Registered number: 09663756

# JANGADA MINES PLC

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2022

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | Brian McMaster – Executive Chairman<br>Luis De Azevedo – Non-Executive Director<br>Nick von Schirnding – Non-Executive Director |
| **Company Secretary** | MSP Secretaries Limited |
| **Registered Office** | Eastcastle House 27-28<br>Eastcastle Street<br>London W1W 8DH<br>United Kingdom |
| **Registered number:** | 09663756 |
| **Auditors** | **PKF Littlejohn LLP**<br>15 Westferry Circus<br>Canary Wharf<br>London E14 4HD<br>United Kingdom |
| **Legal advisors as to English law** | **Bird & Bird LLP**<br>12 New Fetter Lane<br>London EC4A 1JP<br>United Kingdom |
| **Legal advisors as to Brazilian law** | **FFA Legal**<br>Av. Jornalista Ricardo Marinho, 360<br>Sala 113, Ed. Cosmopolitan<br>22631-350<br>Barra da Tijuca, Rio de Janeiro<br>Brazil |
| **Nominated & Financial Adviser** | **Strand Hanson Limited**<br>26 Mount Row<br>London W1K 3SQ<br>United Kingdom |
| **Broker** | **Tavira Securities Limited**<br>88 Wood Street,<br>London EC2V 7DA<br>United Kingdom |
| **Registrars** | **Computershare Investor Services Plc**<br>The Pavilions<br>Bridgwater Road<br>Bristol BS13 8AE<br>United Kingdom |

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## GROUP STRATEGIC REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

**INTRODUCTION**

Jangada Mines Plc (the "**Company**") was incorporated as an acquisition vehicle for the purposes of acquiring mining concerns in Brazil.

The Company has subsequently focused its strategy on investing in mining assets with clear economic, geological and environmental objectives. At the balance sheet date, the Company acted as a holding company for its subsidiary undertaking, VTF Mineração Ltda, which owns 100% of the Pitombeiras Vanadium Project and additionally the Company held investments in ValOre Metals Corp, Fodere Titanium Limited and Blencowe Resources Limited and a loan receivable from KEFI Gold and Copper PLC which was converted to an equity investment after the year end.

The financial statements are presented in thousands of US Dollars ($'000). The financial statements have been prepared in accordance with the requirements of applicable law and UK-adopted International Accounting Standards ("UK IAS").

**REVIEW OF THE BUSINESS**

**Pitombeiras Vanadium Project**

During the year under review, the Company maintained its 100% ownership of the Pitombeiras Vanadium Project ('Pitombeiras' or 'the Project'), located in the state of Ceará, Brazil.

Further and as announced on 21 April 2022, the Company provided an updated technical report ('Technical Report') with the inclusion of the titanium component at its 100%-owned Pitombeiras Vanadium Titano-Magnetite ('VTM') Project ('the Project') in Ceará State, Brazil. The Technical Report was prepared by Brazilian based GE21 Consultoria Mineral ('GE21') and is compliant with National Instrument 43-101 ('NI 43-101'). The Technical Report supersedes the Preliminary Economic Assessment ('PEA') published in 2021. The financial figures include the production of vanadium pentoxide('$V_2O_5$') concentrate and titanium dioxide ('$TiO_2$') and are summarised below:

- US$96.5 million NPV @ 8% discount rate
- 100.3% post-tax IRR
- US$415.2 million total gross revenue
- US$145.9 million post-tax, undiscounted operating cash flow
- Post-tax payback period of 13 months
- US$18.45 million CAPEX (US$2.25 million for $TiO_2$)
- US$1.26 per tonne mined average operating cost
- US$19.39 per tonne of Fe $V_2O_5$ concentrate processed average operating cost
- US$12.48 per tonne of $TiO_2$ processed average operating cost

Subsequent to the release of the Technical Report, the Company evaluated financing options to progress development, but given the uncertainty of markets that prevailed throughout 2022, and have continued into 2023, no plans have yet been finalised.

## GROUP STRATEGIC REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2022 (*continued)*

As announced on 13 April 2023, tests were carried out regarding the extraction of high-grade $TiO_2$ and $V_2O_5$ from the Project. The tests were carried out by Zambian consulting firm, YCS Sustainable Solutions Limited, utilising the proprietary technology developed by Fodere Titanium Limited, in which Jangada holds a 7.78% interest. The work is part of the Company's strategy to optimise the value of the Project by applying innovative processing technology while also improving its Environmental, Social and Governance ('ESG') credentials.

Five samples, delivered by Jangada from various locations at Pitombeiras, were crushed, homogenised, and milled. The samples were then subjected to magnetic separation. Preliminary test works concentrated the $Fe_2O_3$, $TiO_2$ and $V_2O_5$ with all upgrading well and excellent recovery and purity rates reported, the highest recovery rates being 86.73% $TiO_2$, 91.19% $Fe_2O_3$, and 95.88% $V_2O_5$.

The Directors note that there is an ongoing court case in respect of a land ownership dispute, where the Pitombeiras project is located. The Group is not party to the lawsuit, and as such cannot be held liable from any claim arising from the case. The disputed ownership represents approximately 25% of the land covered by the mining license granted to the Group. The Group is authorised to develop its activities where the disputed land is located and has already conducted mineral research, exploration reports and has requested an extension of the Exploration Permit period, which has been granted by the National Mining Agency (Agencia Nacional de Minería). The Directors believe there to be no material impact on the operations of the Group, or the ongoing exploration at Pitombeiras.

**ValOre Metals Corp**

As announced in August 2019, we divested our 100% interest in Pedra Branca Brasil Mineração Ltda, the entity that held the Pedra Branca Project in Brazil, to ValOre Metals Corp (TSX-V:VO). The consideration received on the divestment was CAD$3,000,000 alongside the issue of 25,000,000 ValOre common shares to Jangada (of which 22,000,000 shares were received on completion and 3,000,000 deferred consideration shares were received over 3 years).

During the year, we sold part of the investment in ValOre to support the Company's working capital requirements, allowing us to progress the development of Pitombeiras, including the technical reports and identification of a NI 43-101 compliant resource. At the end of the reporting year, the Company held 1,000,000 shares representing a 0.58% interest in ValOre's share capital.

**Fodere Titanium Limited**

As previously announced, the Company has made a strategic investment in Fodere Titanium Limited ("Fodere") which continues to make excellent progress as it focuses on the production of titanium dioxide and vanadium from waste materials. Its highly energy efficient technology maximises resource recovery, improves processing effectiveness, reduces costs compared to regular processing routes and, minimises waste to improve environmental credentials and enhance corporate ESG performance.

Its pilot plant in South Africa is due to be operational in late 2023 targeting the production of concentrates including titanium dioxide, vanadium pentoxide along with alumina oxide and magnesium sulphate as by-products. Jeffry N. Quinn, the former head of Tronox, an international vertically integrated producer of titanium dioxide and inorganic chemicals, has joined the board of Fodere as a Director.

One of the Company's Non-Executive Directors, Nick von Schirnding, is Chairman of Fodere.

At the end of the reporting year, the Company held 1,774 shares being a 7.78% interest in Fodere's share capital.

**Blencowe Resources PLC**

Blencowe is advancing its Orom-Cross graphite project in Uganda where a Definitive Feasibility Study is on track to complete by the end of the year. The Project has a JORC resource of 24.5Mt @ 6.0% TCG based on drilling undertaken on less than 5% of the project area, part of which already benefits from a 21-year mining licence. The estimate of graphite is 2-3 billion tonnes. A Pre-Feasibility Study reported a Net Present Value of US$482m based on the existing 14-year mine life and outlined capex to first production of US$62m, average EBITDA of US$100m per annum and a return of US$1.1bn in free cash over the 14-year life.

Metallurgical testwork reported concentrate grades consistently ranging between 95-98%, which are battery grade. Further testing is underway in the USA and China and international funding negotiations are on-going. During the year, the Company purchased 16,550,000 shares in Blencowe Resources PLC (LSE: BRES) ('Blencowe') and paid £652,250 (USD 789,000) at £0.04 per share and received a further 7,625,000 warrants with an exercise price of £0.08 per share and expiry date of 31 October 2025. Blencowe holds a portfolio of key battery metals projects located in northern Uganda, see blencoweresourcesplc.com. Following a period of due diligence, the directors assessed that the Blencowe assets were being substantially undervalued by the market and we considered the investment to be a short to medium-term value accretive opportunity with exposure to both the graphite and nickel sulphide markets and consistent with Jangada's strategy of being involved in the development of "battery metals".

At the end of the reporting year, the Company held 20,050,000 shares being a 10.2% interest in Blencowe's share capital.

