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This document does not comprise a prospectus within the meaning of section 85 of FSMA and does not constitute an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA, and has not been approved or examined by and will not be filed with the FCA, London Stock Exchange or the UKLA, but comprises an admission document in relation to AIM. It has been drawn up in accordance with the AIM Rules for Companies and has been issued in connection with the proposed admission to trading on AIM of the Enlarged Share Capital.

The Company and its Directors whose names appear on page 6 of this document, accept responsibility, collectively and individually, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. To the extent that information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading. In connection with this document, no person is authorised to give any information or make any representation other than as set out in this document.

Application will be made for Admission and it is expected that Admission will become effective and dealings in the Enlarged Share Capital will commence on AIM on 29 June 2017.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UKLA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

JANGADA MINES PLC

(Incorporated in England and Wales with registered number 09663756)

PROPOSED PLACING OF 45,000,000 NEW ORDINARY SHARES AT 5 PENCE PER ORDINARY SHARE

AND

ADMISSION OF THE ENLARGED SHARE CAPITAL TO TRADING ON AIM

Nominated and Financial Adviser

Strand Hanson Limited

STRAND
HANSON

Broker

Beaufort Securities Limited

BEAUFORT

Strand Hanson is the Company's nominated adviser and financial adviser and is authorised and regulated by the FCA. Strand Hanson's responsibilities as the Company's nominated adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules for Companies and AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange. Strand Hanson is not acting for and will not be responsible to any other persons for providing protections afforded to customers of Strand Hanson nor for advising them in relation to the proposed arrangements described in this document or the proposed admission of the Enlarged Share Capital to trading on AIM.

Beaufort Securities is the Company's broker and is authorised and regulated by the FCA. Beaufort Securities is acting for the Company and no one else in connection with the proposed arrangements described in the document. Beaufort Securities will not regard any other person as their customer nor be responsible to any other person for providing protections afforded to the customers of Beaufort Securities nor for providing advice to any other person in connection

with the arrangements described in this document or the proposed admission of the Enlarged Share Capital to trading on AIM.

No representation or warranty, express or implied, is made by Beaufort Securities or Strand Hanson as to the contents of this document and no liability is accepted by Beaufort Securities or Strand Hanson for the accuracy or opinions contained in, or for the omission of any material information from, this document, for which the Company and the Directors are solely responsible. The information contained in this document is not intended to inform or be relied upon by any subsequent purchasers of any Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted by Strand Hanson or Beaufort Securities in relation to them. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document will not, under any circumstances, be deemed to create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct at any time subsequent to its date.

The Placing is conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 29 June 2017 (or such later date as the Company, Strand Hanson and Beaufort Securities may agree, being not later than 13 July 2017). The Placing Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared paid or made in respect of the Ordinary Shares after Admission. It is emphasised that no application is being made for the Ordinary Shares to be admitted to the Official List or to any other recognized investment exchange.

No legal, business, tax or other advice is provided in this document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

This document does not constitute an offer to sell, or a solicitation to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any such distribution could result in a violation of the laws of such jurisdictions. In particular this document is not for distribution into the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, or any other jurisdiction where to do so would be in breach of any applicable laws and/or regulations. The Ordinary Shares have not been, nor will they be, registered under the securities legislation of the United States of America, any province or territory of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Accordingly, the Ordinary Shares may not, subject to certain exemptions, be offered, sold, re-sold, renounced, taken up or delivered, directly or indirectly, into the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, or to any national, citizen or resident of the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. No action has been taken by the Company, the holders of Ordinary Shares, or by Strand Hanson or Beaufort Securities that would permit a public offer of Ordinary Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturdays, Sundays and public holidays) from the date hereof until one month after Admission from the offices of Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD and from the Company's website: www.jangadamines.com

Forward-looking statements

This document contains forward looking statements relating to the Company's future prospects, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements are identified by the use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part II of this document. The Directors believe that the expectations reflected in these statements are reasonable, but may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.

CONTENTS

	Page
Expected Timetable of Principal Events	4
Illustrative Statistics	5
Directors, Secretary and Advisers	6
Definitions	7
Glossary	11
Part I – Information on the Company	13
Part II – Risk Factors	32
Part III – (A) Accountant’s Report on the Historical Financial Information of the Company	39
– (B) Historical Financial Information of the Company	41
– (C) Unaudited Interim Historical Financial Information of the Company	53
Part IV – (A) Accountant’s Report on the Historical Financial Information of Pedra Branca	63
– (B) Historical Financial Information of Pedra Branca	65
Part V – (A) Accountants Report on the Unaudited Pro Forma Statement of Net Assets of the Group	76
– (B) Unaudited Pro Forma Statement of Net Assets of the Group	78
Part VI – Competent Person’s Report	79
Part VII – Overview of Brazil’s Mineral Rights Regime	289
Part VIII – Additional Information	296

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	23 June 2017
Admission becomes effective and dealings in the Enlarged Share Capital expected to commence on AIM	8.00 a.m. on 29 June 2017
Expected date for CREST accounts to be credited with Ordinary Shares	29 June 2017
Expected date for despatch of definitive share certificates	by 13 July 2017

References to time are to London time unless otherwise stated. Each of the dates in the above timetable is subject to change at the absolute discretion of the Company, Strand Hanson and Beaufort Securities without further notice.

ILLUSTRATIVE STATISTICS

Number of Existing Ordinary Shares	150,000,000
Number of Placing Shares to be issued pursuant to the Placing	45,000,000
Number of Garrison Fee Shares to be issued pursuant to the Garrison Consultancy Agreement	2,355,600
Number of St Brides Fee Shares to be issued pursuant to the St Brides Fee Agreement	160,000
Enlarged Share Capital on Admission	197,515,600
Placing Price per Placing Share	5 pence
Market capitalisation on Admission at the Placing Price	£9.9 million
Percentage of the Enlarged Share Capital represented by the Placing Shares on Admission	22.8 per cent.
Percentage of the Enlarged Share Capital represented by the Garrison Fee Shares on Admission	1.2 per cent.
Percentage of the Enlarged Share Capital represented by the St Brides Fee Shares on Admission	0.1 per cent.
Percentage of the Enlarged Share Capital held by the Directors on Admission	46.2 per cent.
Percentage of the Enlarged Share Capital held by the Concert Party on Admission	77.1 per cent.
Options outstanding on Admission	15,250,000
Warrants outstanding on Admission	7,900,624
Percentage of the Enlarged Share Capital represented by Options and Warrants outstanding on Admission	11.7 per cent.
Estimated gross proceeds of the Placing	£2.25 million
Estimated net proceeds of the Placing	£1.6 million
AIM symbol	JAN.L
ISIN	GB00BZ11WQ61
SEDOL	BZ11WQ6

DIRECTORS, SECRETARY AND ADVISERS

Directors	Mr Brian Keith McMaster (<i>Executive Chairman</i>) Mr Luis Mauricio Ferraiuoli de Azevedo (<i>Non-Executive Director</i>) Mr Nicholas Kurt von Schirnding (<i>Independent Non-Executive Director</i>) Mr Louis Emmanuel Castro (<i>Independent Non-Executive Director</i>)
Company Secretary	Mr Clive Matthew Hopewell
Registered Office	5 Fleet Place London EC4M 7RD
Company Website	www.jangadamines.com
Nominated & Financial Adviser	Strand Hanson Limited 26 Mount Row London W1K 3SQ United Kingdom
Broker	Beaufort Securities Limited 63 St Mary Axe London EC3A 8AA United Kingdom
Solicitors to the Company	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD United Kingdom
Brazilian Solicitors to the Company	FFA Legal Ltda Av. Jornalista Ricardo Marinho 360 – Barra de Tijuca Rio de Janeiro Brazil
Solicitors to the Nominated Adviser and Broker	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT United Kingdom
Reporting Accountant to the Company	Crowe Clark Whitehill LLP 10 Salisbury Square London EC4Y 8EH United Kingdom
Auditors	Crowe Clark Whitehill LLP 10 Salisbury Square London EC4Y 8EH United Kingdom
Competent Person	GE21 Consultoria Mineral Ltda Av. Afonso Pena 3924 – Conjunto 207 Mangabeiras – CEP 30.130-009 Brazil
Share Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom

DEFINITIONS

“£” or “Pounds Sterling”	UK Pounds
“Act” or “2006 Act”	the Companies Act 2006, as amended
“Admission”	admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies as published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time
“Anglo American”	Anglo American plc
“Anglo American Group”	Anglo American and its subsidiaries
“Articles” or “Articles of Association”	the articles of association as at the date of this document
“Associate”	means an ‘associate’ of the relevant person as described in the definition of ‘Related Party’ in the glossary of the AIM Rules for Companies
“Beaufort Securities”	Beaufort Securities Limited, broker to the Company
“Beaufort Warrants”	the 7,900,624 Warrants issued to Beaufort Securities pursuant to the terms of the Warrant Instrument entered into between the Company and Beaufort Securities
“Board”	the board of directors of the Company from time to time
“Brazil”	the Federative Republic of Brazil
“City Code”	the City Code on Takeovers and Mergers
“Companies Act” or “Act”	the UK Companies Act 2006 (as amended from time to time)
“Company” or “Jangada” or “Jangada Mines”	Jangada Mines plc, a company incorporated in England and Wales with registered number 09663756, whose registered office is at 5 Fleet Place, London EC4M 7RD
“Company Financial Information”	the audited historical financial information of the Company for the year ended 30 June 2016
“Company Interim Financial Information”	the unaudited interim historical financial information of the Company for the six-month period ended 31 December 2016
“Competent Person” or “GE21”	GE21 Consultoria Mineral Ltda
“Competent Person’s Report”	GE21’s competent person’s report on the Pedra Branca Project as set out in Part VI of this document
“Concert Party”	those persons representing the beneficial interests of Brian McMaster, Matthew Wood and his close family members, Luis Azevedo and Mark Sumner

“Corporate Governance Code”	The UK Corporate Governance Code published by the Financial Reporting Council in September 2014 (as amended)
“Convertible Loan Notes”	as described in paragraph 3 of Part I of this document
“CREST”	the system for paperless settlement of trades and holdings of uncertificated securities administered by Euroclear UK & Ireland Limited in the UK
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force
“Directors”	the Directors whose names are set out on page 6 of this document
“DTR”	the Disclosure and Transparency Rules
“Enlarged Share Capital”	the total number of Ordinary Shares in issue on Admission, comprising the Existing Ordinary Shares, the Placing Shares, the Garrison Fee Shares and the St Brides Fee Shares
“ESMA”	the European Securities and Markets Authority
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated in England & Wales with registration number 02878738, being the operator of CREST
“Existing Ordinary Shares”	the 150,000,000 existing issued Ordinary Shares
“Exploration License”	has the meaning prescribed to it in paragraph 5.1.2 of the Competent Person’s Report
“FCA”	the United Kingdom’s Financial Conduct Authority
“FDI”	foreign direct investment
“FSMA”	the Financial Services and Markets Act 2000 of the UK (as amended)
“Garrison Capital”	Garrison Capital Partners Limited, a company duly organised and existing under the laws of the United Arab Emirates, registered with the Registrar of the Jebel Ali Free Zone Authority under the Company Number 165604, headquartered at Rolex Tower, 26th Floor, Sheikh Zayed Road, P.O. Box 33675, Dubai, United Arab Emirates, which is beneficially owned 50 per cent. by Brian McMaster and 50 per cent. by Matthew Wood
“Garrison Consultancy Agreement”	the agreement dated 23 June 2017 between the Company and Garrison Capital, pursuant to which Garrison Capital has been issued the Garrison Fee Shares, further details of which are set out in paragraph 11.8 of Part VIII of this document
“Garrison Fee Shares”	the 2,355,600 new Ordinary Shares issued to Garrison Capital pursuant to the terms of the Garrison Consultancy Agreement
“Group”	the Company and its subsidiaries
“HMRC”	Her Majesty’s Revenue and Customs

“Indicated mineral resource”	part of a mineral resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered
“Inferred mineral resource”	part of a mineral resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
“ISIN”	International Securities Identification Number
“Locked In Shareholders”	the Directors, those persons representing the beneficial interests of the Directors, Heinrich Muller and Matthew Wood (including his close family members)
“Lock In Agreement”	the agreement between the Company, Strand Hanson, Beaufort Securities and the Locked In Shareholders, further details of which are contained in paragraph 11.5 of Part VIII of this document
“London Stock Exchange”	London Stock Exchange plc
“MAR”	the Market Abuse Regulation being Regulation 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (incorporating the technical standards, delegated regulations and guidance notes, published by the European Commission, London Stock Exchange, the FCA and ESMA)
“Mining License”	has the meaning given to it paragraph 5.1.3 of the Competent Person’s Report
“Official List”	the Official List of the UKLA
“Options”	options to subscribe for Ordinary Shares
“Ordinary Shares”	fully paid ordinary shares of £0.0004 each in the capital of the Company from time to time
“Panel”	the Panel on Takeovers and Mergers
“Pedra Branca”	Pedra Branca do Brasil Mineracao Ltda, a company incorporated in Brazil with registered number 08.158.242/0001-10, whose registered office is at Av. Jornalista Ricardo Marinho, Number 360, Office 113, Barra da Tijuca, in the City and State of Rio de Janeiro, Brazil, Zip Code 22.631-350
“Pedra Branca Financial Information”	the audited historical financial information of Pedra Branca for the three years ended 31 December 2016
“Pedra Branca Project” or the “Project”	as described in paragraph 5 of Part I of this document

“Placing”	the conditional placing of the Placing Shares at the Placing Price by Beaufort Securities pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 23 June 2017 between (i) the Company, (ii) the Directors, (iii) Strand Hanson and (iv) Beaufort Securities
“Placing Price”	5 pence per Placing Share
“Placing Shares”	the 45,000,000 new Ordinary Shares to be issued by the Company pursuant to the Placing
“Prospectus Rules”	the prospectus rules of the UKLA made in accordance with section 73A of FSMA as amended from time to time brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No.809/2004 and the Prospectus Regulations 2005 (SI 2005/1433);
“QCA”	the Quoted Companies Alliance
“QCA Code”	the corporate governance code for small and mid-size quoted companies published by the QCA in May 2013
“Real” or “R\$”	Brazilian real, the lawful currency of Brazil from time to time
“Relationship Agreement”	the relationship agreement entered into on 23 June 2017 between (i) the individual members of the Concert Party, (ii) Strand Hanson and (iii) the Company
“SEDOL”	Stock Exchange Daily Official List
“Shareholders”	the holders of Ordinary Shares from time to time
“Share Option Scheme”	as defined in paragraph 16 of Part I of this document
“St Brides Fee Agreement”	the agreement dated 24 March 2017 between the Company and St Brides Partners Limited, pursuant to which St Brides Partners Limited has been issued the St Brides Fee Shares, further details of which are set out in paragraph 11.9 of Part VIII of this document
“St Brides Fee Shares”	the 160,000 new Ordinary Shares issued to St Brides Partners Limited pursuant to the terms of the St Brides Fee Agreement
“Strand Hanson”	Strand Hanson Limited, the Company’s nominated and financial adviser
“subsidiary” or “subsidiary undertaking”	have the meanings given to them in the Act
“UK” or “United Kingdom”	The United Kingdom of Great Britain and Northern Ireland
“UKLA”	the United Kingdom Listing Authority, the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“US” or “United States”	The United States of America
“US\$”, “USD” or “US Dollars”	United States Dollar, the lawful currency of the United States of America from time to time
“Warrants”	warrants to subscribe for Ordinary Shares

A glossary of technical terms appears on page 11 of this document.

GLOSSARY

“Bushveld Complex”	large layered igneous intrusion within the Earth’s crust which contains some of the richest ore deposits on Earth
“DNPM”	the Departamento Nacional de Produção Mineral, which regulates the Brazilian mineral regime
“g/t”	grams per tonne
“Indicated mineral resource”	part of a mineral resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered
“Inferred mineral resource”	part of a mineral resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
“JORC Code 2012”	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as published by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
“mafic”	partial acronym describing a silicate mineral or igneous rock that is rich in magnesium and iron, and is thus a portmanteau of magnesium and ferric
“Measured mineral resource”	part of a mineral resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered
“Mineral resource”	a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories

“Modifying Factors”	considerations used to convert mineral resources to ore reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors
“Moz”	million ounces
“Mt”	mega tonnes (one million tonnes)
“Ore reserve”	the economically mineable part of a Measured and/or Indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
“Paleoproterozoic ultramafic Troia Unit”	the Troia mafic-ultramafic complex in northeastern Brazil
“PGM”	platinum group metals, being platinum, osmium, iridium, ruthenium, rhodium and palladium
“SAMREC”	the South African Code for Reporting of Mineral Resources and Mineral Reserves
“ultramafic”	partial acronym describing an igneous rock consisting of ferro (iron) magnesian minerals

PART I

INFORMATION ON THE COMPANY

1. BACKGROUND TO THE COMPANY

Jangada Mines is an England and Wales incorporated company which has a 99.99 per cent. interest¹ via its subsidiary, Pedra Branca, in the Pedra Branca Project located in the northeast of Brazil.

Pedra Branca holds 100 per cent. of the mineral rights in respect of the Pedra Branca Project. The Project is an advanced stage PGM exploration project containing what the Directors understand to be the largest PGM resource, as well as being the only pre-development PGM project, in South America.

The Group is currently undertaking various exploration and development activities on the Pedra Branca Project and with part of the net proceeds of the Placing intends to undertake further exploratory analysis and drilling activities, where appropriate, over the course of the coming year on the assets to further prove their potential.

