company will be able to raise the required funds and therefore have concluded that the financial statements should be prepared on a going concern basis.

The Directors have considered the criteria of IFRS 6 regarding the impairment of exploration and evaluation assets and have decided based on this assessment that there is no basis to impair the carrying value of its exploration assets (2018: $324,000, 2017: $Nil) at this time.

Due to the control which the Company holds over its subsidiary Pedra Branca and the Company's continued support of its subsidiary, the Directors consider that the intercompany receivable owed by Pedra Branca to the Company is fully recoverable and it has therefore not been impaired at the year end.

Estimates and assumptions

The Company measures share options at fair value. For more detailed information in relation to the fair value measurement of such items, please refer to note 15.

4. Financial instruments - Risk Management

The Company is exposed through its operations to the following financial risks:

- Credit risk;
- Foreign exchange risk; and
- Liquidity risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions.

The Directors monitor the utilisation of the credit limits regularly and at the reporting date does not expect any losses from non-performance by the counterparties.

Maximum risk credit exposure to the Company is the carrying value of financial assets.

Foreign exchange risk

Market risk arises from the Company's use of foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (currency risk).

Fair value hierarchy

All financial assets and liabilities which are short-term in nature are shown at the carrying value which also approximates the fair value of those short-term financial instruments. Therefore, no separate disclosure for fair value hierarchy is required for them.

4. Financial instruments - Risk Management (continued)

The Group's financial instruments are set out below:

	As at 30 June 2018 $'000	**As at 30 June** 2017 $'000
Financial assets		
Cash and cash equivalents	198	2,450
Other receivables	22	227
Total financial assets	220	2,677
Financial liabilities		
Trade payables	74	-
Related party loans	58	58
Convertible loan notes	-	400
Accruals and other payables	153	619
Total financial liabilities held at amortised cost	285	1,077

All financial assets are denominated in US Dollars. The currency profile of the Group's financial liabilities is shown below:

	As at 30 June 2018 $'000	**As at 30 June** 2017 $'000
US Dollar	7	1,077
Brazilian Real	8	-
Pound Sterling	270	-
	285	1,077

The potential impact of a 10% movement in the exchange rate of the currencies to which the Group is exposed is shown below:

	2018 $'000	2017 $'000
Foreign currency risk sensitivity analysis		
Brazilian Real		
Strengthened by 10%	1	-
Weakened by 10%	(1)	-
Pound Sterling		
Strengthened by 10%	22	-
Weakened by 10%	(22)	-

4. Financial instruments - Risk Management (continued)

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments.

Principal financial instruments

The principal financial instrument used by the Company, from which financial instrument risk arises, is related party borrowings.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to externally imposed capital requirements.

The Company's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

General objectives, policies and processes

The Directors have overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

5. Segment information

The Company evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS 8. In the Directors' opinion, the Group only operates in one segment: mining services. All non-current assets have been generated in Brazil.

6. Finance expense

	2018 $'000	2017 $'000
Interest expense	34	63
Share issue commission	-	59
Total finance expense	34	122

7. Tax expense

	2018 $'000	2017 $'000
Loss on ordinary activities before tax	(1,641)	(1,297)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.75%)	(312)	(256)
Effects of:		
Unrelieved tax losses for the year carried forward	312	256
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

At the year end, $568,000 (2017: $256,000) of cumulative tax losses arose in Brazil and the UK. No deferred tax asset has been recognised as at 30 June 2018, as the Directors concluded that it was unlikely that there would be future profits against which the unrelieved tax losses could be utilised in the foreseeable future.

8. Earnings per share

	2018	2017
Loss for the year ($'000)	(1,641)	(1,297)
Weighted average number of shares (basic & diluted)	197,515,600	17,931,667
Loss per share - basic & diluted (cents)	(0.0)	(0.0)

The share options issued upon admission are not included within the weighted average number of shares calculation as their effect is anti-dilutive.