**KEFI Gold and Copper PLC**

During the year, the Company advanced an unsecured loan receivable of £200,000 (USD 242,000) to KEFI Gold and Copper Plc ("KEFI") for working capital requirements. The loan receivable is short-term in nature and carries a fixed rate of interest at 25%.

Post year end, the loan has been repaid in full by way of the issue of 35,714,285 shares in KEFI, equating to a holding currently of 0.756%.

**Financial Results**

The progress during the financial year of advancing the Pitombeiras project resulted in the Group incurring an Operating Loss from Continuing Operations of $0.9 million (2021: profit of $0.1 million). Overall, the reported Total Comprehensive Loss attributable to the Group for the reporting year was $1.3 million (2021: $0.3 million).

**PRINCIPAL RISKS AND UNCERTAINTIES**

There are several 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 risks and uncertainties relating to the Group:

| Description | Impact | Mitigation |
|---|---|---|
| Strategic Risk: | | |
| • The Group's licences and operations are in foreign jurisdictions. | The Group is subject to political, economic and other uncertainties, including but not limited to, changes in policies or the personnel administering them, appropriation of property without fair compensation, cancellation or modification of contract rights, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the area in which these operations are conducted. | The Board closely monitors economic and currency situations by developing a business continuity plan to allow the Directors to respond effectively to a country's economic crisis. |
| Financial Risks: | | |
| • Currency exchange rate fluctuations may negatively affect the Group | The Group's consolidated financial statements are presented in United States dollars and certain ongoing management costs will be denominated in British pounds sterling. The markets for the commodities produced are typically listed in US dollars and so the Group expects that most of its future revenues and operating expenses will be in US dollars, British pounds sterling and Brazilian Reals. Consequently, the Group will be exposed to ongoing currency risk. The Group may also have operating expenses denominated in another currency. Consequently, changes in the exchange rates of these currencies may negatively affect the Group's cash flows, operating results or financial condition to a material extent. | The Group does not intend to hedge its cash resources against risks associated with disadvantageous movements in currency exchange rates. Therefore, currency exchange rate fluctuations may negatively affect the Group. However, the Group will endeavour to immediately convert funds raised in pounds sterling to US dollars as a natural currency hedge to fulfil operational work plans and will continue to place money market orders to take advantage of favourable currency fluctuations. |
| • Project capital cost performance | Higher costs might negatively affect the Group's cash flows, operating results or financial condition to a material extent. | To gain the most competitive pricing, control costs and limit overruns, the Group negotiates fixed pricing for services, wherever possible, and obtain quotations from multiple suppliers of materials and services. |

## GROUP STRATEGIC REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)*

| Description | Impact | Mitigation |
|---|---|---|
| **Operational Risks:** | | |
| • Permits, licences and leases | Significant parts of the Company's operations require permits, licences, and leases from various governmental authorities in Brazil. There can be no assurance that the Company will be able to obtain all necessary permits, licences and leases that may be required to carry out future exploration and development at our projects. If the present permits, licences, and leases are terminated or withdrawn, such event could have an adverse effect of the Company's operations. | The directors believe that the Group is complying in all material respects with the terms of the licences and permits granted to it to undertake its activities in Brazil. Nevertheless, the Group's ability to obtain, sustain or renew such licences and permits on acceptable terms are subject to change in regulations and policies and to the discretion of the applicable regulatory authorities and governments. |
| • The Company's proposed development plans are subject to several operational and financial risks | The drilling programmes that continue to be carried out by the Group involve potentially complicated and difficult technical operations with which there are inherent risks. These include human error by the drilling operator, equipment failure, mistakes in the planning of the operations and the encountering of unforeseen difficulties within field operations.<br><br>The ability for the Group to move to the production phase (assuming the project is considered economic) is dependent on sourcing sufficient and appropriate funding. | While these risks cannot be eliminated, they are to an extent mitigated because the geology and geophysics of the Group assets are well understood, in particular because of the number of wells previously drilled in each of the licences. The Group has an experienced technical team who have worked in Brazil for many years.<br><br>The Board has significant experience in overseeing the transition from exploration to production, including the financing of such transition. As with any business, plans for growth will always be dependent of various factors including financing.<br><br>Tests were carried out regarding the extraction of high-grade $TiO_2$ and '$V_2O_5$ from its VTM project<br><br>The tests utilised the proprietary technology developed by Fodere The work is part of the Company's strategy to optimise the value of the Project by applying innovative processing technology while also improving its ESG credentials. |

## GROUP STRATEGIC REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)*

| Description | Impact | Mitigation |
|---|---|---|
| **HSE Risks:** | | |
| • Accident and incidents associated with operations. | Serious accidents can result in shut down of operational sites and loss of credible operator reputation/licence. | The Group does not have any employees.<br>At present, the Group is only undertaking drilling operations as part of the exploration phase. All drilling is undertaken by contractors who are appropriately qualified to undertake the works. These contractors are responsible for ensuring HSE requirements are met for their personnel.<br>Post balance sheet date, we have strengthened the technical team with the engagement (under contract) of two highly experienced senior appointments. |
| **Organisational Risks:** | | |
| • Dependence on key executives and personnel, employee retention and recruitment | The Group has one director holds an executive position.<br>As such, the future success of the Group depends on the expertise of the directors and, post the balance sheet date, its new senior management team.<br>For operational matters, the Group engages third party contractors to undertake various works (such as drilling etc). | Executive directors have notice periods of no less than three months to ensure sufficient time to handover responsibilities in the event of a departure.<br>The Board considers the current remuneration of the directors to be fair and competitive.<br>The use of third-party contractors mitigates the risk of damage to the business that may occur through the loss of key employees.<br>Post balance sheet date, we have strengthened the technical team with the engagement (under contract) of two highly experienced senior appointments. |

## STAKEHOLDER ENGAGEMENT

A key focus of the Board is to promote the success of the Company for the benefit of its members as a whole, whilst having regard to other matters (as set out below), as outlined in Section 172 of the Companies Act 2006.

We understand that our long-term success depends on our relationships with our stakeholders. We strive to provide our stakeholders with timely and effective information, responses and support. The following table summarises how we identify and seek to meet their needs, interests and expectations.

| Stakeholder | Reason for engagement | How we engage |
|---|---|---|
| **Shareholders:** We provide transparent, accessible and balanced information to investors to ensure support and confidence. | Understanding shareholder sentiments regarding the business, its prospects and the performance of management and, incidentally, meeting regulatory requirements. | RNS announcements and on our website and across our online channels. Interviews with our directors published as videos. Regular updates to our corporate presentation. Attendance at investor relations events. Annual report and AGM channels. |
| **Industry bodies, local and national governments:** Our services must meet certain legal and regulatory requirements. | We work hard to meet our regulatory obligations to retain our good standing with regulators, the Brazilian government, and the wider natural mining sector.<br><br>Our relationship with the local and national government is a key to our success and has taken a long time to develop. | Adherence to Brazilian state regulations. Commitment to fulfilling our AIM reporting obligations. Annual audit of Company processes and financial risks. |
| **Communities and environment:** Our operations are embedded within a complex local economic and ecosystem. | We ensure that all our contractors are properly qualified to undertake the services for which they are engaged.<br><br>We also ensure that our exploration activities are conducted with due care for the environment and neighbouring communities.<br><br>We work with state and local government to support the communities in the areas where we operate. | Post balance date, we have strengthened the technical team with the engagement (under contract) of two highly experienced senior appointments who have significant local knowledge. |

| Stakeholder | Reason for engagement | How we engage |
|---|---|---|
| **Suppliers.** We engage contractors and purchase from a wide range of suppliers. | We must honour our obligations to the staff of the companies that we contract, and ensure they are aware of the HSE and regulatory framework within which we operate. | We integrate our HSE policies into all agreements entered by our contractors. We have a robust financial process for settling our invoices for contractors and all other service providers. We take care to ensure we source products and services from ethical suppliers. |

The Board is responsible for putting in place and communicating a sound system to manage risk and implement internal control. We recognise that the management of risk is an essential business practice: we work to balance risk and return, threat and opportunity.

## HEALTH, SAFETY AND ENVIRONMENT

Our operations are conducted within a robust Health, Safety and Environment (“HSE”) framework. Any serious incident or high potential near miss will immediately be brought to the attention of the Board which will then oversee the appropriate remedial action.

## CLIMATE CHANGE

For our sector, there is a keen interest from several stakeholders and investors on the theme of climate change and we can assure them that the group is wholly committed to good environmental stewardship. We have a robust approach to corporate responsibility and sustainability issues, underpinned by our commitment to high standards of health and safety and environmental stewardship. Consistent with our strategy, we have increased our investment in Fodere that provide access to forward thinking experts, technology, and waste improvement processes, it is also consistent with the Company’s approach to developing vanadium, titanium and iron resources in a sustainable and environmentally friendly way.

