

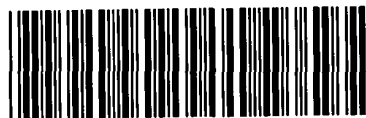
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JANGADA MINES PLC

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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COMPANIES HOUSE

JANGADA MINES PLC

COMPANY INFORMATION

Directors	Brian McMaster – Executive Chairman Luis Azevedo – Non-Executive Director Louis Castro – Independent Non-Executive Director Nick von Schirnding - Independent Non-Executive Director
Company Secretary	Clive Hopewell
Registered Office	Level 2 34 Dover Street London W1S 4NG United Kingdom
Registered number:	09663756
Auditors	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH United Kingdom
Legal advisors as to English law	Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP United Kingdom
Legal advisors as to Brazilian law	FFA Legal Av. Jornalista Ricardo Marinho, 360 Sala 113, Ed. Cosmopolitan 22631-350 Barra da Tijuca, Rio de Janeiro Brasil
Nominated & Financial Adviser	Strand Hanson Limited 26 Mount Row London W1K 3SQ United Kingdom
Broker	Beaufort Securities Limited 63 St Mary Axe London EC3A 8AA United Kingdom
Registrars	Computershare Investor Services Plc The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom

JANGADA MINES PLC

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CHAIRMAN'S STATEMENT



This is my inaugural Chairman's Statement since the Company successfully listed on AIM on 29 June of this year (the "**Admission**"). At that time and as part of the Admission process, the Company raised £2.25 million, before expenses, through an oversubscribed placing. These funds were raised to advance an aggressive development programme at the Company's 'Pedra Branca Platinum Group Metals Project' (the "**Project**") in Brazil. The programme involved reserve drilling, a bulk metallurgy test study, and a scoping study to determine operation parameters and likely financial model. The team has worked overtime to tick these boxes and is now focused on the next stage as we look to move towards trial mining.

The Project is the largest and most advanced Platinum Group Metals ("**PGM**") project in South America. Located 280 km from the port city of Fortaleza in the northeast of Brazil, the Project consists of three mining licenses and 44 exploration licenses over an area of 55,000 hectares. Shortly after Admission, we announced an updated JORC (2012) compliant resource estimate, significantly increasing the in-situ value of the currently declared 1 million ounces of PGM+Au resources at the Project. The estimate now includes 23.138 Mt of ore in the 'Measured', 'Indicated' and 'Inferred' categories, containing 109 million pounds of nickel and 23 million pounds of copper grading at 0.214% Ni and 0.045% Cu. The significance of the additional nickel and copper credit within the Pedra Branca ore zone is that the incremental value of these elements will off-set the costs of producing PGM and will accrue material profitability upside with limited additional cost.

Just weeks after the updated JORC resource estimate, high-grade vanadium-titanium-iron mineralisation was confirmed from samples across five locations. Strong market dynamics for vanadium pentoxide, which incidentally has risen circa 500% since January 2016, once again bolstered our confidence that we have a highly valuable polymetallic asset.

The next box to tick was the Scoping Study, which was announced at the end of October 2017 and confirmed the Project's potential to become a robust shallow open pit mine with low capital and operation expenditure, ultimately lending itself to yield attractive financial returns in a short payback period. It suggested an internal rate of return of 80% and a payback period of 1.3 years, clearly demonstrating the potential of the polymetallic mine. The addition of the by-product credits was once again mentioned as having a significant positive impact on the economics, underpinning our belief that the Project has the potential to be a 'free platinum' operation, where by-product credits cover the costs of PGM production.

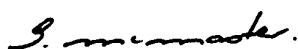
Looking ahead, we expect to announce a pre-feasibility study in the near future and follow this up with trial mining in H1 2018. In anticipation of this, we started the application process for a trial mining permit and environmental permit.

JANGADA MINES PLC

CHAIRMAN'S STATEMENT (*continued*)

In summary, we set out with a clear strategy to develop this high-value, multi-commodity resource and have hit key value triggers in a timely manner, confirming the historical work totalling circa US\$35 million undertaken by previous operators, including Anglo American Platinum. With the work conducted since listing, we have created a huge amount of value that unfortunately has not been recognised by the market. I am confident that as we receive our environmental permit, publish our production flow sheets and pre-feasibility study, all scheduled for early next year, and as we hit more targets, the true value will be more accurately understood.