9. Staff costs and Directors' remuneration

Directors' remuneration was as follows:

	Monetary remuneration 2018 $'000	Share options 2018 $'000	Total 2018 $'000	Total 2017 $'000
B K McMaster	162	57	219	69
L M F De Azevedo	79	38	117	4
L E Castro	48	19	67	-
N K Von Schrinding	48	19	67	-
M G W Wood	-	-	-	4
	337	133	470	77

At the year end Directors were owed $104,000 (2017: $65,000) in relation to unpaid remuneration and expenses.

Excluding directors, there were 3 members of staff during the year ended 30 June 2018 (2017: 1). Excluding directors' remuneration, staff costs during the year were salaries $17,183 (2017: Nil), social security $4,688 (2017: $Nil), other benefits $660 (2017: $1,209).

10. Auditors remuneration

	2018 US$'000	2017 US$'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	25	26
Fees payable to the Company's auditor for other services:		
- Corporate finance	-	55
- Taxation	3	1

11. Exploration and evaluation assets

	2018 US$'000	2017 US$'000
Cost and net book value		
At beginning of year	-	-
Expenditure capitalised during the year	324	-
Cost and net book value at 30 June	324	-

12. Receivables

	Group 2018 $'000	**Group** 2017 $'000	**Company** 2018 $'000	**Company** 2017 $'000
Current				
Funds held at third party	-	227	-	227
Other receivables	22	-	18	-
Amounts owed by subsidiary	-	-	504	123
Total other payables	22	227	522	350

13. Loans and borrowings

	Group 2018 $'000	**Group** 2017 $'000	**Company** 2018 $'000	**Company** 2017 $'000
Current				
Related party loans	58	58	58	58
Convertible loan notes	-	400	-	400
Total loans and borrowings	58	458	58	458

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 *(CONTINUED)*

13. Loans and borrowings (continued)

On 15 December 2016, the Company entered into a convertible loan note with Craig Hubler Profit Sharing Plan as the lender for the sum of US$100,000, with interest accruing at the rate of 20% per annum and a maturity date of 15 December 2017. The lender had the right, at the lender's option and sole discretion, at any time after the inception of the loan note and prior to payment in full of the note, to convert the principal balance into fully paid ordinary shares of the Company equivalent to the amount subscribed to in the note.

Also on 15 December 2016, the Company entered into a convertible loan note with Sagert Road Investments LLC as the lender for the sum of US$300,000, with interest accruing at the rate of 20% per annum and a maturity date of 15 December 2017. The lender had the right, at the lender's option and sole discretion, at any time after the inception of the loan note and prior to payment in full of the note, to convert the principal balance into fully paid ordinary shares of the Company equivalent to the amount subscribed to in the note.

On 24 August 2017, the two convertible loan notes and all accrued interest were repaid in full.

14. Share capital

	Issued Number	Share Capital $'000	Share Premium $'000
At 30 June 2016: ordinary shares of 1p each	3	-	-
18 May 2017: share issue for nominal value	4,999,998	64	-
19 May 2017: shares issued to Directors in lieu of fees	999,999	13	
Total as at 19 May 2017 share split	6,000,000	77	-
19 May 2017: 25:1 share split into shares with nominal value of 0.04p	150,000,000	-	-
29 June 2017: share issue for 5p each	47,515,600	25	3,063
Share issue costs charged to share premium	-	-	(219)
At 30 June 2017 and 2018: ordinary shares of 0.04p each:	197,515,600	102	2,844

15. Share options

	2018 Average exercise price per share option $	2018 Number of options	2017 Average exercise price per share option $	2017 Number of options
At beginning of year	0.065	15,250,000	-	-
Granted during the year	-	-	0.065	15,250,000
At 30 June	0.065	15,250,000	0.065	15,250,000
Vested and exercisable at 30 June	0.065	7,625,000	-	-

No options expired during the years covered by the above table.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price $	Share options 30 June 2018	Share options 30 June 2017
2 June 2017	31 December 2019	0.065	15,250,000	15,250,000

The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

The model inputs for options granted during the year ended 30 June 2017 included:
(a) options are granted for no consideration and vested options are exercisable for a period of two and a half years after the grant date: 2 June 2017.
(b) expiry date: 31 December 2019 (2017: 31 December 2019).
(c) share price at grant date: 5.5 pence.
(d) expected price volatility of the company's shares: 40% (2017: 40%).
(e) risk-free interest rate: 1.75% (2017: 1.75%).
(f) 50% of the share options vest 60 days post admission and the remaining 50% vest 90 days post production.

