

Registered number: 09663756



JANGADA MINES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

AND

NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 JUNE 2019

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	20 North Audley Street London W1K 6WE United Kingdom
Registered number:	09663756
Auditors	Crowe U.K. 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	Brandon Hill Capital Limited 1 Tudor Street, London EC4Y 0AH United Kingdom
Registrars	Computershare Investor Services Plc The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom

CONTENTS

	Page
Chairman's statement	4
Group strategic report	6
Directors report	9
Statement of compliance with the QCA corporate governance code	11
Independent auditor's report	19
Consolidated statement of comprehensive income	23
Consolidated balance sheet	24
Company balance sheet	25
Consolidated cash flow statement	26
Company cash flow statement	27
Consolidated statement of changes in equity	28
Company statement of changes in equity	29
Notes to the financial statements	30
Notice of Annual General Meeting	46

CHAIRMAN'S STATEMENT



During the year ended 30 June 2019, the Company continued its investment in the Pedra Branca Project ('the Project') in Brazil, supporting its economic prospects with an updated flowsheet that reduced its estimated CAPEX and identifying significant resources including nickel, copper sulphide, vanadium and titanium.

In the early part of the financial year, the Company agreed a total fundraise package of £2.1 million that allowed the Company to advance the Project towards a bankable feasibility study ('BFS'), quantifying the value of the nickel sulphide deposit, and undertaking exploration drilling at the vanadium project.

In January 2019, we announced our fully funded Q1 2019 work programme, which focussed on progressing the BFS through to completion of the verification stage. The delivery of a BFS for the PGM and nickel assets to further confirm Pedra Branca's technical and economic viability represented a significant milestone in the development of the Project.

In February 2019, we provided an update on our vanadium exploration activities at the Pitombeiras West vanadium deposit ('Pitombeiras') having completed an expanded outcrop sampling campaign. Results from 72 samples confirmed continuous high-grade vanadium, titanium and iron grades at the surface, with the average grades for vanadium and titanium being three times higher than initially anticipated by management. With these exciting results confirmed and given the overall demand for vanadium looks likely to grow strongly, primarily driven by its importance in energy storage, the Board made the decision to focus its resources on pursuing the development of Pitombeiras.

Accordingly, the Board took the decision to refocus the Company's operations through the sale of Pedra Branca do Brasil Mineracao Ltda., the entity that holds 100% of Pedra Branca rights to TSX-listed ValOre Metals Corp. ("ValOre"), to ensure a stronger foundation for the future development of the Project. In doing so, we could dedicate our team and further resources to the development of Pitombeiras in north eastern Brazil, whilst retaining an indirect exposure to the development of Pedra Branca.

The Board believes that ValOre will likely receive stronger support from the North American financial markets for the development of Pedra Branca. The Board continues to believe that Pedra Branca has strong potential; this is supported by the fact that a condition of the sale was the Company becoming a substantial shareholder of ValOre. Following the issuance of the initial consideration shares, Jangada owns a significant holding of 25 per cent in ValOre's enlarged share capital.

CHAIRMAN'S STATEMENT

Financials

The disposal of Pedra Branca was completed post the balance sheet date. The cash consideration will support the Company's working capital requirements and allow it to substantially progress the development of Pitombeiras, which will involve further drilling and metallurgical work. A JORC (2012) compliant Preliminary Economic Assessment is underway and expected to be completed in late Q1 2020.

Outlook

The Board believes the Company is an attractive proposition following the sale of Pedra Branca and the refocus on Pitombeiras. With a healthy balance sheet following the sale, the Company is well positioned to develop this exciting project.

As always, the Board would like to thank our team for their work and our shareholders for their continued commitment to Jangada.



Brian McMaster
Executive Chairman
4 December 2019
Jangada Mines Plc

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

The directors present the strategic report for the year ended 30 June 2019.

INTRODUCTION

Jangada Mines Plc (the "**Company**") was incorporated as an acquisition vehicle for the purposes of acquiring mining concerns in Brazil. At the balance sheet date, the Company acted as a holding company for its subsidiary undertaking, Pedra Branca do Brasil Mineracao S/A and VTF Mineracao Ltda (together with the Company, 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

During the year, the Company initially focused on advancing the Pedra Branca PGM Project ('the Project') in Brazil. In late September 2018, we announced a fundraising package of £2.1 million raised to progress the bankable feasibility study ('BFS') at the Project as well as for general working capital.

In October 2018, the identification of significant nickel and copper sulphide anomalies at the Project immediately beneath the existing PGM and base metal resource underlined the strong potential of the Project. Subsequently, the Company published an independent nickel and copper maiden JORC (2012) resource estimate in November 2018.

In January 2019, we updated the market with the work programme focussed on progressing the BFS through to completion of the verification stage. We also announced a significant upgrade to the JORC (2012) compliant resource, resulting in the substantial increase in the size and categorisation of the resources at the Project to 74.84 million tonnes of classified ore, 3.05 million ounces of palladium equivalent and 2.17 million ounces in PGM+gold. Additionally, we announced that the anticipated CAPEX estimate of the Project had been reduced by 32% to US\$43.9 million following the creation of an updated process flowsheet.