The previous owners of the Project, over several decades, have spent in excess of US\$35 million developing the Project. However, as a result of the challenging conditions in the natural resources sector in recent years and internal corporate objectives, the most recent owners, being global mining major the Anglo American Group and Solitario Exploration & Royalty Corp., have undertaken divestment programmes of non-core assets. The Pedra Branca Project was deemed to be a non-core asset which facilitated the sale of Pedra Branca to Garrison Capital and then the Company.

Further information on the Group's Pedra Branca Project is disclosed in paragraph 5 of this Part I and in the Competent Person's Report set out in Part VI of this document.

Board and senior management

The Board comprises one executive director and three non-executive directors. The Directors are based in London (UK) and Brazil. The Company has also secured the services of Heinrich Muller as Chief Operating Officer, who was employed by Anglo American as Managing Director of the Pedra Branca Project between 2012 and 2015. Heinrich will be partially based in Brazil, returning to live there full time as required as the Project develops.

As a whole, the Board and the Company's senior management have significant experience in establishing, growing, financing and subsequently monetising early stage mineral projects in Brazil and more widely. Further information on the Board is set out in paragraph 6 of this Part I.

Placing and Admission

Pursuant to the Placing, Beaufort Securities has conditionally raised £2.25 million (before expenses) for the Company, through the placing of the Placing Shares at the Placing Price, conditional, *inter alia*, upon Admission. The net proceeds of the Placing are estimated at approximately £1.6 million. Further information on the use of proceeds is disclosed in paragraph 9 of this Part I.

Application has been made for the admission of the Enlarged Share Capital to trading on AIM and it is expected that Admission will take place and that trading will commence on AIM at 8.00 a.m. on 29 June 2017.

¹ The Company holds 22,574,327 shares (referred to as quotas) of R\$1.00 each in Pedra Branca, fully subscribed and of which 19,904,630 shares are paid up to date. The remaining one quota of R\$1.00 fully subscribed and paid up to date is held by FFA Holding & Mineracao Ltda (a vehicle 99.99 per cent. owned by Mr Azevedo) for the benefit of the Company and in compliance with Brazilian laws which require two quota holders for limited liability companies.

2. KEY INVESTMENT PROPOSITION

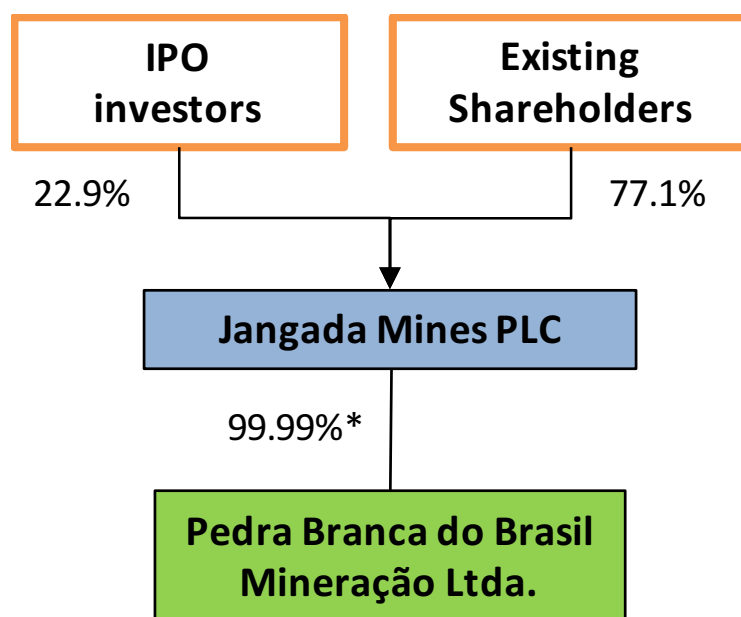
The objective of the Group is to deliver material value for its stakeholders through exploration and development activities at the Pedra Branca Project. The Directors believe that an investment in the Company should be attractive to prospective investors for the following reasons:

- the Pedra Branca Project is considered by the Directors to be the largest and most advanced PGM project in South America, with favourable regional geology, encompassing three Mining Licenses and 44 Exploration Licenses;
- the Project contains a JORC-compliant resource of 0.95 Moz of platinum, palladium and gold;
- previous owners have spent in excess of US\$35 million developing the Project, with all data and core owned and catalogued;
- shallow, conventional open pit mining resulting in low cost production, compared to international competitors, with a clear path to early production and cash flow;
- subject to raising significant additional funding, the Directors intend to work towards first production of 30,000 ounces per annum within 12-18 months following Admission, equating to estimated mine life of greater than 20 years;
- 11 deposits with confirmed PGM mineralisation also demonstrate chrome, nickel and copper mineralisation;
- the Company intends to use contractors on site to reduce capex and utilise the existing infrastructure in place;
- development of the Project is viewed as a regional economic driver by the State Government and is supported by the local community;
- Brazil has an established, transparent and reliable mining code
- global platinum demand is expected to reach nine million ounces by 2025, far exceeding supply;²
- the Board and the Company's senior management have significant experience in establishing, growing, financing and subsequently monetising early stage mineral projects in Brazil, which the Directors consider to be a stable and mining-friendly jurisdiction, and more widely; and
- certain of the Directors have significant interests in the Company. They therefore share economic alignment with investors.

² Source: Inflection points for PGMs: Investing in Africa', Anglo American, February 2016.

3. GROUP STRUCTURE AND COMPANY HISTORY

Figure 1: Group structure on Admission



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

History of the Group

Acquisition of shares by the Company in Pedra Branca

The Company was incorporated in England & Wales with registered number 09663756 on 30 June 2015. The Company was initially capitalised by the issue of three ordinary shares of £0.01 each and subsequently by the issue of a further 5,999,997 ordinary shares of £0.01 each (totaling 6,000,000 ordinary shares of £0.01 each) which were then subdivided on a 25:1 ratio, prior to Admission so that there are 150,000,000 Existing Ordinary Shares (of nominal value £0.0004) in issue as at the date of this document.

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

Funding of the Company prior to Admission

Prior to Admission, and in order to meet working capital requirements, the Company has received funding in the following manner:

- On 15 December 2016, pursuant to the terms of a convertible loan note, the Company was granted a loan in the amount of US\$300,000, with an interest rate payable of 20 per cent. per annum, from Sagert Road Investments LLC, an Oregon based entity. The convertible loan note provides that Sagert Road Investments LLC may at any point before 15 December 2017, being the maturity date, and before payment in full by the Company of the loan amount, convert the principal balance into fully paid Ordinary Shares in the Company (at the Placing Price of the Company). If Sagert Road Investments LLC exercises its conversion right, no interest shall be payable. If the Company elects to repay in cash the convertible loan note prior to the expiry date, the full amount of interest that would have been accrued over the year is still payable.
- On 15 December 2016, pursuant to the terms of a convertible loan note, the Company was granted a loan in the amount of US\$100,000, with an interest rate payable of 20 per cent. per annum, from Craig Hubler Profit Sharing Plan, an Oregon based entity. The convertible loan note provides that Craig Hubler Profit Sharing Plan may at any point before 15 December 2017, being the maturity date, and

before payment in full by the Company of the loan amount, convert the principal balance into fully paid Ordinary Shares in the Company (at the Placing Price of the Company). If Craig Hubler Profit Sharing Plan exercises its conversion right, no interest shall be payable. If the Company elects to repay in cash the convertible loan note prior to the expiry date, the full amount of interest that would have been accrued over the year is still payable.

(together the “Convertible Loan Notes”)

Neither of the Convertible Loan Notes has been converted into Ordinary Shares in the Company as part of the Admission process, and therefore the full amount of each remains outstanding. Immediately following Admission (and therefore prior to 15 December 2017), the Company intends to fully settle, in cash, the principal and interest outstanding under the Convertible Loan Notes, totalling, in aggregate, US\$480,000.

4. OVERVIEW OF BRAZIL AND THE GLOBAL PGM MARKET

Country Overview

Brazil is a country of approximately 204 million people on a land mass of over eight million square km, thereby placing the country, on a land mass basis, as the fifth largest in the world. Brazil is often grouped, alongside Russia, India and China, as one of the ‘BRIC’ economies and benefits from a large domestic market, diversified economy and a broad selection of trading partners. FDI in the country was estimated at US\$78.9 billion in 2016.

The political institutions in Brazil are well established. Until 2016, the country had experienced more than 25 years of stable democracy, with policy makers showing a continued commitment towards maintaining economic stability. However, Brazil has recently faced a political crisis following the impeachment of President Dilma Rousseff on 31 August 2016, who was found guilty of breaking budgetary laws. In May 2017, the Brazilian stock markets and currency dropped significantly after corruption allegations emerged surrounding the current President Michel Temer, which has also led to numerous calls for him to resign and fresh elections be called. President Michel Temer refutes the allegations and is ignoring calls for him to resign – the situation remains fluid.