Finally, I would like to thank shareholders for their support and our dedicated team for their commitment to the development of the Project.



B K McMaster

Director

20 December 2017

Jangada Mines plc

JANGADA MINES PLC

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 30 JUNE 2017

The directors present the strategic report for the year ended 30 June 2017.

INTRODUCTION

Jangada Mines Plc (the "**Company**") was incorporated as an acquisition vehicle for the purposes of acquiring mining concerns in Brazil. The first acquisition was made on 30 April 2016 when the Company acquired the Pedra Branca project. The Company acts as a holding company for its subsidiary undertaking (together, the "**Group**").

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

REVIEW OF THE BUSINESS

The Company was incorporated and commenced trading on 30 June 2015. Through a series of transactions, dating between 30 April 2016 and 16 February 2017, the Company has acquired 99.99 per cent. of the shares in Pedra Branca, with 0.01 per cent. of the shares held by FFA Holding & Mineracao Ltda (a vehicle 99.99 per cent. owned by Mr Azevedo) for the benefit of the Company (in accordance with Brazilian laws which require two quota holders for limited liability companies).

On 29 June 2017 the Company was admitted to trading on the AIM market of the London Stock Exchange and placed 45 million ordinary shares at 5p per share in its initial public offering ("**IPO**") in order to fund further exploratory analysis and drilling activities at Pedra Branca do Brasil Mineracao S/A's ("**Pedra Branca**") advanced stage Platinum Group Metals ("**PGM**") exploration project in the northeast of Brazil.

Much of the IPO and integration expenditure has been charged to the profit and loss account. Accordingly, the results show a substantial loss in the period, though this is in accordance with management expectations.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Foreign exchange risk

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

JANGADA MINES PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2017 (*continued*)

Liquidity risk

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

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

Regulatory decisions and changes in the regulatory environment

The Group must comply with an extensive range of requirements that regulate and supervise the licensing and operation of its mining operations in different jurisdictions. In particular, there are agencies which monitor and enforce regulation and competition laws which apply to the mining industry.

Decisions by regulators regarding the granting, amendment or renewal of licenses to the Group or to third parties could adversely affect future operations in these geographic areas.

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

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

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

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

KEY PERFORMANCE INDICATORS

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

During the year the Group made a consolidated loss attributable to the shareholders of the Company of \$1.3m. This was in line with business plans and the directors' expectations whilst the Group invests significantly in the Pedra Branca PGM Project.

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

JANGADA MINES PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2017 *(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**") 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:

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

(1) Includes those ordinary Shares held through Mr McMaster's wholly-owned vehicle, Gemstar Investments Limited, and half of the Garrison Fee Shares issued on Admission.

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

STRATEGY AND FUTURE DEVELOPMENTS

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

This report was approved by the directors on 20 December 2017.



B K McMaster
Director

JANGADA MINES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report and the audited financial statements for the year ended 30 June 2017.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

The 2006 Act requires the directors to prepare financial statements for each financial period. The directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards adopted by the EU ("IFRS"). Under the 2006 Act the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group 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 2006 Act. 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.

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to \$1.3 million (2016: \$41,000).

The directors do not recommend payment of a dividend.

GOING CONCERN

The Group will require further funding to finance its pre-production programme in Brazil. The Directors are confident that the Group will be able to raise funds for such requirements from investors as required although no binding funding agreement is in place at the date of this report. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Group and Company's ability to continue as a going concern.

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

JANGADA MINES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017 *(continued)*

DIRECTORS

The directors who served during the period were:

L E Castro (appointed 5 May 2017)
L M F De Azevedo (appointed 5 May 2017)
B K McMaster (appointed 30 June 2015)
N K Von Schrinding (appointed 5 May 2017)
M G W Wood (resigned 1 May 2017)

FINANCIAL INSTRUMENTS

Details of the Company's financial instruments are given in Note 11.