The expected price volatility is based on bench marking to similar AIM quoted companies, adjusted for any expected changes to future volatility due to publicly available information.

The fair value of the share options at the measurement date is $0.026.

16. Subsidiary

The details of the sole subsidiary of the Company, which have been included in these consolidated financial statements are:

Name	Country of incorporation	Proportion of ownership interest
Pedra Branca do Brasil Mineracao S/A	Brazil	99.99%*

**The Company holds 22,574,327 shares (referred to as quotas) of R$1.00 each in Pedra Branca, fully subscribed and of which 19,904,630 shares are paid up to date. The remaining one quota of R$1.00 fully subscribed and paid up to date is held by FFA Holding & Mineracao Ltda (a vehicle 99.99 per cent. owned by Mr Azevedo) for the benefit of the Company and in compliance with Brazilian laws which require two quota holders for limited liability companies.*

17. Related party transactions

During the period the Company entered into the following transactions with related parties.

	2018 $'000	2017 $'000
Garrison Capital Partners Limited:		
Purchases made on Company's behalf	-	58
Administrative fees expensed during the year	61	14
Lauren McMaster:		
Consultancy services	56	-
FFA Legal Ltda:		
Legal services expensed during year	88	15

Garrison Capital Partners Limited is a related party to the Company due to having directors in common, the balance owed as at 30 June 2018 is disclosed in note 13.

Lauren McMaster is a related party to the Company due to being married to the Chairman.

FFA Legal Ltda is a related party to the Group due to having a director in common with Group companies. At the year end they were owed $6,000 (2017: $nil).

Directors' remuneration is discussed within note 9.

Pedra Branca do Brasil Mineracao S/A, is a related party as it is a subsidiary of the Company, balances are disclosed in note 12.

18. Subsequent Events

(a) Placing

On 27 September 2018, the Company completed a placing to raise £1.05 million, before expenses, through the issue of 34,999,996 new Ordinary Shares (the "Placing Shares") at the Placing Price (being £0.03 per Placing Share); and 34,999,996 Warrants (the "Placing Warrants") to the placees on a 1 for 1 basis, exercisable in whole or in part at 6p until 15 October 2020. The issue of Placing Warrants was conditional on the passing of the Resolutions at the General Meeting, which duly occurred on 15 October 2018.

The Directors intend on using the net proceeds of the Placing to:

- Continue to develop Pedra Branca project including the completion of necessary studies to progress a bankable feasibility study; and
- Provide general working capital to the Company.

Brandon Hill Capital Ltd ("Brandon Hill") and Arden Partners plc ("Arden Partners") were acting as joint brokers to the Company in relation to the Placing. The monetary liability towards Brandon Hill and Arden Partners has been settled through the issue of, in aggregate, 1,500,000 Ordinary Shares.

(b) Loan facility

On 27 September 2018, the Company entered into a loan agreement with Celtic Capital Pty Limited ("Celtic"), as trustee for Celtic Capital Trust under which it will have access to up to $1,000,000 for a period of 12 months from entering into the agreement. The Company may drawdown in tranches between $10,000 and $100,000 at any time it wishes, subject to two business days' notice first being given. Only once a draw down has taken place will any interest start accruing on the drawn down sum at a rate of 10 per cent per annum. An arrangement fee of $50,000 payable to Celtic was satisfied through the issue of 1,266,666 new Ordinary Shares at £0.03 each, which were admitted to trading on AIM at the same time as the Placing Shares. At the date of this document, no funds have been drawn down.

19. Ultimate controlling party

The Directors consider that the Company has no overall controlling party.

JANGADA MINES PLC

(the "**Company**")

(incorporated and registered in England and Wales under the Companies Act 2006 with registered number 09663756)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the members of the Company will be held at the offices of Bird & Bird LLP, 12 New Fetter Lane, London EC4A 1JP, at 10.00 a.m. on Tuesday 8 January 2019.