From 2003 to 2014, Brazil experienced a period of social and economic development in which over 29 million people emerged out of poverty. According to The World Bank, from 2002 to 2012, the income of the bottom 40 per cent. of the population grew, in real terms, on average by 7.1 per cent. Brazil is Latin America’s largest economy and the world’s ninth largest economy with GDP in 2015 in excess of US\$1.7 trillion. The country was also one of the first emerging markets to begin a recovery following the global financial crisis that began in 2008. By 2010 both investor and consumer confidence recovered significantly, such that GDP growth reached 7.5 per cent. that year.

During 2015 and 2016, Brazil experienced a period of deep recession. GDP decelerated consistently since 2010, from an average annual growth rate of approximately 4.5 per cent. between 2006 to 2010 to approximately 2.1 per cent. between 2011 and 2014. GDP declined by approximately 3.8 per cent. in 2015 and it was expected to have contracted by at least 3 per cent. in 2016. The Central Bank of Brazil is now easing monetary policy more aggressively, which representatives of the Central Bank of Brazil believe will assist with the emergence of Brazil’s economy from recession. In addition, the government is actively working to support the economy, and in March 2017 launched an infrastructure concession programme that seeks to kick-start investment for infrastructure. In 2015, the Brazilian government announced US\$64 billion in new infrastructure investment, with investment from China anticipated to be in excess of US\$50 billion. GDP is poised to return to growth in 2017 as a result of lower inflation, improved confidence and a less-tight monetary policy, as outlined. Whilst the improvement is not expected to be significant this year, data from the Central Bank of Brazil’s Focus Bulletin suggests that GDP should increase 2.3 per cent. in 2018.

The Directors believe the country has excellent demographic trends, with the population growing by over 15 per cent. since 2000, with a fast growing middle class and increasing urbanisation. Approximately 86 per cent. of the population live in urban environments. Brazil’s economy is largely driven by household consumption and has well developed service, manufacturing, agricultural and mining sectors.

Overview of the PGM market

Approximately 80 per cent. of the world's PGM supply comes from producers operating in South Africa's Bushveld Complex, although Russia's "Norilsk Nickel Group", is the largest producer of palladium. Producers operating in the Bushveld Complex are predominantly high-cost producers largely as a result of falling production volume and input cost inflation. South Africa's capital investment in platinum production has fallen from US\$4 billion to US\$1 billion over the last seven years and platinum output from producers in South Africa is forecast to fall from 4.2Moz in 2016 to 4Moz in 2017.

The PGM market is currently characterised by a supply deficit. In 2016, total PGM supply was 17.6 Moz whilst demand was 19.2 Moz. Demand and supply for PGMs is predominantly driven by platinum and palladium and these two metals are the key drivers of the PGM basket price. Over the last 10 years, demand for PGM commodities has been dominated by palladium demand (9.4Moz in 2016) whereas, on the supply side, it has been dominated by a platinum supply deficit; the platinum deficit for 2016 is considered to have been 520,000oz, and platinum demand is expected to reach 9Moz by 2025 (8.2Moz in 2016). However, these favourable macroeconomic conditions for platinum and palladium prices have not translated into significant price increases, which is considered to be the result of large above ground inventory. Over the last 10 years, the platinum price has traded at a premium to the palladium price whilst palladium is the largest market by volume.

The primary use of PGMs is in autocatalysts (catalytic converters). Of the PGMs, platinum is the superior performer in diesel catalysts due to its resistance to sulphur and lead whilst palladium is preferred in petrol catalysts mainly due to its lower price.

Demand for jewellery, particularly in new and emerging markets, is a significant driver of platinum demand although not of palladium, likely a result of palladium's lighter weight. According to data from Johnson Matthey, China accounted for 62 per cent. of the platinum jewelry demand in 2016 and 5 per cent. of palladium. However, this represented a 26 per cent. and 16 per cent. drop in demand respectively from a year earlier.

PGM demand, in general, grows in line with global GDP growth, which in the short to medium term is likely to be characterised by higher growth from China, India and other emerging markets being offset by slower growth in more mature western markets. In the long term, platinum demand will be driven by jewelry demand and continued autocatalyst growth versus consumer take-up of electric and hybrid vehicles. Palladium demand in the long term is likely also to be driven by autocatalyst growth, as well as any policy moves by governments to reduce diesel fuel consumption. Platinum and palladium are actively traded on a number of exchanges, including The London Platinum and Palladium Market.

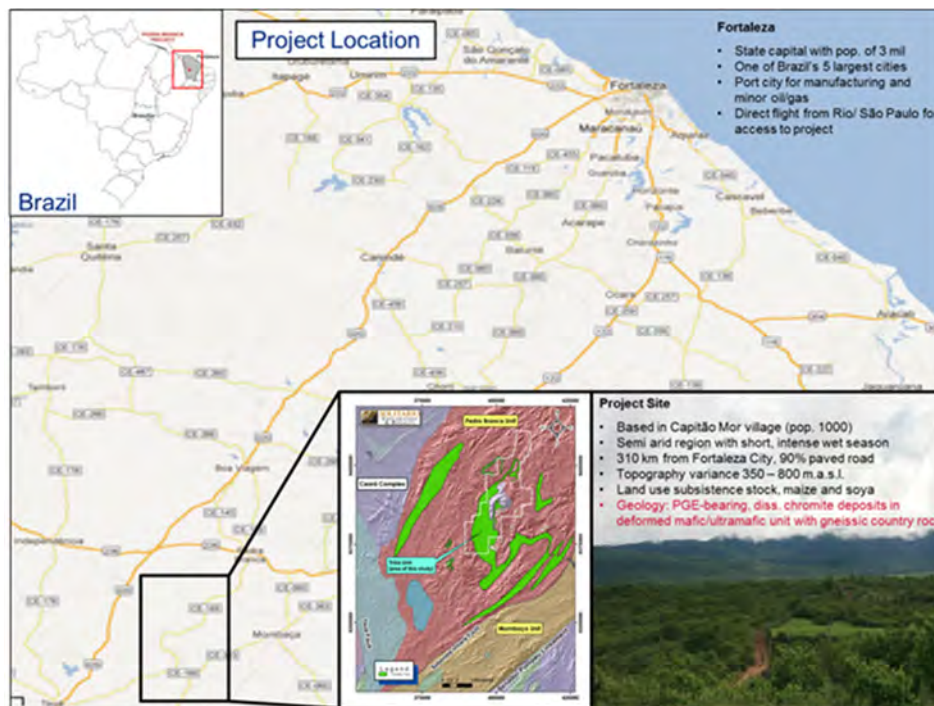
The Directors believe that the Company has a significant competitive advantage over its international competitors, particularly those operating in the Bushveld Complex, as a result of the low-cost production economics of the Pedra Branca Project. At the current PGM basket price, the Directors believe many of the producers operating in the Bushveld Complex are considered to be loss-making.

5. OVERVIEW OF THE PEDRA BRANCA PROJECT

Project Location

The Project is located 280km southwest of Fortaleza, the capital of Ceara State, northeastern Brazil. Access to the project area is via a paved Brazilian state Highway (BR020) that connects Fortaleza to Brasilia. At the town of Bom Jesus, 260km by road from Fortaleza, a dirt road branches off to the east to the village of Capitão Mor, 18km to the east. Driving time from Fortaleza is approximately four to six hours.

Figure 2: Location of the Pedra Branca Project



Source: Competent Person's Report

Project History

Dubbed Pedra Branca, the complex was discovered in the 1960's by local government geologists who were exploring the area for its chromite potential and by 1969, five holes were drilled into the Esbarro prospect establishing 43,000 tonnes of material grading 10 – 28 per cent. chromite.

The project then sat idle until 1985, when South African-based Gencor and Rio Tinto identified platinum-palladium mineralization associated with the chromite bands. Targeting separate areas on the ultramafic belt, the companies completed airborne magnetic and radiometric surveys, as well as mapping, soil sampling and trenching. The work resulted in the discovery of 10-15 scattered showings of chromitite and copper-nickel soil geochemical anomalies. Rio Tinto focused on the most northerly chromite occurrence, known as Esbarro 1 and 2, which lie within 400m of each other. Meanwhile, Gencor targeted the central and southern portions of the ultramafic belt carrying out trenching and drilling eight holes into the Trapia 1 and Trapia 2 showings. Both Rio Tinto and Gencor ceased exploration following a slump in platinum and palladium prices.

As the price of platinum and palladium started to increase in the late 1990s, Altoro Gold Corp. (which has since merged with Denver-based Solitario Exploration & Royalty Corp.) acquired the project and started drilling in 1999. In January 2003, Anglo American Platinum signed a joint venture agreement with Solitario Exploration & Royalty Corp. and continued to invest in the project sufficiently to secure majority ownership and in 2011 assumed management of the joint venture.