MATTERS COVERED IN THE STRATEGIC REPORT

As required by section 414C(11) of the 2006 Act, the strategic report contains a fair review of the business; the principal risks and uncertainties faced by the business; and the key financial and non-financial performance indicators as considered by the directors. This information is therefore excluded from the directors' report.

AUDIT COMMITTEE

The board operates an Audit Committee, chaired by Louis Castro. This Committee carries out duties as set out in its AIM Admission Document, supervising the financial and reporting arrangements of the Group. During the period, no issues arose that the directors consider appropriate to disclose in their report.

REMUNERATION COMMITTEE

The board has delegated to its Remuneration Committee, chaired by Nicholas von Schrinding, certain responsibilities in respect of the remuneration of senior executives. During the period, none of the senior executives' salaries or benefits changed and no issues arose that the directors consider appropriate to disclose in their report.

NOMINATION COMMITTEE

The board has delegated to its Nomination Committee, chaired by Nicholas von Schrinding, certain responsibilities in respect of the appointment of senior executives. During the period, no additional appointments have been made to disclose in this report.

INDEPENDENT AUDITORS

Crowe Clark Whitehill 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.

JANGADA MINES PLC

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017 *(continued)***

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

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

This report was approved by the directors on 20 December 2017.



B K McMaster
Director

JANGADA MINES PLC

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

OPINION

We have audited the financial statements of Jangada Mines Plc (the "Parent Company") and its subsidiary (the "Group") for the year ended 30 June 2017, which comprise:

- the Group Statement of Comprehensive Income for the year ended 30 June 2017;
- the Group and Parent Company Balance Sheets as at 30 June 2017;
- the Group and Parent Company Cash Flow Statements for the year then ended;
- the Group and Parent Company Statements of Changes In Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2017 and of the Group's loss for the year then ended;
- the Group's financial statements have been properly prepared in accordance with IFRS;
- the Parent Company's financial statements have been properly prepared in accordance with IFRS as applied in accordance with the requirements of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

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

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

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

OVERVIEW OF OUR AUDIT APPROACH

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be \$50,000, based on 2% of the Group's total assets for the period.

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

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of \$1,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

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

The Group had very limited activity in the year ended 30 June 2017 but we performed work in both the UK and Brazil in order to obtain sufficient, appropriate audit evidence.

Key Audit Matters

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

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Except for the matter described in the '*Material uncertainty related to going concern*' section, we have determined that there are no key audit matters to communicate in our report.

JANGADA MINES PLC

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION:

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

JANGADA MINES PLC

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

USE OF OUR REPORT

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



Steve Gale FCA (Senior Statutory Auditor)
for and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

20 December 2017

JANGADA MINES PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	Year ended 30 June 2017 \$'000	Year ended 30 June 2016 \$'000
Project costs		(103)	-
Administration expenses		(1,072)	(48)
Loss from continuing operations		(1,175)	(48)
Gain on bargain purchase		-	7
Finance expense		(122)	-
Loss before tax		(1,297)	(41)
Tax expense	6	-	-
Loss from continuing operations		(1,297)	(41)
Other comprehensive income:			
Items that will or may be classified to profit or loss:			
Currency translation differences arising on translation of foreign operations		(3)	1
Total comprehensive income/(loss)		(1,300)	(40)
Loss attributable to:			
Owners of the parent		(1,297)	(39)
Non-controlling interests		-	(2)
		(1,297)	(41)
Total comprehensive loss attributable to:			
Owners of the parent		(1,300)	(39)
Non-controlling interests		-	(2)
		(1,300)	(41)
Loss per share attributable to the ordinary equity holders of the Company during the period			
Basic and diluted (\$'000)	7	(0.0)	(0.5)

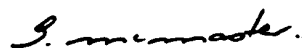
The notes on pages 23 to 31 form part of these financial statements.