## 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 continued developing the Pitombeiras project incurring an Operating Loss from Continuing Operations of $0.9 million (2021: profit of $0.1 million). This was in line with business plans and the directors’ expectations whilst the Group invested significantly in the Pitombeiras project.

As the Group is in an exploration phase, the directors review budgets and monitor pre-production timing targets as non-financial performance indicators.

## GROUP STRATEGIC REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)*

**DIRECTORS' EQUITY INTEREST 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") at the balance sheet date 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 as at 31 December 2022:** | **No. of ordinary shares held** | **% of share capital** | **No. of ordinary shares over which options are granted** |
|---|---|---|---|
| Brian McMaster | 55,244,467 | 21.4% | 12,000,000 |
| Luis De Azevedo (1) | 54,066,667 | 20.9% | 10,000,000 |
| Nicholas von Schirnding | 253,333 | 0.1% | 4,000,000 |

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

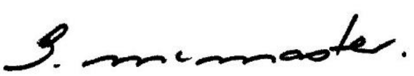
| | **Monetary remuneration Year ended 31 December 2022** | **Share Options Year ended 31 December 2022** | **Total Year ended 31 December 2022** | **Total Year ended 31 December 2021** |
|---|---|---|---|---|
| | **$'000** | **$'000** | **$'000** | **$'000** |
| B K McMaster | 222 | - | 222 | 469 |
| L M F De Azevedo | 74 | - | 74 | 316 |
| N K von Schirnding | 59 | - | 59 | 127 |
| | **355** | **-** | **355** | **912** |

**STRATEGY AND FUTURE DEVELOPMENTS**

The Group's key strategic goal is to progress the Pitombeiras operations through to production and future cash flow generative  As announced on 21 April 2022, an updated Technical Report showed robust economics inclusive of $TiO_2$ with NPV8% of US$96.5 million post tax and 100.3% IRR.

The estimated initial CAPEX amount is primarily for the construction of a plant to process the ore.  The timing of the construction of the plant is at this stage unknown due to the ongoing assessment of the project and, if considered economic, the need to access funding.   This assessment and the sourcing of funding are ongoing matters being considered by the Board.

This report was approved by the directors on 29 June 2023.



**B K McMaster**
Director

# DIRECTORS' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

**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 applicable law and UK-adopted International Accounting Standards.

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 judgements 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 are prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Jangada Mines website 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 mining assets in Brazil.

## RESULTS AND DIVIDENDS

This report covers the year ended 31 December 2022. The Group made an Operating Loss from Continuing Operations for the year, after taxation, amounting to $0.9 million (2021: profit of $0.1 million). Overall, the reported Total Comprehensive Loss attributable to the Group for the reporting year was $1.3 million (2021: $0.3 million).

The directors do not recommend payment of a dividend.

## GOING CONCERN

The disposal of its subsidiary which owned the Pedra Branca project to ValOre, for the combined consideration of CAD$3 million (USD $2.26m) cash and 25,000,000 ValOre common shares has provided the Company with significant cash flow to allow the Company to advance the Pitombeiras Project as well as provide for ongoing working capital requirements.

The Group monitors its cash position, cash forecasts and liquidity regularly, and has a conservative approach to cash management. As at 31 December 2022, the Company held cash reserves of $1.4m.

The Group will require further funding to finance its programme in the medium to long term. To this end:

- As at the date of this report, the Company holds 1,000,000 common shares in ValOre, which were received in the year, which relate to the fifth and sixth tranches under the terms of the disposal of the Pedra Branca project.
- The Company also holds 20,050,000 shares in Blencowe Resources PLC and is a liquid investment on the London Stock Exchange.
- The Company has a loan receivable from KEFI Gold and Copper Plc ("KEFI") for $0.2 million (2021: nil), which was subsequently converted post year end into 35,714,285 shares in KEFI and is a liquid investment on the London Stock Exchange.

The timing of the CAPEX spend is at this stage unknown due to the ongoing assessment regarding funding. Notwithstanding the uncertainty in respect to future CAPEX timing and requirements, based on the results of abovementioned fundraising activities, the directors do not consider there to be a material uncertainty during the assessment period, which may cast significant doubt over the Group's ability to continue as a going concern. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

## DIRECTORS' REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)*

**DIRECTORS**

The directors who served during the year were:

B K McMaster
L M F De Azevedo
N K Von Schirnding

**FINANCIAL INSTRUMENTS**

Details of the Company's financial instruments are given in note 4.

**EVENTS AFTER THE END OF REPORTING PERIOD**

Post balance sheet events are discussed in note 20.

**INDEPENDENT AUDITORS**

PKF Littlejohn LLP has indicated its willingness to be reappointed as independent auditors and a proposal for their reappointment 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 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 June 2023.

B. mcmaster.

**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 Board leadership and effectiveness, Board remuneration, and internal control is based upon practices which the Board believes 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 practice, much of the day-to-day running of the Company's operations is delegated to consultants who are not directors 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. 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 two 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 Board is 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 or individual Directors but will consider doing so at an appropriate stage of its development in accordance with general market practice.

The Board maintains 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, MAR and other governance requirements.

In the statement below, we explain our approach to governance, and how the Board and its committees operate. It is the role of the Board 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.

B. mcmaster.

**Brian McMaster**
Executive Chairman
29 June 2022

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

**Adoption of the QCA Corporate Governance Code**

Changes to the AIM Rules in March 2018 required AIM companies to apply a recognised corporate governance code from 28 September 2018. Of the two widely recognised formal codes, the Board has decided to adhere to the Quoted Companies Alliance Corporate Governance Code (the QCA Code), for Small and Mid-Size Quoted Companies to meet the requirements of AIM Rule 26.

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 Board judges these to be appropriate in the circumstances and below we provide an explanation of the approach taken in relation to each. The Board considers that the only departure arises under principles 5 and 7 where, given its small size, the Chairman and CEO roles are combined, and the Company has no formal succession planning process or board performance evaluation in place, respectively.

**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 mining operation that is focussed on the Pitombeiras vanadium resource. Our business model has been to discover and develop highly prospective, low risk projects with low-cost production. Given changes in investors' appetites and the rapid progress of the EV market, the Company has expanded its strategy and business plan into complimentary assets, where the Board believes there is a clear path to commercial gain such as its investment in Fodere Titanium and Blencowe Resources. The Board remains committed to vanadium as an asset class and considers that it is in the best interests of shareholders to continue to advance the development of Pitombeiras whilst simultaneously seizing opportunities to invest more broadly within the wider energy transition input material sector as market conditions allow.

**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.

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 Board also encourages shareholders to attend the Annual General Meeting, at which members of the Board 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 Board's 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 Board reviews risks facing the business on a regular basis. The Board maintains 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 Board 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 Board;
- review by the Board 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 Board on changes in legislation and practices within the sector and accounting and legal developments pertinent to the Company;
- 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 as a well-functioning, balanced team led by the chair**

The Board

The Board, whose size is commensurate with the Company' s current stage of development, consists of one Executive Director, Brian McMaster (Executive Chairman) and two Non-Executive Directors, Luis De Azevedo and Nicholas von Schirnding.

During the reporting year there have been 4 board meetings with the number of meetings attended by each director as follows.

| Director | Number of Meetings Eligible to Attend | Number of Meetings Attended |
|---|---|---|
| Mr. Brian McMaster | 4 | 4 |
| Mr. Luis De Azevedo | 4 | 4 |
| Mr. Nicholas von Schirnding | 4 | 4 |

Description of Roles

The Chairman is responsible for overseeing the running of the Board and ensuring its effectiveness, and that no individual dominates the Board's decision-making. He is also responsible for making sure that the Board operates 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 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 counterbalance on the Board 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 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 Board 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 Board has 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 board meetings, including the timely dissemination of appropriate information. The Company Secretary provides advice and guidance to the extent required by the board on the legal and regulatory environment.

**Principle 7: Evaluate board 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 Board 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 Board is 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 Board believes 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 4.

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 board**

The Board provides strategic leadership for the Group and operates within the scope of a robust corporate governance framework. The Executive Chairman has 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 Board decisions.

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

Matters Reserved for the Board as a whole

The Board operates both formally, through Board 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 Board.

Appointment of Directors

The Executive Chairman 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 Committees

The Board 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 Committee reports to the Board 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 were Brian McMaster and Nicholas von Schirnding. Nicholas von Schirnding acts as Chairman.

Activities:

The 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 Board in respect of external auditor appointment and remuneration.

2022 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 appointment of our external auditor, PKF Littlejohn LLP, including fee structure.

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

Remuneration Committee

The members of the Remuneration Committee are Luis De Azevedo and Nicholas von Schirnding. Nicholas von Schirnding acts as Chairman.