During February and March 2019, the Company also looked to focus its effort on proving up the vanadium potential and completed early exploration activities at its Pitombeiras West vanadium deposit in north-eastern Brazil ("Pitombeiras"). Results from the 72 samples confirmed that there was continuous high-grade vanadium, titanium and iron grades at surface, with grades reported as high as 1.1 % vanadium (V₂O₅), 14.3 % titanium (TiO₂) and 61.4 % iron (Fe).

In May 2019, the Company announced that it had entered into a binding letter of agreement with ValOre Metals Corp ("ValOre"), a TSX-V listed entity, for the sale of 100% of the share capital in Pedra Branca do Brasil Mineracao Ltda, the entity that holds the Pedra Branca project. As part of the proposed transaction, the Pitombeiras project would be transferred to VTF Mineracao Ltda ("VTF") a company that remains 100% owned by Jangada. In addition, in light of the proposed transaction, Celtic Capital Pty Limited and Jangada agreed by mutual consent to terminate the funding arrangement announced in September 2018, for no fee.

The progress during the financial year of advancing the Pedra Branca project as well as the Pitombeiras project resulted in the Group incurring a loss of \$1.7 million.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2019 (continued)**

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Foreign exchange risk

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

Liquidity risk

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

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

Regulatory decisions and changes in the regulatory environment

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

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

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

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

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2019 (continued)**

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

KEY PERFORMANCE INDICATORS

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

During the year the Group made considerable progress in evaluating its Pedra Branca and Pitombeiras projects and incurred a consolidated loss attributable to the shareholders of the Company of \$1.7 million (2018: \$1.6 million). This was in line with business plans and the directors' expectations whilst the Group invested significantly in the Pedra Branca Project and the initial refocus onto the Pitombeiras project.

The Group reviews budgets and monitors pre-production timing targets as non-financial performance indicators. The non-financial KPI's the Group set itself during the year were the completion of the PGM resource review, hydrology study, the legal, environmental and social review and the metallurgical test work verification, together with initial exploration at Pitombeiras, all of which the Group achieved.

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:

	No. of ordinary shares held	% of share capital	No. of ordinary shares over which options are granted
Directors' interests as at 30 June 2019:			
Brian McMaster	47,844,467	20.2%	3,000,000
Luis Azevedo (1)	46,666,667	19.7%	2,000,000
Nicholas von Schirnding	253,333	0.1%	1,000,000
Louis Castro	253,333	0.1%	1,000,000

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

STRATEGY AND FUTURE DEVELOPMENTS

The Group's key strategic goal following the disposal of the Pedra Branca project, is to now exploit the opportunities available to it through its ownership of the Pitombeiras 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 4 December 2019.


B K McMaster
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

The directors present their report and the audited financial statements for the year ended 30 June 2019.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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

The loss for the period, after taxation, amounted to \$1.7 million (2018: \$1.6 million).

The directors do not recommend payment of a dividend.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019 (continued)**

GOING CONCERN

The Company, post the balance sheet date, disposed of its subsidiary which owned the Pedra Branca project to ValOre Metals Corp, a TSX-V listed entity, for the combined consideration of CAD\$3 million (\$2.4m as at 30 June 2019 exchange rate) cash (of which the Company has received CAD\$2 million (\$1.6m) to date and 25,000,000 ValOre common shares.

The transaction secures both the long-term prospects of the Pedra Branca project and allows the Company to focus on the Pitombeiras project, which the Company considers to be highly prospective. The disposal includes a cash consideration component which will allow the Company to substantially progress the development of the Pitombeiras project.

The Group will require further funding to finance its programme in the medium to long term. The Directors are confident that the Group will be able to raise these funds for such requirements from investors as required, although no ongoing or binding funding agreement is in place at the date of this report. These conditions indicate the existence of material uncertainty, which may cast doubt about the Group and Company's ability to continue as a going concern. The Board considers that the Company should produce the financial statements on a going concern basis. The financial statements do not include any adjustments that may result if the Group and Company were unable to continue as a going concern.

DIRECTORS

The directors who served during the year were:

B K McMaster
L M F De Azevedo
L E Castro
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


Crowe U.K. 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 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 4 December 2019.



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, one non-executive director and two independent non-executive directors. It is the main decision-making body of the Company, being responsible for:

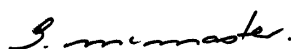
- a) the overall direction and strategy of the Company;
- b) monitoring performance;
- c) understanding risk, and
- d) reviewing controls.

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 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.



Brian McMaster
Executive Chairman

4 December 2019

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), which was revised in April 2018.

The QCA Code is constructed around ten broad principles and a set of disclosures. We have considered how we apply each principle to the extent that the 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 was focussed on PGM pre-development and vanadium. Our business model has been to discover and develop highly prospective, low risk projects with low cost production. Recognising the difficulties of financing PGM projects in the UK market, since October 2017, the Board has increasingly focused its efforts on proving up the vanadium potential of Pitombeiras. The Board believes that there is strong support for vanadium as an asset class and considers that it's in the best interests of shareholders to focus the Company's resources on pursuing the development of Pitombeiras.