JANGADA MINES PLC

**CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2017**

	Notes	As at 30 June 2017 \$'000	As at 30 June 2016 \$'000
Assets			
Non-current assets			
Intangible assets		-	1
Property, plant and equipment		8	12
		8	13
Current assets			
Other receivables	10	227	-
Cash and cash equivalents		2,450	3
		2,677	3
Total assets		2,685	16
Liabilities			
Current liabilities			
Loans and borrowings	11	458	31
Accruals		619	23
Total liabilities		1,077	54
Issued capital and reserves attributable to owners of the parent			
Share capital	12	102	-
Share premium	12	2,844	-
Translation reserve		(2)	1
Retained earnings		(1,336)	(39)
Total equity		1,608	(38)
Total equity and liabilities		2,685	16

The financial statements were approved and authorised for issue by the directors and were signed on 20 December 2017.



B K McMaster
Director

The notes on pages 23 to 31 form part of these financial statements.

JANGADA MINES PLC

**COMPANY BALANCE SHEET
AS AT 30 JUNE 2017**

	Notes	As at 30 June 2017 \$'000	As at 30 June 2016 \$'000
Assets			
Current assets			
Other receivables	10	350	-
Cash and cash equivalents		2,440	-
		2,790	-
Total assets		2,790	-
Liabilities			
Current liabilities			
Loans and borrowings	11	458	31
Accruals		619	7
Total liabilities		1,077	38
Issued capital and reserves attributable to owners of the parent			
Share capital	12	102	-
Share premium	12	2,844	-
Translation reserve		(7)	-
Retained earnings		(1,226)	(38)
Total equity		1,713	(38)
Total equity & liabilities		2,790	-

The loss for the year dealt with in the Company accounts of Jangada Mines plc was \$1,188,000 (2016: \$38,000).

The financial statements were approved and authorised for issue by the directors and were signed on 20 December 2017.

B K McMaster

B K McMaster
Director

The notes on pages 23 to 31 form part of these financial statements.

JANGADA MINES PLC

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

	Year ended 30 June 2017 \$'000	Year ended 30 June 2016 \$'000
Cash flows from operating activities		
Loss before Tax	(1,297)	(41)
Add back: depreciation	4	-
Non-cash gain on bargain purchase	-	(7)
Increase in other receivables	(227)	-
Increase in trade and other payables	596	15
Net cash flows from operating activities	(924)	(33)
Investing activities		
Cash acquired by acquisition of subsidiary	-	6
Sale of plant, property and equipment	-	2
Net cash from investing activities	-	8
Financing activities		
Share capital issue	2,960	-
Proceeds from related party borrowings	33	31
Issue of convertible loan notes	380	-
Net cash from financing activities	3,373	31
Net movement in cash and cash equivalents	2,449	6
Cash and cash equivalents at beginning of period	3	-
Movements in foreign exchange	(2)	(3)
Cash and cash equivalents at end of year	2,450	3

The notes on pages 23 to 31 form part of these financial statements.

JANGADA MINES PLC

**COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

	Year ended 30 June 2017 \$'000	Year ended 30 June 2016 \$'000
Cash flows from operating activities		
Loss before Tax	(1,188)	(38)
Increase in other receivables	(227)	-
Increase in trade and other payables	627	7
Net cash flows from operating activities	(788)	(31)
Financing activities		
Share capital issue	2,946	-
Proceeds from related party borrowings	27	31
Loans to subsidiary	(123)	-
Issue of convertible loan notes	380	-
Net cash from financing activities	3,230	31
Net movement in cash and cash equivalents	2,442	-
Cash and cash equivalents at beginning of period	-	-
Movements in foreign exchange	(2)	-
Cash and cash equivalents at end of year	2,440	-

The notes on pages 23 to 31 form part of these financial statements.

JANGADA MINES PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Attributable to owners					Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Retained earnings	Total equity		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 30 June 2015	-	-	-	-	-	-	-
Comprehensive Income for the year							
Loss	-	-	-	(39)	(39)	(2)	(41)
Total comprehensive Income for the year	-	-	-	(39)	(39)	(2)	(41)
Transactions with owners							
Non-controlling interest on acquisition of subsidiary	-		1	-	1	2	3
Total transactions with owners	-	-	1	-	1	2	3
As at 30 June 2016	-	-	1	(39)	(38)	-	(38)
Comprehensive Income for the year							
Loss	-	-	-	(1,297)	(1,297)	-	(1,297)
Other comprehensive income	-	-	(3)	-	(3)	-	(3)
Total comprehensive Income for the year	-	-	(3)	(1,297)	(1,300)	-	(1,300)
Transactions with owners							
Share issue	102	2,844	-	-	2,946	-	2,946
Total transactions with owners	102	2,844	-	-	2,946	-	2,946
As at 30 June 2017	102	2,844	(2)	(1,336)	1,608	-	1,608

The notes on pages 23 to 31 form part of these financial statements.