Activities:

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

2022 Review:

During the past 12 months the Remuneration Committee has met once.

Nomination Committee

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

Activities:

In particular, the 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 board roles; and
- providing assistance to the Chairman of the Board in taking steps to remove any underperforming director.

2022 Review:

During the past 12 months the Nomination Committee has not been required to meet, but rather decisions have been taken by the Board.

**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 meeting with existing or potential new shareholders.

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 subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statements of Cash Flows, the Consolidated Statement of Changes in Equity, the Parent Company Statement of Financial Position, the Parent Company Statement of Cash Flows, the Parent Company Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards.

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 31 December 2022 and of the group's and company's loss for the year then ended;
- the group and parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards; 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 and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included checking the mathematical accuracy of management's cash flow forecast and confirming the opening cash position, challenging and evaluating management's underlying cash flow projections and reviewing the completeness and appropriateness of management's going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In determining our overall audit strategy, we assessed the level of uncorrected misstatements that would be material for the financial statements as a whole. We determined the group materiality for the financial statements as a whole to be $96,000, whilst the parent company benchmark was set at $95,000. Both thresholds were calculated based on 2% of gross assets, as we consider this to be the most relevant benchmark for investors. Performance materiality was set at 70% of materiality for the financial statements being $67,200 for the group, and $66,500 for the parent company.

The threshold for reporting unadjusted differences to those charged with governance was set at $4,800 for the group and $4,750 for the parent company. We also agreed to report differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

**Our approach to the audit**

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

**Key audit matters**

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

| Key Audit Matter | How our scope addressed this matter |
|---|---|
| **Carrying value and assessment of impairment of intangible exploration evaluation assets**<br><br>**(Group only) (Refer to note 11)** | |
| The carrying value of the Pitombeiras Project within intangible assets comprises the most material asset on the balance sheet at the year-end. There is a risk that the carrying value of the intangible asset is overstated and an impairment charge is required. | Our work is this area included:<br>• Critical review of management's impairment paper and challenge of all key assumptions therein, as well as considerations of the impairment indicators within IFRS 6;<br>• Review of the competent person report regarding the operations of the Jangada Group;<br>• Review of the carrying value of intangible assets having regard to impairment indicators under IFRS 6;<br>• Review the exploration licence to ensure they are valid and that all terms and conditions have been complied with;<br>• Substantive testing of intangible additions in the year in accordance with IFRS 6; and<br>• Ensuring disclosures made in the financial statements in relation to critical accounting judgements are adequate and in line with our understanding of the group and its activities.<br>Based on our procedures, no material misstatements have been identified in respect of this key audit matter. |

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

| | |
|---|---|
| **Valuation and classification of unlisted investments (Refer to note 13)** | |
| The Company held investments with a value of $2,081k as at 31 December 2022.This is valued in accordance with IFRS 13 and the fair value hierarchy; and classified as per IFRS 9. There is the risk that these investments have not been valued in accordance with IFRS 13 and IFRS 9 and require impairment. Investments which fall under Tier 2 and 3 of the fair value hierarchy are subject to management estimate, which increases the risk of material misstatement.<br><br>The Group has also invested in level 1 listed investments, which are not subject to management judgement or estimation, and are valued at their yearend share price per the relevant exchange.<br><br>Given the value of the investment is material at the year end and significant judgement needed when valuing level 2 and 3 investments, we have assessed valuation of investments as a Key audit matter. | Our audit work included:<br>• Reviewing the valuation methodology for the investments held and ensuring that the carrying values are recoverable and supported by sufficient and appropriate audit evidence;<br>• Ensuring that all asset types are categorised according to IFRS, including the accounting disclosures as required under IFRS 9;<br>• Reviewing the movement in investments to ensure they are accounted for and disclosed correctly in line with IFRS 9;<br>• Reviewing disclosures in relation to said assets;<br>• Ensuring that Jangada Mines Plc has full title to the investments held;<br>• Ensuring that appropriate disclosures surrounding the estimates made in respect of any valuations are included in the financial statements; and<br>• Considering whether the transactions have been accounted for correctly within the financial statements as per the policies in compliance with IFRS.<br><br>Based on our procedures, no material misstatements have been identified in respect of this key audit matter. |
| **Accounting for the investment in subsidiary (Company only) (Refer to note 12)** | |
| **Investments in subsidiaries and intercompany loans are a significant asset in the Company's accounts.**<br><br>Given the continuing losses there is a risk that the investments in subsidiaries and intercompany loans may not be fully recoverable. | Our work in this area will include:<br>• Assess the carrying value of the investments/intercompany receivables by reference to the subsidiaries underlying net assets; and<br>• Obtaining supporting calculations to support the opinion that the net investment in subsidiaries is recoverable.<br><br>Based on our procedures, no material misstatements have been identified in respect of this key audit matter. |

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and application of our cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from, Companies Act 2006, IFRS accounting standards, and the operating terms set out in the mining licenses, as well as local laws and regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to: enquiries of management, review of minutes, review of legal or regulatory correspondence and completion of a disclosure checklist.

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

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the posting of unusual journals. The potential for management bias was also identified in relation to accounting estimates. We addressed this by challenging the assumptions and judgements made by management when auditing significant accounting estimates, as described in the 'Key Audit Matters' section of this report.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Use of our report**

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

**Zahir Khaki**
**For and on behalf of PKF Littlejohn LLP**
**Statutory Auditor**

15 Westferry Circus
Canary Wharf
London E14 4HD

29 June 2023

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | | Year ended 31 December 2022 | Year ended 31 December 2021 |
|---|---|---|---|
| | | $'000 | $'000 |
| **Other Income** | | | |
| (Loss)/gain on fair value of investment | | (270) | 340 |
| Profit on disposal of investment | | 68 | 1,743 |
| Interest from short term loans | | 62 | - |
| **Total Other Income** | | **(140)** | **2,083** |
| Directors' remuneration | **9** | (355) | (379) |
| Share based payments - directors | **9** | - | (533) |
| Impairment of investments | **13** | - | (211) |
| Foreign exchange gain | | 223 | 31 |
| Administration expenses | | (663) | (895) |
| **Operating (loss)/profit from continuing operations** | | **(935)** | **96** |
| Finance expense | **6** | (1) | (4) |
| **(Loss)/profit before tax** | | **(936)** | **92** |
| Tax expense | **7** | - | - |
| **(Loss)/profit from continuing operations** | | **(936)** | **92** |
| Other comprehensive income: | | | |
| Items that will or may be reclassified to profit or loss: | | | |
| Currency translation differences arising on translation of foreign operations | | (392) | (354) |
| **Total comprehensive loss attributable to owners of the parent** | | **(1,328)** | **(262)** |

| | | | |
|---|---|---|---|
| **(Loss)/profit per share from (loss)/profit from continuing operations attributable to the ordinary equity holders of the Company during the year** | | **Cents** | **Cents** |
| - Basic (cents) | **8** | (0.36) | 0.04 |
| - Diluted (cents) | **8** | (0.36) | 0.04 |
| **(Loss)/profit per share attributable to the ordinary equity holders of the Company during the year** | | **Cents** | **Cents** |
| - Basic (cents) | **8** | (0.36) | 0.04 |
| - Diluted (cents) | **8** | (0.36) | 0.04 |

The notes on pages 35 to 52 form part of these financial statements.

## CONSOLIDATED BALANCE SHEET
## AS AT 31 DECEMBER 2022

| | Note | As at 31 December 2022 | As at 31 December 2021 |
|---|---|---|---|
| | | $'000 | $'000 |
| **Assets** | | | |
| **Non-current assets** | | | |
| Exploration and evaluation assets | **11** | 1,210 | 1,019 |
| Property, plant and equipment | | 4 | 4 |
| Investments | **13** | 2,081 | 1,331 |
| | | **3,295** | **2,354** |
| **Current assets** | | | |
| Other receivables | **14** | 302 | 450 |
| Cash and cash equivalents | | 1,397 | 3,589 |
| | | **1,699** | **4,039** |
| **Total assets** | | **4,994** | **6,393** |
| | | | |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade payables | | 21 | 6 |
| Accruals and other payables | **15** | 113 | 53 |
| **Total liabilities** | | **134** | **59** |
| | | | |
| **Issued capital and reserves attributable to owners of the parent** | | | |
| Share capital | **16** | 135 | 135 |
| Share premium | **16** | 5,959 | 5,959 |
| Translation reserve | | (754) | (362) |
| Option reserve | **17** | 709 | 734 |
| Fair value reserve | | 38 | 38 |
| Retained earnings | | (1,227) | (170) |
| **Total equity** | | **4,860** | **6,334** |
| **Total equity and liabilities** | | **4,994** | **6,393** |

The financial statements were approved and authorised for issue by the directors and were signed on 29 June 2023.