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.

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

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.

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.

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

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), one Non-Executive Director, Luis Azevedo and two independent Non-Executive Directors Nicholas von Schirnding and Louis Castro.

In the past year there have been four board meetings and all of the directors attended all board meetings held.

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.

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

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 7.

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

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.

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 are Louis Castro and Nicholas von Schirnding, with Louis Castro acting as Chairman.

Terms of Reference:

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

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

Activities:

In particular 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.

2019 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 reappointment of our external auditor, Crowe U.K. LLP, including fee structure.

Remuneration Committee

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

Terms of Reference:

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

Activities:

The details of each Director's remuneration are presented in note 10.

2019 Review:

During the past 12 months the Remuneration Committee has:

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

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

Nomination Committee

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

Terms of Reference:

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

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.

2019 Review:

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

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

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

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 30 June 2019, which comprise:

- the Group statement of comprehensive income for the year ended 30 June 2019;
- the Group and parent company balance sheets as at 30 June 2019;
- 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, including a summary of significant accounting policies and other explanatory information.

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

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 2019 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions 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 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, 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 programme. The Directors are confident that the Parent Company will be able to raise these funds however there is no binding agreement.

These conditions indicate the existence of a material uncertainty and may cast doubt on the ability of the Group and Parent 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 Parent 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 \$19,000 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 \$500. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

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

The Group had very limited activity in the year ended 30 June 2019 but we performed work in order to obtain sufficient and 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.

We determined that going concern should be considered as a key audit matter and this is described in the section above, ‘Material uncertainty related to going concern’. In addition, we have determined an additional key audit matter in respect of exploration and evaluation assets. This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
<p>Exploration and evaluation assets</p> <p>The Group’s aim is to develop the Platinum Group Metal Project through its operations in Brazil. Exploration expenditure in the year totalled US\$478,000.</p> <p>We have considered the risk that exploration assets are incorrectly capitalised or impaired.</p>	<p>We agreed the costs capitalised to underlying supporting documentation and considered whether it met the criteria set out with IFRS 6 “Exploration for and Evaluation of Mineral Resources”.</p> <p>We reviewed management’s assessment which concluded that there are no facts or circumstances that suggests the carrying amounts of the assets exceeded the recoverable amount. In considering this assessment we undertook the following procedures:</p> <ul style="list-style-type: none"> • evaluated the competence and independence of the preparer of the technical report used for the economic assessment of the Pitombeiras project; • obtained the technical report (prepared by a specialist, independent mineral consulting company) for the Pitombeiras project which concluded that Pitombeiras is a property of merit that can be quickly developed to define JORC-compliant mineral reserves; and • confirmed the post year-end disposal of Pedra Branca do Brasil Mineração S/A where proceeds were higher than the value of the capitalised assets for the Pedra Branca project.

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.

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 matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In 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 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 set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

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

4 December 2019

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JANGADA MINES PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

		Year ended 30 June 2019 \$'000	Year ended 30 June 2018 \$'000 Restated ¹
Administration expenses		(1,590)	(1,531)
Loss from continuing operations		(1,590)	(1,531)
Finance expense	7	(4)	(34)
Loss before tax		(1,594)	(1,565)
Tax expense	8	-	-
Loss from continuing operations Discontinued operation		(1,594)	(1,565)
Loss from discontinued operation, net of tax	6	(88)	(76)
Financial loss for the year		(1,682)	(1,641)
Other comprehensive income:			
Items that will or may be classified to profit or loss:			
Currency translation differences arising on translation of foreign operations		3	9
Total comprehensive loss attributable to owners of the parent		(1,679)	(1,632)
 Loss per share attributable to the ordinary equity holders of the Company during the period		Cents	Cents
 - Basic and diluted	9	(0.75)	(0.83)

The notes on pages 30 to 45 form part of these financial statements.

1. The company has labelled the comparative information with the heading 'restated' to highlight the presentation of the discontinued operations previously not done so in the prior year's financial statements.

JANGADA MINES PLC

**CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2019**

		As at 30 June 2019 \$'000	As at 30 June 2018 \$'000
Assets			
Non-current assets			
Exploration and evaluation assets	12	41	324
Property, plant and equipment		-	4
		41	328
Current assets			
Other receivables	13	15	22
Cash and cash equivalents		117	198
Assets held for sale	6	782	-
		914	220
Total assets		955	548
Liabilities			
Current liabilities			
Trade payables		41	74
Loans and borrowings	14	62	58
Accruals and other payables	15	698	153
Liabilities associated with assets held for sale	6	22	-
Total liabilities		823	285
Issued capital and reserves attributable to owners of the parent			
Share capital	16	123	102
Share premium	16	4,202	2,844
Translation reserve		10	7
Retained earnings		(4,203)	(2,690)
Total equity		132	263
Total equity and liabilities		955	548

The financial statements were approved and authorised for issue by the directors and were signed on 4 December 2019.