Throughout Anglo American Platinum's 12-year involvement they advanced the project through several development gates which included, *inter alia*:

- Extensive resource drilling on the main target deposits bringing the total drilled meters to ca. 30,000m at a drill spacing of 25 – 40 metres;
- Resource estimate and scoping study in 2005;
- Drill core process metallurgical tests in 2005 and 2006;
- Ground geophysics, target generation and target drilling 2007 – 2012;
- Resampling of all historic drill core;
- SAMREC compliant resource estimate 2012;

- Regional scale, high quality airborne geophysics 2013;
- Additional process metallurgy test studies in 2013; and
- Geophysics target generation and drilling 2014.

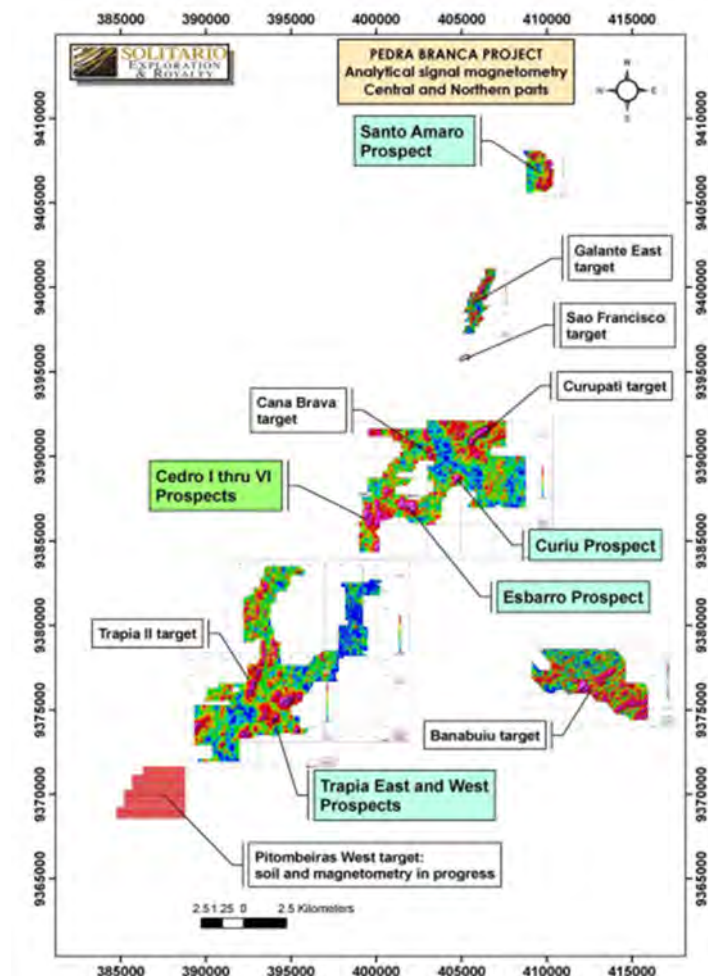
As noted above, in 2014, the Pedra Branca Project was deemed to be a non-core asset by Anglo American Platinum which facilitated the sale of Pedra Branca to Garrison Capital and then to the Company.

The Project

The Pedra Branca Project consists of three Mining Licenses (being 800.095/99, 800.096/99 and 800.097/99) and 44 Exploration Licenses (refer to the CPR in Part VI of this document for the relevant license numbers) covering approximately 55,000 hectares. The project area consists of five main prospects, Santo Amaro, Curiu, Cedro, Esbarro and Trapia and seven other associated targets, with Mineral resources being defined on all of the prospects save for Santo Amaro.

52 per cent. of the JORC-compliant resource of 23.138 Mt (at 1.28 g/t containing 0.95 Moz of platinum, palladium and gold) is contained within the three Mining Licenses, which encompasses all of the Mineral resources defined in the Curiu and Esbarro prospects. The majority of the Mineral resources defined for the Cedro prospect, along with all of the Mineral resources defined for the Trapia prospect, are contained within seven of the Exploration Licences. The balance of the Mineral resources defined for the Cedro prospect is contained within one of the Mining Licences. The prospects and other targets in the Pedra Branca Project are shown in Figure 3 below.

Figure 3: Location of the prospects and targets within the Pedra Branca Project



Source: Competent Person's Report

Geology

The PGM deposits at Pedra Branca are hosted by the Paleoproterozoic ultramafic Troia Unit, consisting of altered dunite intruded into Archaean Basement Gneisses. PGM mineralization is associated with chromite-rich horizons and base metal sulphides within the dunite. Regionally, the rocks have been deformed by at least three deformation events which have left the dunite intrusion folded and dismembered.

Exploration

Exploration was carried out by a number of previous companies throughout the project's 50-year history. The last of these companies, Anglo American Platinum, completed, amongst other work, a total recheck and validation of the project database. The Company has integrated all the available information validated by Anglo American Platinum and carried out their own validation programme.

The exploration database consists of remote sensing, geological mapping, soil and stream sediment sampling programs, ground and airborne geophysics, diamond drilling, topographic surveys, laboratory chemical analyses, petrography, process mineralogy and metallurgical ore characterization data.

Table 1 below lists the number of diamond drilling holes undertaken by the previous exploration companies' programmes as well as the number of samples that were assayed.

Table 1: Pedra Branca Drill Hole Databases Summary

<i>Drilling Method</i>	<i>Total of Drill Holes</i>	<i>Total length</i>	<i>Samples with Chemical results</i>
Diamond Drilling	351	25,726 m	9,349

Source: Competent Person's Report

Process Metallurgy

Extensive drill core and field samples have been analysed by bench scale flotation tests. These tests have confirmed that the Pedra Branca ore can be processed by conventional methods as used on other PGM-copper-nickel-chrome operations.

Resource Model

GE21 executed the geological modeling, the grade estimation and the classification of the mineral resources of the Pedra Branca Project (Curiu, Esbarro, Trapia and Cedro prospects; no mineral resource was prepared for the Santo Amaro prospect). In doing so, the following set of factors was taken into consideration: the quantity and spacing of the available data, the interpretation of the mineralization controls, the type of mineralization, and the quality of the data that was utilised.

The modeling and the estimates were developed with Gemcom Surpac 6.1.4 software. The Project's database was based on UTM zone 24 south, SIRGAS2000.

Classification

The Pedra Branca Project mineralization zones are classified as Measured, Indicated and Inferred Mineral resources based on the assessment of the input data, geological interpretation and quality of grade estimation and are based on the JORC (2012) Code.

Density

The density applied in the block model was defined by the IDW (inverse distance weighting) estimate of values obtained by the experimental specific gravity test with litho types in drill core samples. Altogether, 2026 density determinations tests were carried out on all rotative drill holes. Sample data from the drill hole database was estimated by IDW separately on each zone (oxide, transition and sulphide).

Cut-off Grade

A cut-off grade of 0.3 g/t equivalent Au was applied based on a “reasonable expectation of eventual economical extraction”, to support a statement of the resource based on positive economic performance, using equivalent gold content prices and general costs based on similar projects in Brazil.

Pit Optimisation to Resource Classification

Pit optimisations were undertaken for each of the mineralization zones using optimistic economic parameters to determine the limits of the mineral resource. This procedure is recommended to guarantee a “reasonable expectation of eventual economical extraction”, to support a statement of the resource based on positive economic performance.

Resource Reporting

The total Pedra Branca Project Mineral resource estimate, with a cut-off of 0.3g/t grade of equivalent gold applied is 23.1Mt at 1.28g/t PGM and 952.4Koz PGM is shown in Table 2. Tables 3 – 6 present the individual prospects’ mineral resource estimates all with the lower cut-off 0.3g/t grade of equivalent gold applied.