**B K McMaster**
Director

The notes on pages 35 to 52 form part of these financial statements.

## COMPANY BALANCE SHEET
## AS AT 31 DECEMBER 2022

| | Note | As at 31 December 2022 $'000 | As at 31 December 2021 $'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Investment in subsidiary | **12** | 1,602 | 1,502 |
| Investments | **13** | 2,081 | 1,331 |
| | | **3,683** | **2,833** |
| **Current assets** | | | |
| Other receivables | **14** | 302 | 450 |
| Cash and cash equivalents | | 1,363 | 3,499 |
| | | **1,665** | **3,949** |
| **Total assets** | | **5,348** | **6,782** |
| | | | |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade payables | | 16 | 6 |
| Accruals and other payables | **15** | 113 | 53 |
| **Total liabilities** | | **129** | **59** |
| | | | |
| **Issued capital and reserves attributable to owners of the parent** | | | |
| Share capital | **16** | 135 | 135 |
| Share premium | **16** | 5,959 | 5,959 |
| Translation reserve | | (1,556) | (880) |
| Option reserve | **17** | 709 | 734 |
| Retained earnings | | (28) | 775 |
| **Total equity** | | **5,219** | **6,723** |
| **Total equity & liabilities** | | **5,348** | **6,782** |

The loss for the year under review for the parent company, Jangada Mines plc, was $682,168 (2021: profit of $165,681). As permitted under Section 408 of the Companies Act 2006, no Income Statement or Statement of Comprehensive Income is presented for the parent company. The Company's registered number is 09663756.

The financial statements were approved and authorised for issue by the directors and were signed on 29 June 2023.

B. McMaster.

**B K McMaster**
Director

The notes on pages 35 to 52 form part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | Year ended 31 December 2022 | Year ended 31 December 2021 |
|---|---|---|---|
| **Cash flows from operating activities** | | **$'000** | **$'000** |
| (Loss)/profit before tax | | (936) | 92 |
| Add back: | | | |
| Depreciation | | 1 | - |
| Cash proceeds on sale of investment | | (68) | - |
| Cash proceeds on sale of subsidiary | | - | (1,743) |
| Non-cash interest from short term loans | | (62) | - |
| Fair value loss/(gain) in investments | | 270 | (228) |
| Non-cash exchange differences | | (223) | (31) |
| Non-cash share option charge | | - | 683 |
| Non-cash shares issued in lieu of fees | | - | (58) |
| Non-cash impairment of investments | | - | 211 |
| Decrease in other receivables | | 20 | (104) |
| Decrease in trade and other payables | | 75 | 70 |
| **Net cash flows used in operating activities** | | **(923)** | **(1,108)** |
| | | | |
| **Investing activities** | | | |
| Development of exploration and evaluation assets | | (74) | (468) |
| Purchase of plant, property and equipment | | - | (3) |
| Sale of shares in investments | | 150 | 3,870 |
| Purchase of shares in investments | | (870) | (741) |
| Advance of loan receivable | | (246) | - |
| **Net cash inflows (used in)/from investing activities** | | **(1,040)** | **2,658** |
| | | | |
| **Financing activities** | | | |
| Share capital issue | | - | 1,520 |
| Exercise of options | | - | 70 |
| Cancellation of options | **17** | (102) | - |
| **Net cash flows from financing activities** | | **(102)** | **1,590** |
| | | | |
| **Net movement in cash and cash equivalents** | | **(2,065)** | **3,140** |
| **Cash and cash equivalents at beginning of year** | | **3,589** | **513** |
| Movements in foreign exchange | | (127) | (64) |
| **Cash and cash equivalents at end of year** | | **1,397** | **3,589** |

The notes on pages 35 to 52 form part of these financial statements.

## COMPANY CASH FLOW STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | | Year ended 31 December 2022 | Year ended 31 December 2021 |
|---|---|---|---|
| **Cash flows from operating activities** | | **$'000** | **$'000** |
| (Loss)/profit before tax | | (682) | 165 |
| Cash proceeds on sale of investment | | (68) | - |
| Cash proceeds on sale of subsidiary | | - | (1,743) |
| Non-cash interest from short term loans | | (62) | - |
| Fair value loss/(gain) in investments | | 270 | (228) |
| Non-cash exchange differences | | (383) | (31) |
| Non-cash share option charge | | - | 683 |
| Non-cash shares issued in lieu of fees | | - | (58) |
| Non-cash impairment of investments | | - | 211 |
| Decrease in other receivables | | 20 | (99) |
| (Increase)/decrease in trade and other payables | | 70 | 52 |
| **Net cash flows used in operating activities** | | **(835)** | **(1,048)** |
| | | | |
| **Investing activities** | | | |
| Sale of shares in investments | | 150 | 3,870 |
| Purchase of shares in investment | | (870) | (741) |
| Advance of loan receivable | | (246) | - |
| **Net cash flow (used in)/from investing activities** | | **(966)** | **3,129** |
| | | | |
| **Financing activities** | | | |
| Share capital issue | | - | 1,520 |
| Cost of issuing share capital | | - | 70 |
| Increase in related party borrowings | | (101) | (690) |
| Cancellation of options | 17 | (102) | - |
| **Net cash (used in)/from financing activities** | | **(203)** | **900** |
| | | | |
| **Net movement in cash and cash equivalents** | | **(2,004)** | **2,981** |
| **Cash and cash equivalents at beginning of year** | | **3,499** | **447** |
| Movements in foreign exchange | | (132) | 71 |
| **Cash and cash equivalents at end of year** | | **1,363** | **3,499** |

The notes on pages 35 to 52 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

| | Share capital | Share premium | Translation reserve | Fair Value reserve | Option reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **As at 1 January 2021** | **126** | **4,389** | **(8)** | **38** | **-** | **(262)** | **4,283** |
| **Comprehensive loss for the year** | | | | | | | |
| Profit for the year | - | - | - | - | - | 92 | **92** |
| Other comprehensive income | - | - | (354) | - | - | - | **(354)** |
| **Total comprehensive loss for the year** | **-** | **-** | **(354)** | **-** | **-** | **92** | **(262)** |
| **Transactions with owners** | | | | | | | |
| Shares issued | 8 | 1,732 | - | - | - | - | **1,740** |
| Share issue costs charged to share premium | - | (232) | - | - | - | - | **(232)** |
| Share options exercised | 1 | 70 | - | - | - | - | **71** |
| Share options issued | - | - | - | - | 734 | - | **734** |
| **Total transactions with owners** | **9** | **1,570** | **-** | **-** | **734** | **-** | **2,313** |
| **As at 31 December 2021** | **135** | **5,959** | **(362)** | **38** | **734** | **(170)** | **6,334** |
| **Comprehensive loss for the year** | | | | | | | |
| Loss for the year | - | - | - | - | - | (936) | **(936)** |
| Other comprehensive income | - | - | (392) | - | - | - | **(392)** |
| **Total comprehensive loss for the year** | **-** | **-** | **(392)** | **-** | **-** | **(936)** | **(1,328)** |
| **Transactions with owners** | | | | | | | |
| Share options surrendered | - | - | - | - | (25) | (121) | **(146)** |
| Share options expensed | - | - | - | - | - | - | **-** |
| **Total transactions with owners** | **-** | **-** | **-** | **-** | **(25)** | **(121)** | **(146)** |
| **As at 31 December 2022** | **135** | **5,959** | **(754)** | **38** | **709** | **(1,227)** | **4,860** |

The notes on pages 35 to 52 form part of these financial statements.

## COMPANY STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | Share capital $'000 | Share Premium $'000 | Translation reserve $'000 | Option reserve $'000 | Retained earnings $'000 | Total equity attributable to owners $'000 |
|---|---|---|---|---|---|---|
| **As at 1 January 2021** | **126** | **4,389** | **30** | **-** | **610** | **5,155** |
| **Comprehensive loss for the year** | | | | | | |
| Profit for the year | - | - | - | - | 165 | **165** |
| Other comprehensive income | - | - | (910) | - | - | **(910)** |
| **Total comprehensive income for the year** | **-** | **-** | **(910)** | **-** | **165** | **(745)** |
| **Transactions with owners** | | | | | | |
| Share issued | 8 | 1,732 | - | - | **-** | **1,740** |
| Share issue costs charged to share premium | - | (232) | - | - | **-** | **(232)** |
| Share options exercised | 1 | 70 | - | - | **-** | **71** |
| Share options issued | - | - | - | 734 | - | **734** |
| **Total transactions with owners** | **9** | **1,570** | **-** | **734** | **-** | **2,313** |
| **As at 31 December 2021** | **135** | **5,959** | **(880)** | **734** | **775** | **6,723** |
| **Comprehensive loss for the year** | | | | | | |
| Loss for the year | - | - | - | - | (682) | **(682)** |
| Other comprehensive income | - | - | (676) | - | - | **(676)** |
| **Total comprehensive loss for the year** | **-** | **-** | **(676)** | **-** | **(682)** | **(1,358)** |
| **Transactions with owners** | | | | | | |
| Share options surrendered | - | - | - | (25) | (121) | **(146)** |
| Share options expensed | - | - | - | - | - | **-** |
| **Total transactions with owners** | **-** | **-** | **-** | **(25)** | **(121)** | **(146)** |
| **As at 31 December 2022** | **135** | **5,959** | **(1,556)** | **709** | **(28)** | **5,219** |

The notes on pages 35 to 52 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2022

**1. General information**

The Company is a public limited company limited by shares, incorporated in England and Wales on 30 June 2015 with the registration number 09663756 and with its registered office at Eastcastle House 27-28, Eastcastle Street, London W1W 8DH, United Kingdom.