B K McMaster
Director

The notes on pages 30 to 45 form part of these financial statements.

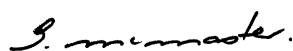
JANGADA MINES PLC

**COMPANY BALANCE SHEET
AS AT 30 JUNE 2019**

		As at 30 June 2019 \$'000	As at 30 June 2018 \$'000
Assets			
Current assets			
Group and other receivables	13	1,082	522
Cash and cash equivalents		117	196
		<u>1,199</u>	<u>718</u>
Total assets		<u><u>1,199</u></u>	<u><u>718</u></u>
Liabilities			
Current liabilities			
Trade payables		41	67
Loans and borrowings	14	62	58
Accruals and other payables	15	698	149
Total liabilities		<u>801</u>	<u>274</u>
Issued capital and reserves attributable to owners of the parent			
Share capital	16	123	102
Share premium	16	4,202	2,844
Translation reserve		-	-
Retained earnings		(3,927)	(2,502)
Total equity		<u>398</u>	<u>444</u>
Total equity & liabilities		<u><u>1,199</u></u>	<u><u>718</u></u>

The loss for the year dealt within the accounts of Jangada Mines plc was \$1,594,000 (2018: \$1,563,000).

The financial statements were approved and authorised for issue by the directors and were signed on 4 December 2019.



B K McMaster
Director

The notes on pages 30 to 45 form part of these financial statements.

JANGADA MINES PLC

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	Year ended 30 June 2019 \$'000	Year ended 30 June 2018 \$'000
Cash flows from operating activities			
Loss before Tax from continuing operations		(1,594)	(1,565)
Loss before Tax from discontinued operations		(88)	(76)
Loss before Tax		(1,682)	(1,641)
Add back: depreciation		2	4
Non-cash share option charge		169	287
Non-cash shares issued in lieu of fees	16	96	-
Decrease/(increase) in other receivables		-	205
(Decrease)/increase in trade and other payables		535	(390)
Net cash outflow from operating activities		(880)	(1,535)
Investing activities			
Development of exploration and evaluation assets		(477)	(324)
Net cash outflow from investing activities		(477)	(324)
Financing activities			
Share capital issue	16	1,496	-
Cost of issuing share capital	16	(213)	-
Repayment of convertible loan notes		-	(400)
Increase in related party borrowings		4	-
Net cash from financing activities		1,287	(400)
Net movement in cash and cash equivalents		(70)	(2,259)
Cash and cash equivalents at beginning of period		198	2,450
Movements in foreign exchange		2	7
Cash and cash equivalents at end of year		130	198

Note: Cash and cash equivalents at the year-end of \$130,000 includes \$13,000 that is currently shown on the consolidated balance sheet within assets held for sale.

The notes on pages 30 to 45 form part of these financial statements.

JANGADA MINES PLC

**COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	Year ended 30 June 2019 \$'000	Year ended 30 June 2018 \$'000
Cash flows from operating activities			
Loss before Tax		(1,594)	(1,563)
Non-cash share option charge		169	287
Non-cash shares issued in lieu of fees	16	96	-
Decrease/(increase) in other receivables		2	210
(Decrease)/increase in trade and other payables		524	(404)
Net cash flows from operating activities		(803)	(1,470)
Financing activities			
Share capital issue	16	1,496	-
Cost of issuing share capital	16	(213)	-
Loans to subsidiary		(563)	(381)
Repayment of convertible loan notes		-	(400)
Increase in related party borrowings		4	-
Net cash from financing activities		724	(781)
Net movement in cash and cash equivalents		(79)	(2,251)
Cash and cash equivalents at beginning of period		196	2,440
Movements in foreign exchange		-	7
Cash and cash equivalents at end of year		117	196

The notes on pages 30 to 45 form part of these financial statements.

JANGADA MINES PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Share capital \$'000	Share premium \$'000	Translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
As at 1 July 2017	102	2,844	(2)	(1,336)	1,608
Comprehensive Income for the year					
Loss	-	-	-	(1,641)	(1,641)
Other comprehensive income	-	-	9	-	9
Total comprehensive Income for the year	-	-	9	(1,641)	(1,632)
Transactions with owners					
Share options issued	-	-	-	287	287
Total transactions with owners	-	-	-	287	287
As at 30 June 2018	102	2,844	7	(2,690)	263
Comprehensive Income for the year					
Loss	-	-	-	(1,682)	(1,682)
Other comprehensive income	-	-	3	-	3
Total comprehensive Income for the year	-	-	3	(1,682)	(1,679)
Transactions with owners					
Share issued	21	1,358	-	-	1,379
Share options issued	-	-	-	169	169
Total transactions with owners	21	1,358	-	169	1,548
As at 30 June 2019	123	4,202	10	(4,203)	132

The notes on pages 30 to 45 form part of these financial statements.