Mineral resources which are not classified as mineral reserves have not yet demonstrated their economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues

Table 2: Pedra Branca Mineral Resource Estimate

Grade Tonnage Table – 30 Mar 2017. Pedra Branca Deposit: Total Aggregated Mineral Resource – Effective Date: 30 March 2017. Block Model: 20m X 10m X 2m (5m X 2.5m X 0.5m) Considered Equivalent Gold Cut-Off Grade: 0.30 g/t

Zone	Classification	Tones (kt)	PGE (g/t)	Pd (g/t)	Pt (g/t)	Au (g/t)	PGM (koz)	Pd (koz)	Pt (koz)	Au (koz)
Oxide	Measured	1,339	1.230	0.802	0.398	0.030	52.9	34.5	17.1	1.3
	Indicated	3,836	1.555	0.932	0.584	0.040	191.8	114.9	72.0	4.9
	Inferred	3,636	1.920	1.133	0.767	0.019	224.4	132.5	89.7	2.3
	Sub Total	8,811	1.656	0.995	0.631	0.030	469.1	281.8	178.8	8.5
Transition	Measured	698	1.255	0.831	0.404	0.020	28.2	18.6	9.1	0.4
	Indicated	1,536	1.307	0.833	0.440	0.033	64.5	41.2	21.7	1.6
	Inferred	2,182	1.095	0.699	0.371	0.025	76.8	49.0	26.0	1.7
	Sub Total	4,416	1.194	0.767	0.400	0.027	169.5	108.9	56.8	3.9
Sulphide	Measured	949	1.481	0.973	0.487	0.022	45.2	29.7	14.9	0.7
	Indicated	2,586	1.005	0.570	0.396	0.040	83.6	47.4	32.9	3.3
	Inferred	6,376	0.902	0.471	0.360	0.071	185.0	96.6	73.9	14.6
	Sub Total	9,911	0.984	0.545	0.382	0.058	313.7	173.8	121.6	18.5
Grand Total		23,138	1.280	0.759	0.480	0.041	952.4	564.5	357.2	30.7

* PGM Calculation: Pd + Pt +Au

Source: Competent Person's Report

Table 3: Cedro Prospect Mineral Resource Estimate

Grade Tonnage Table – 30 Mar 2017 Pedra Branca Deposit – Cedro Target: Mineral Resource – Effective Date: 30 March 2017. Block Model: 20m X 10m X 2m (5m X 2.5m X 0.5m) Considered Equivalent Gold Cut-Off Grade: 0.30 g/t

Zone	Classification	Tones (kt)	PGM (g/t)	Pd (g/t)	Pt (g/t)	Au (g/t)	PGM (koz)	Pd (koz)	Pt (koz)	Au (koz)
Oxide	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	485	1.268	0.812	0.431	0.024	19.8	12.7	6.7	0.4
	Inferred	1,583	2.166	1.345	0.805	0.016	110.2	68.4	41.0	0.8
	Sub Total	2,068	1.955	1.22	0.717	0.018	130.0	81.1	47.7	1.2
Transition	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	164	1.059	0.697	0.333	0.029	5.6	3.7	1.8	0.2
	Inferred	1,129	1.052	0.671	0.367	0.014	38.2	24.4	13.3	0.5
	Sub Total	1,293	1.053	0.675	0.362	0.016	43.8	28.1	15.1	0.7
Sulphide	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	682	0.722	0.434	0.259	0.029	15.8	9.5	5.7	0.6
	Inferred	1,761	0.682	0.401	0.266	0.016	38.6	22.7	15.1	0.9
	Sub Total	2,442	0.693	0.41	0.264	0.019	54.4	32.2	20.7	1.5
Grand Total		5,803	1.223	0.758	0.447	0.018	228.2	141.4	83.4	3.4

* PGM Calculation: Pd + Pt +Au

Source: Competent Person's Report

Table 4: Curiu Prospect Mineral Resource Estimate

Grade Tonnage Table – 30 Mar 2017. Pedra Branca Deposit – Curiu Target: Mineral Resource – Effective Date: 30 March 2017. Block Model: 20m X 10m X 2m (5m X 2.5m X 0.5m) Considered Equivalent Gold Cut-Off Grade: 0.30 g/t

Zone	Classification	Tones (kt)	PGM (g/t)	Pd (g/t)	Pt (g/t)	Au (g/t)	PGM (koz)	Pd (koz)	Pt (koz)	Au (koz)
Oxide	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	587	2.964	1.57	1.308	0.085	55.9	29.6	24.7	1.6
	Inferred	216	2.505	1.408	1.048	0.05	17.4	9.8	7.3	0.3
	Sub Total	803	2.841	1.527	1.238	0.076	73.3	39.4	31.9	2.0
Transition	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	239	1.603	0.725	0.802	0.075	12.3	5.6	6.2	0.6
	Inferred	39	2.223	1.19	0.951	0.082	2.8	1.5	1.2	0.1
	Sub Total	278	1.689	0.79	0.823	0.076	15.1	7.1	7.4	0.7
Sulphide	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	255	0.886	0.314	0.458	0.114	7.3	2.6	3.8	0.9
	Inferred	142	0.927	0.244	0.445	0.237	4.2	1.1	2.0	1.1
	Sub Total	397	0.9	0.289	0.453	0.158	11.5	3.7	5.8	2.0
Grand Total		1,478	2.103	1.056	0.949	0.098	99.9	50.2	45.1	4.7

* PGM Calculation: Pd + Pt +Au

Source: Competent Person's Report

Table 5: Esbarro Prospect Mineral Resource Estimate

Grade Tonnage Table – 30 Mar 2017. Pedra Branca Deposit – Esbarro Target: Mineral Resource – Effective Date: 30 March 2017. Block Model: 5m X 10m X 1m (2.5m X 5m X 0.5m) Considered Equivalent Gold Cut-Off Grade: 0.30 g/t

Zone	Classification	Tones (kt)	PGM (g/t)	Pd (g/t)	Pt (g/t)	Au (g/t)	PGM (koz)	Pd (koz)	Pt (koz)	Au (koz)
Oxide	Measured	1,339	1.23	0.802	0.398	0.03	52.9	34.5	17.1	1.3
	Indicated	2,764	1.306	0.817	0.457	0.033	116.1	72.6	40.6	2.9
	Inferred	1,012	1.155	0.647	0.49	0.018	37.6	21.0	15.9	0.6
	Sub Total	5,115	1.256	0.779	0.448	0.029	206.5	128.1	73.7	4.8
Transition	Measured	698	1.255	0.831	0.404	0.02	28.2	18.6	9.1	0.4
	Indicated	1,133	1.28	0.876	0.379	0.025	46.6	31.9	13.8	0.9
	Inferred	499	1.287	0.891	0.37	0.026	20.7	14.3	5.9	0.4
	Sub Total	2,330	1.274	0.866	0.385	0.024	95.4	64.9	28.8	1.8
Sulphide	Measured	949	1.481	0.973	0.487	0.022	45.2	29.7	14.9	0.7
	Indicated	1,322	1.112	0.727	0.363	0.023	47.3	30.9	15.4	1.0
	Inferred	895	0.837	0.507	0.271	0.059	24.1	14.6	7.8	1.7
	Sub Total	3,166	1.145	0.739	0.374	0.033	116.5	75.2	38.1	3.4
Grand Total		10,610	1.227	0.786	0.412	0.029	418.6	268.1	140.5	9.9

* PGM Calculation: Pd + Pt +Au

Source: Competent Person's Report

Table 6 Trapia Prospect Mineral Resource Estimate

Grade Tonnage Table – 30 Mar 2017. Pedra Branca Deposit – Trapia Target: Mineral Resource – Effective Date: 30 March 2017. Block Model: 20m X 10m X 2m (5m X 2.5m X 0.5m) Considered Equivalent Gold Cut-Off Grade: 0.30 g/t

Zone	Classification	Tones (kt)	PGM (g/t)	Pd (g/t)	Pt (g/t)	Au (g/t)	PGM (koz)	Pd (koz)	Pt (koz)	Au (koz)
Oxide	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	0	0	0	0	0	0.0	0.0	0.0	0.0
	Inferred	826	2.232	1.251	0.961	0.02	59.3	33.2	25.5	0.5
	Sub Total	826	2.232	1.251	0.961	0.02	59.3	33.2	25.5	0.5
Transition	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	0	0	0	0	0	0.0	0.0	0.0	0.0
	Inferred	515	0.919	0.538	0.338	0.043	15.2	8.9	5.6	0.7
	Sub Total	515	0.919	0.538	0.338	0.043	15.2	8.9	5.6	0.7
Sulphide	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	327	1.256	0.42	0.763	0.072	13.2	4.4	8.0	0.8
	Inferred	3579	1.026	0.506	0.426	0.095	118.1	58.2	49.0	10.9
	Sub Total	3906	1.045	0.499	0.454	0.093	131.2	62.7	57.0	11.7
Grand Total		5247	1.22	0.621	0.523	0.076	205.8	104.7	88.2	12.8

* PGM Calculation: Pd + Pt +Au

Source: Competent Person's Report

Conclusions

In preparing the CPR, GE21 reviewed geological reports and maps, miscellaneous technical papers, company letters and memoranda, and public and private information and have made the following conclusions:

- The Troia geological Unit at the Pedra Branca project shows significant and continuous Platinum Group Metal mineralization.
- The geological genetic model and mineralization style is well defined and understood.
- The Project has sufficient quality geological data to model and estimate mineral resources compliant with the JORC (2012) Code. This includes data relating to drilling quality, quantity and spacing, data capturing and sampling methods, quality control, and density data.

- The Pedra Branca Project contains a JORC (2012) Code compliant resource of 23.138 million tonnes at 1.28 g/t containing 952,400 ounces of platinum + palladium + gold, classified in Measured, Indicated and Inferred Mineral resources.
- There is a reasonable expectation of eventual economic extraction. GE21 has considered current and similar project operating costs in Brazil and expected process metallurgy recoveries from test results conducted on the Pedra Branca ore.
- In the context of all information reviewed and observations during the site visit, no environmental issues have been identified at the Project.
- There are no material resource issues preventing the Company from advancing the Project toward the intended goal of economic extraction.