The nature of the Company's operations and its principal activities are set out in the Strategic Report and the Report of the Directors. on pages 4 and 13 respectively.

**2. Accounting policies**

***Basis of preparation and going concern basis***

These financial statements have been prepared on a historical cost basis in accordance with UK-adopted International Accounting Standards and applicable law, in line with International Financial Reporting Standards (IFRS) and IFRIC interpretations issued by the International Accounting Standards Board (IASB) adopted by the European Union and in accordance with applicable UK Law. The adoption of all of the new and revised Standards and Interpretations issued by the IASB and the IFRIC of the IASB that are relevant to the operations and effective for annual reporting periods beginning on 1 July 2019 are reflected in these financial statements.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The consolidated financial information is presented in United States Dollars ($).

The functional currency of the subsidiary, VTF Mineração Ltda is Brazilian Real. The functional of the Company is British Pounds Sterling (GBP). Amounts are rounded to the nearest thousand ($'000), unless otherwise stated.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based, or as a result of new information or more experience. Such changes are recognised in the period in which the estimate is revised.

The Group's business activities together with the factors likely to affect its future development, performance and position are set out on pages 4 to 15. In addition, note 4 to the Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk.

**2. Accounting policies** *(continued)*

The Financial Statements have been prepared on a going concern basis. Although the Group's assets are not generating revenues and an operating loss has been reported from its continued operations, the Directors consider that the Group has sufficient funds to undertake its operating activities for a period of at least the next 12 months including any additional expenditure required in relation to its current exploration projects. The Group has cash reserves which are considered sufficient by the Directors to fund the Group's committed expenditure both operationally and on its exploration project for the foreseeable future. However, as additional projects are identified and the Pitombeiras project moves towards production, additional funding will be required.

As discussed in the Directors' report, the directors do not consider there to be a material uncertainty, which may cast doubt about the Group and Company's ability to continue as a going concern. Given the proceeds from the sale of the Pedra Branca project and based on the Group's planned expenditure on the Pitombeiras vanadium deposit and the Group's working capital requirements, the Directors have a reasonable expectation that the Group will have adequate resources to meet its capital requirements for the foreseeable future. For that reason, the Directors have concluded that the financial statements should be prepared on a going concern basis.

***Changes in accounting principles and adoption of new and revised standards***

In the year ended 31 December 2022, the Directors have reviewed all the new and revised Standards issued that are relevant to the Group's operations and effective for the current reporting period.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 31 December 2022. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to the Group accounting policies.

New and amended accounting standards and interpretations have been published but are not mandatory. The Group has decided against early adoptions of these standards, and has determined the potential impact on the financial statements from the adoption of these standards and interpretations is not material to the Group.

***Basis of Consolidation***

**Subsidiaries**

The subsidiaries are consolidated from the date of 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.

**2. Accounting policies** *(continued)*

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.

***Business combinations***

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits.

A business consists of inputs and processes applied to those inputs that have the ability to create outputs that provide a return to the Company and its shareholders.

A business need not include all of the inputs and processes that were used by the acquiree to produce outputs if the business can be integrated with the inputs and processes of the Company to continue to produce outputs.

If the integrated set of activities and assets is in the exploration and development stage, and thus, may not have outputs, the Company considers other factors to determine whether the set of activities and assets is a business. Those factors include, but are not limited to, whether the set of activities and assets:

- Has begun planned principal activities;
- Has employees, intellectual property and other inputs and processes that could be applied to those inputs;
- Is pursuing a plan to produce outputs; and
- Will be able to obtain access to customers that will purchase the outputs.

***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. Exchange differences are taken to the Statement of Comprehensive Income.

**2. Accounting policies** *(continued)*

***Financial instruments***

Financial instruments are measured as set out below. Financial instruments carried on the statement of financial position include cash and cash equivalents, trade and other receivables, investments, trade and other payables and loans to group companies.

Financial instruments are initially recognised at fair value when the group becomes a party to their contractual arrangements. Transaction costs directly attributable to the instrument's acquisition or issue are included in the initial measurement of financial assets and financial liabilities, except financial instruments classified as at fair value through profit or loss (FVTPL). The subsequent measurement of financial instruments is dealt with below.

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

***Fair value***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities, for which fair value is measured or disclosed in the Financial Statements, are categorised within the fair value hierarchy, described as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 – valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 – valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable.

***Financial assets***

All the Group's financial assets are held within a business model whose objective is to collect contractual cash flows which are solely payments of principals and interest and therefore classified as subsequently measured at amortised cost. Group's financial assets include cash and cash equivalents, Company's financial assets include cash and other receivables. The Group assesses on a forward-looking basis, the expected credit losses, defined as the difference between the contractual cash flows and the cash flows that are expected to be received.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

**2. Accounting policies** *(continued)*

***Financial liabilities***

Financial liabilities are classified as either financial liabilities at fair value through profit and loss (FVTPL) or as other financial liabilities. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged or cancelled, or they expire.

Financial liabilities are classified at FVTPL when the financial liability is either held for trading or it is designated at FVTPL. A financial liability is classified as held for trading if it has been incurred principally for the purpose of repurchasing it in the near term or is a derivative that is not a designated or effective hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

***Exploration and evaluation assets***

Costs capitalised in respect of the Group's development and production assets are required to be assessed for impairment under the provisions of IAS 36. Such an estimate requires the Group to exercise judgement in respect of the indicators of impairment and in respect of inputs used in the models which are used to support the carrying value of the assets.

Such inputs include costs of exploration work, studies, field costs, government fees and the associated support costs. The directors concluded there were no impairment indicators in the current year. Therefore, no impairment to the carrying value of the Pitombeiras asset was considered necessary.

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 licence interest are capitalised.

***Share Options – estimates and assumptions***

The fair value of options and warrants granted to directors and others in respect of services provided is recognised as an expense in the Statement of Comprehensive Income with a corresponding increase in equity reserves.

**2. Accounting policies** *(continued)*

***Taxation***

The charge for current tax is based on the taxable income for the year. The taxable result for the year 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.

***Investments***

Investments are carried at fair value. Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the audited consolidated balance sheet 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 preparation of the Financial Statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting year and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such judgements and estimates include, but are not limited to:

*Judgements*

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 in respect to the Pitombeiras project (2022: $1,210,000, 2021: $1,019,000) at this time.

*Estimates and assumptions*

*Share based payments*

Share options issued by the Group relates to the Jangada Plc Share Option Plan. The grant date fair value of such options is calculated using a Black-Scholes model whose input assumptions are derived from market and other internal estimates. The key estimates include volatility rates and the expected life of the options, together with the likelihood of non-market performance conditions being achieved. Refer note 17.

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

On exercise or cancellation of share options and warrants, the proportion of the share-based payment reserve relevant to those options and warrants is transferred from other reserves to the accumulated deficit. On exercise, equity is also increased by the amount of the proceeds received. The fair value is measured at grant date charged in the accounting year during which the option and warrants becomes unconditional.

The fair value of options and warrants are calculated using the Black-Scholes model, taking into account the terms and conditions upon which the options and warrants were granted. Vesting conditions are non-market and there are no market vesting conditions. These vesting conditions are included in the assumptions about the number of options and warrants that are expected to vest. At the end of each reporting year, the Company revises its estimate of the number of options and warrants that are expected to vest. The exercise price is fixed at the date of grant and no compensation is due at the date of grant. Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with the fair value of the goods and services received. Please refer to note 17.

*Company – Application of the expected credit loss model prescribed by IFRS 9*

IFRS 9 requires the Parent company to make assumptions when implementing the forward-looking expected credit loss model. This model is required to be used to assess the intercompany loan receivables from the company's Brazilian subsidiaries for impairment.