JANGADA MINES PLC

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Share capital \$'000	Share Premium \$'000	Translation reserve \$'000	Retained earnings \$'000	Total equity attributable to owners \$'000
As at 1 July 2017	102	2,844	(7)	(1,226)	1,713
Comprehensive Income for the year					
Loss	-	-	-	(1,563)	(1,563)
Other comprehensive income	-	-	7	-	7
Total comprehensive Income for the year	-	-	7	(1,563)	(1,556)
Transactions with owners					
Share options issued	-	-	-	287	287
Total transactions with owners	-	-	-	287	287
As at 30 June 2018	102	2,844	-	(2,502)	444
Comprehensive Income for the year					
Loss	-	-	-	(1,594)	(1,594)
Other comprehensive income	-	-	-	-	-
Total comprehensive Income for the year	-	-	-	(1,594)	(1,594)
Transactions with owners					
Share issued	21	1,358	-	-	1,379
Share options issued	-	-	-	169	169
Total transactions with owners	21	1,358	-	169	1,548
As at 30 June 2019	123	4,202	-	(3,927)	398

The notes on pages 30 to 45 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

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 20 North Audley Street, London W1K 6WE. The Company's principal activities are the exploration and development of mining assets in Brazil.

2. Accounting policies

Basis of preparation and going concern basis

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

The consolidated financial information is presented in United States Dollars (\$), which is also the functional currency of the Company and Group. 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 doubt about the Group and Company's ability to continue as a going concern. The financial statements do not include any adjustments that may result if the Group and Company were unable to continue as a going concern.

Changes in accounting principles and adoption of new and revised standards

In the year ended 30 June 2019, the Directors have reviewed all the new and revised Standards. The only relevant new standard that is effective for this year's financial statements is *IFRS 9 "Financial Instruments"* but this has not had a material impact on the financial statements.

There are no standards in issue but not yet effective which could have a material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

2. Accounting policies (continued)

Basis of Consolidation

The Group consolidates the financial information of Jangada Mines plc and its subsidiaries drawn up to 30 June each year. 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.

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 do Brasil Mineração Ltda and VTF Mineração Ltda's statutory year ends are 31 December and has not been adjusted to be consistent with the Company's year-end as Brazilian law requires the subsidiaries to prepare their statutory financial statements with a 31 December year end.

Foreign currency

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

Financial assets

All of 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.

Financial liabilities

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

Exploration and evaluation assets

Exploration and evaluation assets represent the costs of exploration work, studies, field costs, government fees and the associated support costs at the Group's Pedra Branca project and Pitmobeiras.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

2. Accounting policies (continued)

Exploration and evaluation assets (continued)

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. Historically, the expenditures related to exploration and evaluation have not been material, as the Company is active in areas where there are minimal and immaterial exploration and evaluation costs and therefore the costs in previous years have been expensed.

Taxation

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

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

Judgements

As discussed in the Directors' report, there exists 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 Company's planned expenditure on the Pitombeiras vanadium deposit and the Company's working capital requirements, the Directors have a reasonable expectation that the Company 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)**

3. Critical accounting estimates and judgements (continued)

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 Pedra Branca (2019: \$760,000, 2018: \$324,000) and the Pitmobeiras project (2019: \$41,000, 2018: \$Nil) at this time.

Estimates and assumptions

The Company measures share options at fair value. For more detailed information in relation to the fair value measurement of such items, please refer to note 17.

4. Financial instruments - Risk Management

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

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

Credit risk

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

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

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

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.

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).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)**

4. Financial instruments - Risk Management (continued)

The Group's financial instruments are set out below:

	As at 30 June 2019 \$'000	As at 30 June 2018 \$'000
Financial assets		
Cash and cash equivalents	130	198
Other receivables	22	22
Total financial assets	152	220
Financial liabilities		
Trade payables	53	74
Related party loans	62	58
Accruals and other payables	708	153
Total financial liabilities	823	285
	As at 30 June 2019 \$'000	As at 30 June 2018 \$'000
US Dollar	-	7
Brazilian Real	22	8
Pound Sterling	801	270
	823	285

The above analysis includes the assets and liabilities of both the continuing operation and the discontinued operations of Pedra Branca as at 30 June 2019.

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

	2019 \$'000	2018 \$'000
Foreign currency risk sensitivity analysis		
Brazilian Real		
Strengthened by 10%	3	1
Weakened by 10%	(3)	(1)
Pound Sterling		
Strengthened by 10%	46	22
Weakened by 10%	(56)	(22)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

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

The Company's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern. The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

General objectives, policies and processes

The 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.

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.

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 30 JUNE 2019 (CONTINUED)

6. Discontinued operation

In May 2019, the Company committed to disposing of Pedra Branca do Brasil Mineracao S/A. The Board considers that it is in the best interests of shareholders to focus the Company's resources on pursuing the development of Pitombeiras. The sale completed on 14 August 2019.