Members will be asked to consider and, if thought fit, pass the resolutions set out below. Resolutions 1 to 8 will be proposed as ordinary resolutions and Resolution 9 will be proposed as a special resolution.

ORDINARY RESOLUTIONS

1. To receive and adopt the Company's financial statements and annual accounts for the financial year ended 30 June 2018 together with the Directors' report and auditors' report on these accounts.
2. To re-elect Louis Castro as a Director of the Company.
3. To re-elect Luis Azevedo as a Director of the Company.
4. To re-elect Brian McMaster as a Director of the Company.
5. To re-elect Nicholas von Schirnding as a Director of the Company.
6. To re-appoint Crowe U.K. LLP as auditors of the Company in accordance with section 489 of the Companies Act 2006 (the "**Act**") to hold office until the conclusion of the next annual general meeting at which the accounts of the Company are laid.
7. To authorise the Directors of the Company to determine the auditors' remuneration for the coming financial year.
8. That the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Act to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £68,354 provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the earlier of 15 months after the passing of this Resolution or at the completion of the next annual general meeting of the Company, but the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired. This authority is in substitution for all previous authorities conferred upon the Directors pursuant to section 551 of the Act, but without prejudice to the allotment of any equity securities already made or to be made pursuant to such authorities.

SPECIAL RESOLUTION

9. That, subject to the passing of Resolution 8 above, the Directors be and are empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by Resolution 8 above as if section 561 of the Act or any pre-emption provisions contained in the Company's articles of association ("**Articles**") did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

    a. in connection with an offer of equity securities by way of rights issue to holders of equity securities in proportion (as nearly as may be practicable) to their respective holdings of such equity securities, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems in or under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

    b. otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £68,354.

    Such power (unless previously revoked, varied or renewed) shall expire on the earlier of 15 months after the passing of this Resolution or the conclusion of the next annual general meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired.

By order of the board

Clive Hopewell
Company Secretary

Date: 29 November 2018

Registered Office:
Level 2
34 Dover Street
London
W1S 4NG

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING ("AGM")

Entitlement to attend and vote

1 Only those members registered on the Company's register of members at 10.00 a.m. on 4 January 2019 shall be entitled to attend and vote at the AGM.

Appointment of proxies

2 If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM and you should have received a Form of Proxy with this Notice of Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.

3 A proxy does not need to be a member of the Company but must attend the AGM to represent you. Details of how to appoint the Chairman of the AGM or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrar of the Company.

5 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

Appointment of proxy using hard copy form of proxy

6 The notes to the Form of Proxy explain how to direct your proxy, how to vote on each resolution or withhold their vote.

7 To appoint a proxy using the Form of Proxy, the form must be:

(a) completed and signed;

(b) sent or delivered to Computershare Investor Services plc at The Pavilions, Bridgwater Road, Bristol BS13 8AE; and

(c) received by Computershare Investor Services plc no later than 10.00 a.m. on 4 January 2019.

8 In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

9 Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

Appointment of proxy by joint members

10 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

11 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

12 Where you have appointed a proxy using the hard-copy Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact Computershare Investor Services plc at The Pavilions, Bridgwater Road, Bristol BS13 8AE.

13 If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

14 In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services plc at The Pavilions, Bridgwater Road, Bristol BS13 8AE. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Computershare Investor Services plc no later than 10.00 a.m. on 4 January 2019.

15 If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

16 Appointment of a proxy does not preclude you from attending the AGM and voting in person. If you have appointed a proxy and attend the AGM in person, your proxy appointment will automatically be terminated.

Corporate representatives

17 A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

18 As at 29 November 2018, the Company's issued share capital comprised 235,788,928 ordinary shares of £0.0004 each. Each ordinary share carries the right to one vote at a general meeting of the Company therefore, the total number of voting rights in the Company on 29 November 2018 is 235,788,928.

Questions at the AGM

19 Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the AGM unless: (a) answering the question would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

Communication

20 You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the letter with which this Notice of Meeting was enclosed and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

Inspection of documents

21 The following will be available for inspection at the place of the meeting prior to and during the AGM:

(a) copies of service contracts of executive directors;

(b) copies of letters of appointment of non-executive directors; and

(c) a copy of the Company's articles of association.