Arriving at the expected credit loss allowance involved considering different scenarios for the recovery of the intercompany loan receivables, the possible credit losses that could arise and the probabilities for these scenarios. The following was considered; the exploration project risk for Pitombeiras, positive NPV of the Pitombeiras project as demonstrated by the Feasibility Study, ability to raise the finance to develop the projects, ability to sell the projects, market and technical risks relating to the project. The Directors therefore considered that there was no impairment of the subsidiary loan (2021: nil).

**4. Financial instruments - Risk Management**

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

- Credit risk;
- Liquidity risk;
- Fair value measurement risk; and
- Foreign exchange risk.

*Credit risk*

Credit risk arises from cash and cash equivalents and outstanding receivables. The Group maintains cash and short-term deposits with a variety of credit worthy financial institutions and considers the credit ratings of these institutions before investing in order to mitigate against the associated credit risk.

The Group's exposure to credit risk amounted to $1,699,000 (2021: $4,039,000). Of this amount, $1,397,000 represents the Group's cash holdings (2021: $3,589,000).

**4. Financial instruments - Risk Management** (*continued*)

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.

*Liquidity risk*

In keeping with similar sized mining exploration groups, the Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital. The Group monitors its cash and future funding requirements through the use of cash flow forecasts.

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.

*Fair value measurement risk*

The following tables detail the Group's assets and liabilities measured or disclosed at fair value using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **As at 31 December 2022** | **$'000** | **$'000** | **$'000** | **$'000** |
| Assets | | | | |
| Investments – At FVTPL | 1,233 | 848 | - | 2,081 |
| **Total assets** | **1,233** | **848** | **-** | **2,081** |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **As at 31 December 2021** | **$'000** | **$'000** | **$'000** | **$'000** |
| Assets | | | | |
| Investments – At FVTPL | 451 | 880 | - | 1,331 |
| **Total assets** | **451** | **880** | **-** | **1,331** |

## 4. Financial instruments - Risk Management (*continued*)

There were no transfers between levels during the financial year.

*Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Brazilian Real, US Dollar and the Pound Sterling.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations that are denominated in a foreign currency. The Group holds a proportion of its cash in GBP and Brazilian Reals to hedge its exposure to foreign currency fluctuations and recognises the profits and losses resulting from currency fluctuations as and when they arise. The volume of transactions is not deemed sufficient to enter forward contracts.

The Group's financial instruments are set out below:

| | As at 31 December 2022 $'000 | As at 31 December 2021 $'000 |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents | 1,397 | 3,589 |
| Other receivables | 302 | 450 |
| Investments – At FVTPL | 2,081 | 1,331 |
| **Total financial assets** | **3,780** | **5,370** |

| | As at 31 December 2022 $'000 | As at 31 December 2021 $'000 |
|---|---|---|
| **Financial liabilities** | | |
| Trade payables | 21 | 6 |
| Accruals and other payables | 113 | 53 |
| **Total financial liabilities** | **134** | **59** |

| | As at 31 December 2022 $'000 | As at 31 December 2021 $'000 |
|---|---|---|
| US Dollar | - | - |
| Brazilian Real | 4 | 1 |
| Pound Sterling | 130 | 58 |
| | **134** | **59** |

## 4. Financial instruments - Risk Management (*continued*)

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

| | 2022 | 2021 |
|---|---|---|
| | **$'000** | **$'000** |
| **Foreign currency risk sensitivity analysis** | | |
| **Brazilian Real** | | |
| Strengthened by 10% | - | - |
| Weakened by 10% | - | - |
| **Pound Sterling** | | |
| Strengthened by 10% | 269 | 351 |
| Weakened by 10% | (329) | (429) |

***Capital risk management***

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and to enable the Group to continue its exploration and evaluation activities. The Group has only short-term trade payables and accruals at 31 December 2022 and defines capital based on the total equity of the Group. The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares to raise further funds from time to time.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

***General objectives, policies and processes***

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

***Principal financial instruments***

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

## 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 being mining services. All non-current assets have been generated in Brazil.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 *(CONTINUED)*

### 6. Finance expense

| | Year ended 31 December 2022 $'000 | Year ended 31 December 2021 $'000 |
|---|---|---|
| Interest expense | (1) | (4) |
| **Total finance expense** | (1) | (4) |

### 7. Tax expense

| | Year ended 31 December 2022 $'000 | Year ended 31 December 2021 $'000 |
|---|---|---|
| (Loss)/profit on ordinary activities before tax | (936) | 92 |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%) | (178) | 17 |
| **Effects of:** | | |
| Unrelieved tax losses carried forward | 178 | (17) |
| **Total tax charge for the year** | - | - |

**Factors that may affect future tax charges**

Apart from the losses incurred to date and the fact that from April 2023 the UK corporation tax rate has risen to 25%, there are no factors that may affect future tax charges. At the year end, $3,939,000 (2021: $5,571,000) of cumulative estimated unrelieved tax losses arose in Brazil and the United Kingdom, which could be utilised in the foreseeable future.

### 8. Loss per share

| | 31 December 2022 $'000 | 31 December 2021 $'000 |
|---|---|---|
| (Loss)/profit for the year | (936) | 92 |
| | **2022** | **2021** |
| Weighted average number of shares (basic & diluted) | 258,602,032 | 254,618,055 |
| (Loss)/earnings per share - basic & diluted (US 'cents) | (0.36) | 0.04 |

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

## 9. Staff costs and directors' remuneration

Staff costs, including directors' remuneration, were as follows:

| | Monetary remuneration Year ended 31 December 2022 $'000 | Share Options[1] Year ended 31 December 2022 $'000 | Total Year ended 31 December 2022 $'000 | Total Year ended 31 December 2021 $'000 |
|---|---|---|---|---|
| B K McMaster | 222 | - | 222 | 469 |
| L M F De Azevedo | 74 | - | 74 | 316 |
| N K von Schirnding | 59 | - | 59 | 127 |
| | **355** | **-** | **355** | **912** |

1 – Refer to note 17 for options details.

Excluding directors, there was one member of staff during the year ended 31 December 2022 (2021: one). Excluding directors' remuneration, staff costs during the year were salaries $27,000 (2021: $5,000), social security $5,000 (2021: $1,000), other benefits $nil (2021: $nil). As at the year end, $30,000 (2021: $20,000) of Director's Remuneration for L M F De Azevedo was accrued but not yet settled.

## 10. Auditor's remuneration

| | Year ended 31 December 2022 $'000 | Year ended 31 December 2021 $'000 |
|---|---|---|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts | 52 | 34 |
| Fees payable for other services: | | |
| - High level review of interim financial statements | 2 | - |
| **Total auditor remuneration** | **54** | **34** |

## 11. Exploration and evaluation assets

| | As at 31 December 2022 $'000 | As at 31 December 2021 $'000 |
|---|---|---|
| **Cost and net book value** | | |
| At beginning of year | 1,019 | 550 |
| Expenditure capitalised during the year | 191 | 469 |
| **Cost and net book value at 31 December** | **1,210** | **1,019** |

The Directors have concluded that there are no impairment indicators at the year end. Further details can be found in Note 2: Accounting policies - Exploration and evaluation assets.

**12. Investment in subsidiary**

| **Company** | **As at 31 December 2022 $'000** | **As at 31 December 2021 $'000** |
|---|---|---|
| Shares in subsidiary | 1 | 1 |
| Contribution to capital | 1,601 | 1,501 |
| **Total** | **1,602** | **1,502** |

The Directors have conducted an impairment review and are satisfied that the carrying value of $1,602,000 is reasonable and no impairment is necessary (2021: US$ nil).

**13. Investments – At FVTPL**

| | **As at 31 December 2022 $'000** | **As at 31 December 2021 $'000** |
|---|---|---|
| Investment in ValOre Metals Corp | 203 | 215 |
| Investment in Fodere Titanium Limited | 976 | 1,091 |
| Investment in Blencowe Resources Plc | 1,030 | 236 |
| Investment in Axies Ventures Limited | 60 | - |
| Impairment in Investments | (188) | (211) |
| **Carrying amount of investments** | **2,081** | **1,331** |

During the year, the Company received the fifth and sixth tranches of 500,000 Deferred Consideration Shares in ValOre Metals Corp in February 2022 and August 2022. Currently, the Company has a 0.58% interest in ValOre's share capital. The investment is carried at fair value with any changes recognised through profit and loss.

The Company holds shares in the share capital of Fodere Titanium Limited, which is a United Kingdom registered minerals technology company which has developed innovative processes for the titanium, vanadium, iron and steel industries. Currently, the Company has a 7.78% interest in Fodere's share capital. The investment is carried at fair value with any changes recognised through profit and loss and this has resulted in the Company recognising an impairment loss in the investment of $nil (2021: $211,000), which has been recognised as an expense in the statement of comprehensive income. Movements in the investment during the year are the effects of foreign exchange translations.