The results of Pedra Branca for the year are presented below:

	Year ended 30 June 2019 \$'000	Year ended 30 June 2018 \$'000
Expenses	(88)	(76)
Loss from operating activities	(88)	(76)
Loss before tax from a discontinued operation	(88)	(76)
Related to pre-tax profit/(loss) from the ordinary activities for the period	-	-
Loss for the year from discontinued operations	(88)	(76)

The major classes of assets and liabilities of Pedra Branca classified as held for sale as at 30 June are, as follows:

	2019 \$'000	2018 \$'000
Assets		
Exploration and evaluation assets	760	324
Property, plant and equipment	2	4
Trade and other receivables	7	9
Cash and cash equivalents	13	2
Assets held for sale	782	339
Liabilities		
Trade payables	11	6
Accruals and other payables	11	-
Liabilities directly associated with assets held for sale	22	6
Net assets directly associated with disposal group	760	333

JANGADA MINES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)**

6. Discontinued operation (continued)

The net cash flows relating to Pedra Branca are, as follows:

	2019	2018
	\$'000	\$'000
Net Cash flow		
Operating	(77)	(74)
Investing	(477)	(369)
Financing	563	381
Net cash inflow/(outflow)	9	(62)

7. Finance expense

	2019	2018
	\$'000	\$'000
Interest expense	(4)	(34)
Total finance expense	(4)	(34)

8. Tax expense

	Year ended 30 June 2019		Year ended 30 June 2018	
	Continuing operations \$'000	Discontinued operations \$'000	Continuing operations \$'000	Discontinued operations \$'000
Profit on ordinary activities before tax	(1,594)	(88)	(1,565)	(76)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(303)	(17)	(297)	(15)
Effects of:				
Unrelieved tax losses carried forward	303	17	297	15
Total tax charge for the period	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)**

8. Tax expense (continued)

Factors that may affect future tax charges

Apart from the losses incurred to date, there are no factors that may affect future tax charges.

At the year end, \$853,000 (2018: \$568,000) of cumulative unrelieved tax losses arose in Brazil and the United Kingdom, which could be utilised in the foreseeable future.

9. Earnings per share

	2019			2018		
	Continuing operations	Discontinued operations	Total	Continuing operations (Restated)	Discontinued operations (Restated)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loss for the year	(1,594)	(88)	(1,682)	(1,565)	(76)	(1,641)
			2019			2018
Weighted average number of shares (basic & diluted)			224,270,445			197,515,600
Loss per share - basic & diluted (US 'cents)		(0.04)	(0.75)		(0.04)	(0.83)

In September 2018, the Company issued 34,999,996 new ordinary shares at a price of £0.03 per share as well as 34,999,996 warrants to the placees on a 1 for 1 basis, exercisable in whole or in part at £0.06 (7.9 US cents) until 15 October 2020. See Note 17.

There is no impact from 34,999,996 warrants and 15,250,000 options outstanding at 30 June 2019 (2018: 15,250,000 options) on the loss per share calculation because they are considered anti-dilutive. These options could potentially dilute basic EPS in the future.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)**

10. Staff costs and directors' remuneration

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

	Monetary Remuneration 2019 \$'000	Share options 2019 \$'000	Total 2019 \$'000	Total 2018 \$'000
B K McMaster	152	17	169	219
L M F De Azevedo	76	11	87	117
L E Castro	46	6	52	67
N K von Schirmding	46	6	52	67
	<u>320</u>	<u>40</u>	<u>360</u>	<u>470</u>

Excluding directors, there were five members of staff during the year ended 30 June 2019 (2018: 3). Excluding directors remuneration, staff costs during the year were salaries \$30,081 (2018: \$17,183), social security \$8,480 (2018: \$4,688), other benefits \$2,409 (2018: \$660).

11. Auditors remuneration

	2019 \$'000	2018 \$'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	25	25
Fees payable for other services:		
- Taxation	3	3
	<u>3</u>	<u>3</u>

12. Exploration and evaluation assets

	2019		2018
	Continuing operations \$'000	Discontinued operations \$'000	\$'000
Cost and net book value			
At beginning of year	-	324	-
Expenditure capitalised during the year	41	436	324
Cost and net book value at 30 June 2019	<u>41</u>	<u>760</u>	<u>324</u>

The Discontinued operations has been reclassified as Assets held for sale (See Note 6).

JANGADA MINES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)**

13. Group and other receivables

	Group 2019 \$'000	Group 2018 \$'000	Company 2019 \$'000	Company 2018 \$'000
Current				
Other receivables	15	22	15	18
Group receivables	-	-	1,067	504
Total other payables	15	22	1,082	522

14. Loans and borrowings

	Group 2019 \$'000	Group 2018 \$'000	Company 2019 \$'000	Company 2018 \$'000
Current				
Related party loan	62	58	62	58
Total loans and borrowings	62	58	62	58

15. Accruals and other payables

	Group 2019 \$'000	Group 2018 \$'000	Company 2019 \$'000	Company 2018 \$'000
Current				
Accruals	51	49	51	45
Amounts owed to Directors	262	104	262	104
Disposal purchase consideration	180	-	180	-
Share provision in lieu of fees	205	-	205	-
Total accruals and other payables	698	153	698	149

Under the terms of the Share Purchase Agreement Valore Metals Corp paid \$180,000 upon signing of the binding letter of agreement. See note 20.