Future work programme

Based on the current project results, GE21 recommends that the Company completes minor additional resource and reserve drilling, a bulk metallurgy test study, and a scoping study to determine operation parameters and likely financial model. This work stream will be essential to secure the required permitting to progress Pedra Branca to near-term commercial pilot production. As part of this, database sample validation will need to be undertaken by the Company at another certificated laboratory.

GE21 estimates a budget of US\$650,000 to complete the above exploration programme, with which the Company broadly agrees. All exploration work will initially be focused on the defined Mineral resource areas of the Curiu, Cedro and Esbarro prospects that sit within the three Mining Licenses.

The Company intends to carry out the work programme on the following timetable:

<i>Activity</i>	<i>Date</i>
Reserve drilling	Q3 2017
Bulk metallurgy test study	Q4 2017
Resource upgrade	Q4 2017 – Q1 2018
Scoping study	Q4 2017 – Q1 2018
Environmental permitting	Q1 2018 – Q2 2018

In the medium term, GE21 recommends that Jangada carry out a field campaign to test other anomalies defined by previous exploration programmes with the overriding proviso that in any future drilling and exploration programmes, Jangada maintain the procedures and methodology, including QAQC definitions, used by Anglo American Platinum.

Subject to raising significant additional funding, the Directors intend to work towards the commencement of trial mining and then commercial production at an initial rate of 30,000 ounces per annum within 12-18 months following Admission.

Competent Person's Report Disclosure

Further information can be found in the Competent Person's Report set out in Part VI of this document.

6. FINANCIAL INFORMATION, CURRENT TRADING AND PROSPECTS FOR THE GROUP

Part III of this document contains audited historical financial information on the Company for the year ended 30 June 2016 and unaudited interim historical financial information on the Company for the six month period ended 31 December 2016. Part IV of this document contains audited historical financial information on Pedra Branca for the three years ended 31 December 2016. An unaudited pro forma statement of net assets of the Group is set out in Part V of this document.

The Directors are confident in the current business activities and future prospects of the Group, which will be centred around the continued execution of the Group's business plan as set out in this Part I of this document and the recruitment of further staff as operations expand. The Directors believe that, along with the support of senior management, they have the necessary skills and experience to deliver on this strategy.

7. DIRECTORS

Mr Brian Keith McMaster, aged 46 – Executive Chairman

Mr McMaster is a Chartered Accountant, a registered and official liquidator and has over 20 years' experience in the areas of corporate reconstruction and turnaround, and performance improvement. Previously, Mr McMaster was a partner of the restructuring firm KordaMentha and prior to that was a partner at Ernst & Young. During his time at both of these firms, Mr McMaster was instrumental in the recapitalisation and listing of over twenty Australian companies on the ASX.

Mr McMaster's career to date includes significant working periods in the United States, South America, Asia and India. Mr McMaster is also the Executive Chairman of the Brazilian-focused AIM-quoted company, Harvest Minerals Limited, is a founding director in venture capital and advisory firm, Garrison Capital Pty Ltd, and is also currently a director of a number of ASX listed companies.

Mr Luis Mauricio Ferraiuoli de Azevedo, aged 53 – Non-Executive Director

Mr Azevedo is a resource industry professional with over 35 years of international experience. He is both a licensed lawyer and geologist with over 25 years of business and mining experience specifically in Brazil. He is currently the Managing Partner at FFA Legal Ltda, a legal firm he founded with its main office in Rio de Janeiro, Brazil, and which is focused solely on natural resources companies.

Mr Azevedo is also a Non-Executive Director of Harvest Minerals Limited and previously worked for Western Mining Corporation, Barrick Gold Corporation and Harsco Corporation. He assembled land packages that resulted in four initial public offerings of Canadian companies in Brazil (Talon Metals Corporation, Avanco Resources Ltd, Beadell Resources Ltd, Brazilian Gold Corporation) since 2004. Mr Azevedo also sits on the board of directors of Avanco Resources Ltd, Brazil Minerals Inc and Talon Metals Corporation.

Mr Azevedo received a geology degree from UERJ – Universidade do Estado do Rio de Janeiro in 1986, a law degree from Faculdade Integradas Cândido Mendes in 1992, and a post graduate degree from PUC-Rio, Pontifícia Universidade Católica of Rio de Janeiro in 1995.

Nicholas Kurt von Schirnding, aged 54 – Independent Non-Executive Director

Mr von Schirnding is an experienced board-level executive with over 25 years' experience in the natural resources sector. Previously, Nick was CEO of Asia Resource Minerals plc (formerly Bumi plc), a FTSE listed mining company, where he played a significant role in restructuring the group. Mr von Schirnding was also previously the non-executive deputy chairman of Berau Coal, one of Indonesia's largest coal producers. He is currently a Non-Executive Director of AIM quoted gold mining company, Ortac Resources Limited.

Mr von Schirnding has a Bachelor of Law from the University of Cape Town.

Louis Emmanuel Castro, aged 58 – Independent Non-Executive Director

Mr Castro has over 30 years' experience in accounting and corporate finance both in the UK and overseas. He is a Non-Executive Director of AIM quoted Stanley Gibbons plc and recently was the Chief Financial Officer at Eland Oil & Gas plc, an AIM quoted company where he was one of two executive directors. Previously he was the Managing Director of Northland Capital Partners in London and before this he was Head of Corporate Finance at Matrix Corporate Capital and at Insinger de Beaufort. He started his career by qualifying as a Chartered Accountant with Coopers & Lybrand (now PWC).

Mr Castro has widespread international experience of advising the Boards of companies. He has led on numerous public listings and has been chairman of the audit committee at Eland Oil & Gas plc and at Pan European Terminals plc.

Mr Castro is a Fellow of the Institute of Chartered Accountants in England and Wales. He graduated in 1980 from Birmingham University with a BSc & BComm (Hons) in Engineering Production & Economics.

Senior Management

Mr Peter Heinrich Muller, Chief Operating Officer

Mr Muller is a professional geologist with mining and exploration experience gained through a variety of international roles, including at the Pedra Branca Project. From 2011 to early 2017, Mr Muller was employed

by Anglo American Platinum, which included, between 2012 and 2015, time as the Managing Director at the Pedra Branca Project. At the Project, he was responsible for all technical and corporate aspects and their execution. Mr Muller also spent over two years working at the Amandelbult mining complex in South Africa, where he was involved with on-mine exploration, as well as introducing operational efficiencies.

Mr Muller holds a B.Sc. (Hons) in Applied Geology from Stellenbosch University and is a member of both the Geological Society of South Africa and the Prospectors and Developers Association of Canada.

8. DETAILS OF THE PLACING, THE GARRISON FEE SHARES AND THE ST BRIDES FEE SHARES

Pursuant to the Placing, Beaufort Securities has conditionally raised £2.25 million (before expenses) for the Company, through the placing of the Placing Shares with investors at the Placing Price, conditional, *inter alia*, upon Admission.

Following Admission, the Placing Shares will collectively represent approximately 22.8 per cent. of the Enlarged Share Capital. The Placing, which is not underwritten, is conditional upon, *inter alia*, Admission becoming effective by not later than 8.00 a.m. on 29 June 2017 (or such date as the Company, Strand Hanson and Beaufort Securities may agree, being not later than 13 July 2017).

The Placing Shares will be issued as fully paid and will, upon issue, rank *pari passu* with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid on or in respect of such shares after their date of issue, being the date of Admission.

Pursuant to the Garrison Consultancy Agreement, Garrison Capital will be issued 2,355,600 new Ordinary Shares (the Garrison Fee Shares) in lieu of cash payment for consultancy services undertaken by Garrison Capital for the Company, further details of which are set out in paragraph 11.8 of Part VIII of this document. Admission of the Garrison Fee Shares is expected to occur at the same time as the Placing Shares.

Pursuant to the St Brides Fee Agreement, St Brides Partners Limited will be issued 160,000 new Ordinary Shares (the St Brides Fee Shares) in lieu of cash payment for public relations services undertaken by St Brides Partners Limited for the Company, further details of which are set out in paragraph 11.9 of Part VIII of this document. Admission of the St Brides Fee Shares is expected to occur at the same time as the Placing Shares.

Following Admission, the Directors will, between them, hold 91,177,800 Ordinary Shares, representing approximately 46.2 per cent. of the Enlarged Share Capital, as referred to in paragraph 6.1 of Part VIII of this document. Following Admission, certain other significant shareholders, as referred to in paragraph 9.1 of Part VIII of this document, will each hold three per cent. or more of the Enlarged Share Capital.