During the year, the Company purchased a further 16,550,000 shares in Blencowe Resources Plc, which it paid £652,250 (USD 789,000) at £0.04 per share and received a further 7,625,000 warrants with an exercise price of £0.08 per share and expiry date of 31 October 2025. At the end of the year, the Company had a 10.2% interest in Blencowe's share capital, which is a United Kingdom registered natural resources company focused on the development of the Orom-Cross Graphite Project in Uganda. The investment is carried at fair value with any changes recognised through profit and loss.

The Group measures these Investments at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement. Further details are available in Note 4: Financial Instruments – Risk Management.

## 14. Other receivables

| | Group As at 31 December 2022 $'000 | Group As at 31 December 2021 $'000 | Company As at 31 December 2022 $'000 | Company As at 31 December 2021 $'000 |
|---|---|---|---|---|
| **Current** | | | | |
| Other receivables | - | 20 | - | 20 |
| Accrued income | - | 430 | - | 430 |
| Loan receivable | 302 | - | 302 | - |
| **Total other receivables** | **302** | **450** | **302** | **450** |

Accrued income totalling $nil (2021: $430,000) relating to the disposal of Pedra Branca being nil (2021: 1,000,000) Deferred Consideration Shares in ValOre with fair value determined to be $nil (2021: $430,000) at the balance sheet date.

During the year, the Company advanced an unsecured loan receivable of £200,000 (USD 242,000) to KEFI Gold and Copper Plc for working capital requirements. The loan receivable is short-term in nature and carries a fixed rate of interest at 25%. Post year end, the loan has been repaid in full by the issue of 35,714,285 shares in KEFI as noted earlier in this report.

## 15. Accruals and other payables

| | Group As at 31 December 2022 $’000 | Group As at 31 December 2021 $’000 | Company As at 31 December 2022 $’000 | Company As at 31 December 2021 $’000 |
|---|---|---|---|---|
| **Current** | | | | |
| Accruals | 83 | 33 | 83 | 33 |
| Amounts owed to Directors | 30 | 20 | 30 | 20 |
| **Total accruals and other payables** | **113** | **53** | **113** | **53** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 *(CONTINUED)*

### 16. Share capital

| | 31 December 2022 | | | 31 December 2021 | | |
|---|---|---|---|---|---|---|
| | **Issued Number** | **Share Capital $'000** | **Share premium $'000** | **Issued Number** | **Share Capital $'000** | **Share premium $'000** |
| At beginning of the year ordinary shares of 0.04p each: | **258,602,032** | **135** | **5,959** | **242,113,144** | **126** | **4,389** |
| 19 February 2021: shares issued as part of placement | - | - | - | 13,888,888 | 8 | 1,732 |
| 30 March 2021: shares issued upon exercise of options | - | - | - | 2,600,000 | 1 | 70 |
| Share issue costs charged to share premium | - | - | - | - | - | (233) |
| At 31 December: ordinary shares of 0.04p each: | **258,602,032** | **135** | **5,959** | **258,602,032** | **135** | **5,959** |

**Ordinary shares**

Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

### 17. Share options and warrants

| | **Average exercise price per share option $** | **Year ended 31 December 2022 Number of options** | **Average exercise price per share option $** | **Year ended 31 December 2021 Number of options** |
|---|---|---|---|---|
| At the beginning of the year | - | 37,844,444 | - | 9,000,000 |
| Warrants issued 19 February 2021 | - | - | 0.09 | 694,444 |
| Surrendered share options 3 March 2021 | - | - | 0.02 | (250,000) |
| Share Options exercised 30 March 2021 | - | - | 0.02 | (2,600,000) |
| Share warrants issued 10 August 2021 | - | - | 0.08 | 1,000,000 |
| Share options issued 10 August 2021 | - | - | 0.08 | 30,000,000 |
| Share options surrendered 17 January 2022 | 0.02 | (3,000,000) | - | - |
| **At the end of the year** | | **34,844,444** | | **37,844,444** |

On 17 January 2022, the Company entered into an agreement whereby an option holder agreed to surrender 3,000,000 options, with a grant date of 1 December 2019 and an expiry date of 1 December 2024 with an exercise price £0.02 per option share, for consideration of £105,000 (USD$129,354). The amounts were payable in 15 equal monthly instalments of £7,000 (USD$8,624). On the same date the options were cancelled by the Company. As at the date of this report 12 of the monthly instalments have been paid in the current reporting year and the remaining 3 instalments were paid in the subsequent reporting year.

**17. Share options and warrants** *(continued)*

| | As at 31 December 2022 $'000 | As at 31 December 2021 $'000 |
|---|---|---|
| **Share based payments reserve** | | |
| At beginning of year | 734 | - |
| Share based payments surrendered | (25) | - |
| Share based payments expense[1] | - | 734 |
| **Closing balance at 31 December** | **709** | **734** |

[1] For the year ended 31 December 2022, the Directors have estimated that the vesting conditions related to 20,250,000 director and employee options cannot be achieved. Therefore, $nil (2021: $0.7m) expense has been recognised in the Statement of Comprehensive Income.

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

| Grant date | Expiry date | Exercise price £ | Share options/warrants 31 December 2022 | Share options/warrants 31 December 2021 |
|---|---|---|---|---|
| 1 December 2019 | 30 November 2024 | 0.02 | 3,150,000 | 6,150,000 |
| 19 February 2021 | 19 February 2024 | 0.09 | 694,444 | 694,444 |
| 10 August 2021 | 10 August 2025 | 0.08 | 31,000,000 | 31,000,000 |

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. In addition to the inputs in the table above, further inputs as follows:

The model inputs for the 694,444 broker warrants granted for consulting services during the year included:

(a) warrants are granted for no consideration and vested warrants are exercisable for a year of three years after tegrant date: 19 February 2021.
(b) expiry date: 19 February 2024.
(c) share price at grant date: 9.6 pence.
(d) expected price volatility of the company’s shares: 70.24%.
(e) risk-free interest rate: 0.70%.

The model inputs for the 30,000,000 director and Brazilian employee options and 1,000,000 third party warrants granted for consulting services during the year included:

(a) 30,000,000 options are granted and split into two Tranches, whereby 20,250,000 tranche A options have vesting conditions linked to performance and 9,750,000 Tranche B options vest immediately.
(b) Tranche A is split further with 9,450,000 options vesting once all necessary permits required to commence production are received and then a further 10,800,000 options vest upon commencement of production at the Pitombeiras Vanadium Project.
(c) The 9,450,000 options have a vesting period of two years from grant date and the 10,800,000 options have a vesting period of three years from the grant date.
(d) 1,000,000 warrants are granted for no consideration and vested warrants are exercisable for a period of three years after tegrant date: 10 August 2021.
(e) expiry date: 10 August 2025.
(f) share price at grant date: 8.0 pence.
(g) expected price volatility of the company's shares: 70.24%.
(h) risk-free interest rate: 0.591%.

## 18. Subsidiary

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

| Name | Country of incorporation | Proportion of ownership interest |
|---|---|---|
| VTF Mineração Ltda. | Brazil | 99.99% |
| Jangada Services Plc | United Kingdom | 100.00% |
| Allexcite Enterprises Pty Ltd | Australia | 100.00% |

## 19. Related party transactions

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

| | Year ended 31 December 2022 $'000 | Year ended 31 December 2021 $'000 |
|---|---|---|
| **Garrison Capital (UK) Limited:** | | |
| Purchases made on Company's behalf and administrative fees expensed during the year | - | 20 |
| **Nicholas Von Schirnding:** | | |
| Investment in Fodere Titanium Limited of which Nicolas Von Schirnding is the Chairman | - | 490 |
| **FFA Legal Ltda:** | | |
| Legal and accountancy services expensed during year | 89 | 90 |

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 $nil (2021: $nil).

Harvest Minerals Limited is a related party to the Group due to having directors in common with Group companies. At the year-end they held 1,250,000 options (2021: 1,250,000), which were acquired from various option holders on 3 March 2021 at an aggregate sum of £77,000 (USD$107,175).

Directors' remuneration is disclosed within note 9.

## 20. Subsequent Events

In May 2023, the Company purchased an additional 2,000,000 shares in Blencowe Resources PLC and paid £0.05 per share. The Company also received 1,000,000 warrants with an exercise price of £0.08 per share and expiry date of 23 May 2026.

At the year end, the Company had a loan receivable from KEFI Gold and Copper Plc ("KEFI") for $0.25 million, which was subsequently converted post year end into 35,714,285 shares in KEFI and is a liquid investment on the London Stock Exchange.

There have been no other significant subsequent events since the reporting date.

## 21. Ultimate controlling party

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