The Company has provided for the cost of Consulmet Metals (Pty) Ltd for the consultancy work undertaken. Pursuant to the agreement, Consulmet is to be paid in its fees by the issuance of 4,798,091 shares (2019: \$205,000, 2018: \$nil). These shares have not been issued.

JANGADA MINES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)**

16. Share capital

	Issued Number	Share Capital \$'000	Share Premium \$'000
At 30 June 2018: ordinary shares of 0.04p each	197,515,600	102	2,844
3 October 2018: share issue as part of placement	38,273,328	20	1,476
25 April 2019: share issue in lieu of fees	1,526,125	1	95
Share issue costs charged to share premium	-	-	(213)
At 30 June 2019: ordinary shares of 0.04p each:	237,315,053	123	4,202

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

	2019 Average exercise price per share option \$	2019 Number of options	2018 Average exercise price per share option \$	2018 Number of options
At beginning of year	0.065	15,250,000	0.065	15,250,000
Granted during the year	0.079	<u>34,999,996</u>	-	<u>-</u>
At 30 June		<u>50,249,996</u>	0.065	<u>15,250,000</u>
Vested and exercisable at 30 June	<u>0.065</u>	<u>7,625,000</u>	0.065	<u>7,625,000</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)**

17. Share options (continued)

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

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

The model inputs for options granted previously included:

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

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

Share warrants granted during the year ended 30 June 2019 have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price \$	Share warrants 30 June 2019	Share warrants 30 June 2018
15 October 2018	15 October 2020	0.079	34,999,996	-

The warrants were valued using the Black Scholes Model with inputs noted in the above table and further inputs as follows:

- (a) warrants were granted for no consideration and vested warrants are exercisable for a period of two years after the grant date: 15 October 2018.
- (b) expiry date: 15 October 2020
- (c) share price at grant date: 2.58 pence.
- (d) expected price volatility of the company's shares: 50%.
- (e) risk-free interest rate: 2.0%.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)**

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
Pedra Branca do Brasil Mineracao S/A	Brazil	99.99%
VTF Mineração Ltda.	Brazil	99.99%

In May 2019, the Company committed to disposing of Pedra Branca do Brasil Mineracao S/A. The sale completed post year end on 14 August 2019.

19. Related party transactions

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

	2019 \$'000	2018 \$'000
Garrison Capital Partners Limited:		
Purchases made on Company's behalf and administrative fees expensed during the year	114	61
Interest charge included within Company and Group borrowings	4	58
Lauren McMaster:		
Consultancy services	15	56
FFA Legal Ltda:		
Legal and accountancy services expensed during year	79	88
Harvest Minerals Limited:		
Employment services reimbursed	(104)	-

Garrison Capital Partners Limited is a related party to the Company due to having directors in common. The balance owed as at 30 June 2019 was \$62,000 (2018: \$58,000) as disclosed in note 14.

Lauren McMaster is a related party to the Company due to being married to the Chairman. At the year-end the amount owed was \$8,000 (2018: \$18,000).

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 (2018: \$6,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)**

19. Related party transactions (continued)

Harvest Minerals Limited is a related party to the Company due to having directors in common. Throughout the year, Harvest Minerals contracted, at cost, the services of technical personnel for assistance with Harvest's development during periods when the Company was not actively involved in technical matters. These arrangements are not expected to be on-going. At the year-end they were owed \$nil (2018: \$nil).

Directors' remuneration is disclosed within note 10.

20. Subsequent Events

(a) Disposal

The Company post the Balance sheet date disposed of 23,862,321 quotas of Pedra Branca do Brasil Mineracao S/A, which represents 99.99% of all outstanding quotas of Pedra Branca (the "**Purchased Shares**"), while FFA Holding & Mineração Ltda. ("**FFA**") is the registered and beneficial owner of 1 quota of Pedra Branca, which represents 0.01% of all outstanding quotas of Pedra Branca (the "**FFA Share**"). Under the terms of the Share Purchase Agreement, Jangada has agreed to sell the Purchased Shares to the Purchaser and FFA has agreed to transfer the FFA Share to the Purchaser.

The Share Purchase Agreement sets out that the following consideration is payable to Jangada pursuant to the Disposal:

1. The issuance and allotment to Jangada of the:
 - a. Initial Consideration Shares in the Purchaser, Valore Metals Corp, totalling 22,000,000 on the date of closing of the Disposal ("**Completion**");
 - b. Post-Closing Consideration Shares totalling 3,000,000 payable in six equal tranches of 500,000 each tranche, commencing on the date falling six months after Completion and ending on the date falling thirty-six months after Completion.
2. Cash payments to Jangada in the aggregate of CAD\$3,000,000 (\$2.4m as at 30 June 2019 exchange rate), as follows:
 - a. CAD\$250,000 (\$0.2m) payable on signing in May 2019 (received);
 - b. CAD\$750,000 (\$0.6m) payable on Completion (received);
 - c. CAD\$1,000,000 (\$0.8m) on, or before, 3 months after Completion (received); and
 - d. CAD\$1,000,000 (\$0.8m) on, or before, 6 months after Completion.