JANGADA MINES PLC

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Attributable to owners				
	Share capital \$'000	Share premium \$'000	Translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 30 June 2015	-	-	-	-	-
Comprehensive Income for the year					
Loss	-	-	-	(38)	(38)
Total comprehensive Income for the year	-	-	-	(38)	(38)
As at 30 June 2016	-	-	-	(38)	(38)
Comprehensive Income for the year					
Loss	-	-	-	(1,188)	(1,188)
Other comprehensive income	-	-	(7)	-	(7)
Total comprehensive Income for the year	-	-	(7)	(1,188)	(1,195)
Transactions with owners					
Share issue	102	2,844	-	-	2,946
Foreign exchange movement	-	-	-	-	-
Total transactions with owners	102	2,844	-	-	2,946
As at 30 June 2017	102	2,844	(7)	(1,226)	1,713

The notes on pages 23 to 31 form part of these financial statements.

JANGADA MINES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. General information

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

2. Accounting policies

Basis of preparation and going concern basis

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

These financial statements, for the year ended 30 June 2017, are the first the Company has prepared in accordance with IFRS. The previous financial statements for the year ended 30 June 2016, the first accounts prepared since its incorporation, were prepared in accordance with UK generally accepted accounting principles ("UK GAAP").

Accordingly, the Company has prepared financial statements that comply with IFRS applicable as at 30 June 2017, together with the comparative period data for the year ended 30 June 2016, as described in the summary of significant accounting policies. The policies applied under the Company's previous accounting framework have not impacted on equity or profit or loss.

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

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

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

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

Accounting standards in issue but not yet effective

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

JANGADA MINES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (*continued*)

Accounting policies (*continued*)

Basis of Consolidation

These are the first consolidated financial statements prepared by the Company.

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

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

Pedra Branca's year end is 31 December and has not been adjusted to be consistent with the Company's year end as it has been impracticable to do so.

Business combination

Through a series of transactions dating between 30 April 2016 and 16 February 2017, the Company has acquired 99.99 per cent. of the shares in Pedra Branca, with 0.01 per cent. of the shares held by FFA Holding & Mineracao Ltda (a vehicle 99.99 per cent. owned by Mr Azevedo) for the benefit of the Company (in accordance with Brazilian laws which require two quota holders for limited liability companies). On that basis, the financial information of Pedra Branca has been included in the consolidated financial statements from 30 April 2016.

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.

Financial liabilities

The Company classifies its financial liabilities into one category:

Other financial liabilities

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (continued)**

Accounting policies (continued)

Taxation

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

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

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

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

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

3. Critical accounting estimates and judgements

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

Judgements

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

Estimates and assumptions

The Company measures a number of items at fair value. For more detailed information in relation to the fair value measurement of such items, please refer to the applicable notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (continued)**

4. Financial instruments - Risk Management

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

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

Credit risk

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

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

Foreign exchange risk

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

Liquidity risk

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

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

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Related party borrowings
- Convertible loan notes

Capital management

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

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

The Company is not subject to externally imposed capital requirements.

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

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

JANGADA MINES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (continued)**

Financial instruments - Risk Management (continued)

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.

5. Segment information

The Company evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS 8. In the Directors' opinion, the Group only operates in one segment: mining services.

6. Tax expense

	2017	2016
	\$'000	\$'000
Loss on ordinary activities before tax	(1,297)	(41)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016: 20%)	(256)	(8)
Effects of:		
Gain on bargain purchase not subject to tax	-	(2)
Unrelieved tax losses carried forward	256	10
Total tax charge for the period	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges

The \$256,000 (2016: \$10,000) tax losses arose in Brazil and the UK. No deferred tax asset has been recognised as, at 30 June 2017, the Directors concluded that it was unlikely that there would be future profits against which the unrelieved tax losses could be utilised in the foreseeable future.