(b) Share purchases

On 15 October 2019, Brian McMaster and Luis Azevedo purchased 6,000,000 existing Ordinary Shares of £0.0004 each in the Company at an average price of 1.3 pence per Ordinary Share purchased. Following the purchase, the beneficial interest increased to:

	No. of ordinary shares held	% of share capital
Directors' interests:		
Brian McMaster	53,844,467	22.8%
Luis Azevedo	52,666,667	22.3%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (*CONTINUED*)

21. Ultimate controlling party

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

JANGADA MINES PLC

JANGADA MINES PLC

(the "Company")

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of the members of the Company will be held at the offices of Bird & Bird LLP, 12 New Fetter Lane, London EC4A 1JP, at 10.00 a.m. on Wednesday 8 January 2020.

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

ORDINARY RESOLUTIONS

1. To receive and adopt the Company's financial statements and annual accounts for the financial year ended 30 June 2019 together with the Directors' report and auditors' report on these accounts.
2. To re-elect Louis Castro as a Director of the Company.
3. To re-elect Luis Azevedo as a Director of the Company.
4. To re-elect Brian McMaster as a Director of the Company.
5. To re-elect Nicholas von Schirnding as a Director of the Company.
6. To re-appoint Crowe U.K. LLP as auditors of the Company in accordance with section 489 of the Companies Act 2006 (the "Act") to hold office until the conclusion of the next annual general meeting at which the accounts of the Company are laid.
7. To authorise the Directors of the Company to determine the auditors' remuneration for the coming financial year.
8. That the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Act to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £68,354 provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the earlier of 15 months after the passing of this Resolution or at the completion of the next annual general meeting of the Company, but the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired. This authority is in substitution for all previous authorities conferred upon the Directors pursuant to section 551 of the Act, but without prejudice to the allotment of any equity securities already made or to be made pursuant to such authorities.

SPECIAL RESOLUTION

9. That, subject to the passing of Resolution 8 above, the Directors be and are empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by Resolution 8 above as if section 561 of the Act or any pre-emption provisions contained in the Company's articles of association ("**Articles**") did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
- a. in connection with an offer of equity securities by way of rights issue to holders of equity securities in proportion (as nearly as may be practicable) to their respective holdings of such equity securities, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems in or under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
 - b. otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £68,354.

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

By order of the board



Clive Hopewell
Company Secretary

Date: 4 December 2019

Registered Office:
20 North Audley Street
London
United Kingdom
W1K 6WE

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

Entitlement to attend and vote

- 1 Only those members registered on the Company's register of members at 10.00 a.m. on 6 January 2020 shall be entitled to attend and vote at the AGM.

Appointment of proxies

- 2 If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM and you should have received a Form of Proxy with this Notice of Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.
- 3 A proxy does not need to be a member of the Company but must attend the AGM to represent you. Details of how to appoint the Chairman of the AGM or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- 4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrar of the Company.
- 5 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

Appointment of proxy using hard copy form of proxy

- 6 The notes to the Form of Proxy explain how to direct your proxy, how to vote on each resolution or withhold their vote.
- 7 To appoint a proxy using the Form of Proxy, the form must be:
- (a) completed and signed;
 - (b) sent or delivered to Computershare Investor Services plc at The Pavilions, Bridgwater Road, Bristol BS13 8AE; and
 - (c) received by Computershare Investor Services plc no later than 10.00 a.m. on 6 January 2020.
- 8 In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
- 9 Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

Appointment of proxy by joint members

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

Changing proxy instructions

- 11 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
- 12 Where you have appointed a proxy using the hard-copy Form of Proxy and would like to change the

instructions using another hard-copy Form of Proxy, please contact Computershare Investor Services plc at The Pavilions, Bridgwater Road, Bristol BS13 8AE.

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

Termination of proxy appointments

- 14 In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services plc at The Pavilions, Bridgwater Road, Bristol BS13 8AE. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Computershare Investor Services plc no later than 10.00 a.m. on 6 January 2020.
- 15 If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
- 16 Appointment of a proxy does not preclude you from attending the AGM and voting in person. If you have appointed a proxy and attend the AGM in person, your proxy appointment will automatically be terminated.

Corporate representatives

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

Issued shares and total voting rights

- 18 As at 4 December 2019, the Company's issued share capital comprised 237,315,053 ordinary shares of £0.0004 each. Each ordinary share carries the right to one vote at a general meeting of the Company therefore, the total number of voting rights in the Company on 4 December 2019 is 237,315,053.

Questions at the AGM

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

Communication

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

Inspection of documents

- 21 The following will be available for inspection at the place of the meeting prior to and during the AGM:
- (a) copies of service contracts of executive directors;
 - (b) copies of letters of appointment of non-executive directors; and
 - (c) a copy of the Company's articles of association.