7. Earnings per share

	2017	2016
	\$'000	\$'000
Loss for the year	(1,297)	(41)
Weighted average number of shares (basic & diluted)	17,931,667	75
Loss per share - basic & diluted (US\$'000)	(0.0)	(0.5)

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

JANGADA MINES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (continued)**

8. Staff costs and directors' remuneration

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

	2017	2016
	\$'000	\$'000
Wages and salaries	87	-
	<u>87</u>	<u>-</u>

Excluding directors, there was 1 member of staff during the year ended 30 June 2017 (2016: Nil).
Directors remuneration for the year ended 30 June 2017 totalled \$77,000 (2016: \$Nil), as follows:

	2017	2016
	\$'000	\$'000
B K McMaster	69	-
L M F De Azevedo	4	-
L E Castro	-	-
N K Von Schrinding	-	-
M G W Wood	4	-
	<u>77</u>	<u>-</u>

9. Auditor's remuneration

	2017	2016
	\$'000	\$'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	26	6
Fees payable to the Company's auditor for other services:		
- Corporate finance	<u>55</u>	<u>-</u>

JANGADA MINES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (continued)**

10. Other receivables

	Group 2017 \$'000	Group 2016 \$'000	Company 2017 \$'000	Company 2016 \$'000
Current				
Funds held at third party	227	-	227	-
Group receivables	-	-	123	-
Total other payables	227	-	350	-

11. Loans and borrowings

	Group 2017 \$'000	Group 2016 \$'000	Company 2017 \$'000	Company 2016 \$'000
Current				
Related party loans	58	31	58	31
Convertible loan notes	400	-	400	-
Total loans and borrowings	458	31	458	31

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

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

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

JANGADA MINES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (continued)**

12. Share capital

	Issued Number	Share Capital \$'000	Share Premium \$'000
At 30 June 2016: ordinary shares of 1p each	3	-	-
18 May 2017: share issue for nominal value	4,999,998	64	-
19 May 2017: shares issued to directors in lieu of fees	999,999	13	-
Total as at 19 May share split	6,000,000	77	-
19 May 2017: 25:1 share split into shares with nominal value of 0.04p	150,000,000	-	-
29 June 2017: share issue for 5p each	47,515,600	25	3,063
Share issue costs charged to share premium	-	-	(219)
At 30 June 2017: ordinary shares of 0.0004p each:	197,515,600	102	2,844

13. Subsidiary

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

Name	Registered office	Proportion of ownership interest
Pedra Branca do Brasil Mineracao S/A	Av. Jornalista Ricardo Marinho, Number 360, Office 113, Barra da Tijuca, Rio de Janeiro, 631-350 Brazil	99.99%*

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

The Company acquired its shares in Pedra Branca through the following transactions:

- a) on 30 April 2016, the Company acquired 61.54 per cent. of the shares held in Pedra Branca from Garrison Capital;
- b) on 16 February 2017, the Company acquired additional shares in Pedra Branca from Garrison Capital and Anglo Platinum Brasil S.A to take the Company's equity interest in Pedra Branca to 99.99%.

JANGADA MINES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 *(continued)*

14. Related party transactions

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

	2017 \$'000	2016 \$'000
Garrison Capital Partners Limited:		
Purchases made on Company's behalf and included within borrowings	58	31
FFA Legal Ltda:		
Legal services expensed during year	15	-

On admission to AIM the Company issued 2,355,600 shares to Garrison Capital Partners Limited in relation to consultancy services provided during the period. Further details of transactions with Garrison Capital Partners Limited are disclosed in Note 13.

The related party borrowings reflect the payments made on behalf of the Company by Garrison Capital Partners Limited, a related party due to having directors in common.

FFA Legal Ltda is a related party to the Group due to having a director in common with Group companies.

Directors' remuneration is discussed within Note 8.

15. Subsequent Events

On 24 August 2017, the two convertible loan notes (discussed in Note 11) and all accrued interest was repaid in full.

16. Ultimate controlling party

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