There will be a total of 197,515,600 Ordinary Shares (including the Placing Shares, the Garrison Fee Shares and the St Brides Fee Shares), 15,250,000 Options and 7,900,624 Warrants in issue on Admission. The existing aggregate shareholdings of Shareholders prior to the Placing, the issue of the St Brides Fee Shares and Admission will be diluted to 77.1 per cent. of the Enlarged Share Capital.

Further details of the Placing Agreement are set out in paragraph 11.1 of Part VIII of this document.

9. REASONS FOR THE PLACING AND USE OF PROCEEDS⁽¹⁾

The gross proceeds of the Placing are £2.25 million (US\$2.88 million), which the Board expects to deploy as follows, with a view to (i) advancing with the exploration programme suggested by GE21 (estimated to cost approximately US\$665,000 by the Company as compared to GE21's estimate of US\$650,000); (ii) repaying outstanding loans and interest; (iii) providing for working capital for the Company; and (iv) satisfying fees and expenses of the Placing and Admission:

Use	£000	US\$000
Undertake infill drilling exploration programme	365	470
Other associated exploration activities including further test work, completion of a scoping study and permitting costs	150	195
Repayment of principal and interest of the Convertible Loan Notes	375	480
General working capital purposes	730	925
Fees and expenses associated with the Placing and Admission	630	810
Total	2,250	2,880

The Company has existing cash resources of approximately £25,000 as at the date of this document, which will also be used for general working capital purposes.

(1) Amounts converted at a GBP:USD exchange rate of 1.28

10. LOCK INS AND ORDERLY MARKET ARRANGEMENTS

Each of the Locked In Shareholders has undertaken to the Company, Strand Hanson and Beaufort Securities that they will not dispose of any interest in the Ordinary Shares held by them for a period of 12 months from the date of Admission and, for the 12 months following that period, that they will only dispose of their holdings with the consent of Beaufort Securities and then through Beaufort Securities from time to time so as to maintain an orderly market in the Ordinary Shares.

In total, 137,355,600 Ordinary Shares representing 69.5 per cent. of the Enlarged Share Capital at Admission are subject to the prohibitions on disposals described above in this paragraph 10.

In addition, the beneficial interests of Mark Sumner (held through Adelheid Holdings LLC) in the Company are subject to a 24 month orderly market arrangement, which provides that his Ordinary Shares will not be disposed of during that period without the consent of Beaufort Securities and Strand Hanson, and then only through Beaufort Securities.

Further details of the lock-in and orderly market arrangements are set out in paragraph 11.5 of Part VIII of this document.

11. APPLICABILITY OF THE CITY CODE AND THE CONCERT PARTY

The City Code is issued and administered by the Panel. The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC). Its statutory functions are set out in and under Chapter 1 of Part 28 of the Companies Act 2006 (as amended by the Companies Act 2006 (Amendment of Schedule 2) (No 2) Order 2009).

The Company is a public limited company incorporated in England & Wales and the Enlarged Share Capital will be admitted to trading on AIM. Accordingly, the City Code will apply to the Company.

The City Code governs, *inter alia*, transactions which may result in a change of control of a public company to which the City Code applies. Under Rule 9 of the City Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel to make a general offer to all the remaining shareholders of that company to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company and not more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which

increases the percentage of shares carrying voting rights in which he is interested, a general offer will normally be required in accordance with Rule 9.

An offer under Rule 9 must be made in cash (or be accompanied by a cash alternative) and at not less than the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the City Code, a concert party arises when persons acting together pursuant to an agreement or understanding (whether formal or informal) cooperate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the City Code. Control means an interest or interests in shares carrying an aggregate of 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

The Panel considers the Company's pre-Admission shareholders, being those persons representing the beneficial interests of Mr McMaster (amounting to 23.4 per cent. on Admission), Mr Wood and his close family members (amounting to, in aggregate, 23.4 per cent. on Admission), Mr Azevedo (amounting to 22.8 per cent. on Admission) and Mr Sumner (amounting to 7.6 per cent. on Admission), all to be acting in concert in relation to the Company (the "Concert Party"). Upon Admission, the Concert Party will be interested in Ordinary Shares representing, in aggregate, 77.1 per cent. of the Enlarged Share Capital. The Concert Party is also interested in 9,000,000 Options.

Accordingly, following Admission and for so long as the Concert Party is interested in Ordinary Shares carrying more than 50 per cent. of the Company's voting share capital (for the purposes of the City Code), it may increase its interest (including through the exercise of Options) in the Company without incurring an obligation under Rule 9 to make a general offer for the Company. However, the Panel may regard as giving rise to an obligation to make an offer (or first obtaining a waiver from the Panel), the acquisition by a single member of the Concert Party of an interest in shares sufficient to increase the shares carrying voting rights in which he is interested to 30 per cent. or more, or if he is already interested in 30 per cent. or more, which increases the percentage of shares carrying voting rights in which he is interested.

The Concert Party will therefore, subject to the provisions of the Relationship Agreement, be able to pass or defeat ordinary and special resolutions of the Company.

12. RELATIONSHIP AGREEMENT

The Company, Strand Hanson, and the individual members of the Concert Party have entered into the Relationship Agreement to govern the relationship between the Group and the Concert Party, such agreement to become effective upon Admission.

Under the Relationship Agreement each member of the Concert Party agrees, amongst other things, for so long as the Concert Party and its respective Associates hold at least 20 per cent. of the issued share capital of the Company:

- (i) that the board of directors is balanced at all times, with directors independent of the Concert Party ("Independent Directors") having a casting vote in the event of a split board, otherwise a majority of Independent Directors. If an Independent Director ceases to be either an Independent Director or a Director, one or more new Independent Directors will be appointed as soon as reasonably practicable to the board;
- (ii) The Concert Party shall not be permitted to (i) vote on any resolution to cancel the Company's admission to trading on AIM without the approval of a majority of the Independent Directors; or (ii) requisition a general meeting of the Company in order to seek to propose a resolution to appoint or remove any Director or officer of the Company or amend the Articles in such a way which could reasonably be expected to adversely affect the independence of the Company from the Concert Party;
- (iii) that it will not take any action that would preclude the Group from carrying on business independently from the Concert Party and any of its respective associates; and
- (iv) that any transactions or agreements between the Concert Party and any of its respective associates on the one hand and any member of the Group on the other hand, and any amendments to any existing agreements between them, will be approved by a majority of the Independent Directors.

Further details on the Relationship Agreement are set out in paragraph 11.4 of Part VIII of this document

13. CORPORATE GOVERNANCE

The Board recognises its responsibility for the proper management of the Company and is committed to maintaining a high standard of corporate governance. The Directors recognise the importance of sound corporate governance commensurate with the size and nature of the Company and the interests of its Shareholders. The Corporate Governance Code does not apply to companies admitted to trading on AIM and there is no formal alternative for AIM companies. The QCA has published the QCA Code, which includes a standard of minimum best practice for AIM companies, and recommendations for reporting corporate governance matters. However, the Directors intend to take account of the Corporate Governance Code (and the QCA Code), to the extent they consider it appropriate and having regard to the size and resources of the Company.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Company will hold Board meetings at least six times each financial year and at other times as and when required.

The Company has established a remuneration committee (the "Remuneration Committee"), an audit committee (the "Audit Committee"), which will also be responsible for overseeing the Group's compliance with the AIM Rules for Companies and MAR, and a nominations committee (the "Nominations Committee") with formally delegated duties and responsibilities.

Remuneration Committee

The Remuneration Committee will review the performance of the executive Directors and make recommendations to the Board on matters relating to their remuneration and terms of employment. Under its terms of reference, it will be required to meet at least twice a year and will be responsible for ensuring that the executive Directors, officers and other key employees are fairly rewarded (which extends to all aspects of remuneration) for their individual contribution to the overall performance of the Group.

The Remuneration Committee will be chaired by Nicholas von Schirnding and its other member will be Louis Castro, both of whom are Independent Non-Executive Directors.

Audit Committee

The Audit Committee will have primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. Under its terms of reference, it will be required to meet at least twice a year, at which a representative of the external auditors may also attend, and will be responsible for keeping under review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditors. It will also have responsibility for public reporting and internal controls and arrangements whereby employees may raise matters of concern in confidence.

The Audit Committee will also monitor the Company's compliance with the AIM Rules for Companies and MAR and seek to ensure that the Company and its nominated adviser are in contact on a regular basis and vice versa. The committee will ensure that procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules for Companies and MAR. The committee will also ensure that each meeting of the Board includes a discussion of AIM and MAR matters and assesses (with the assistance of the Company's nominated adviser and other advisers) whether the Directors are aware of their AIM and MAR responsibilities from time to time and, if not, to ensure they are appropriately updated on their AIM and MAR responsibilities and obligations.

The Audit Committee will be chaired by Louis Castro and its other member will be Nicholas von Schirnding, both of whom are Independent Non-Executive Directors.

Nominations Committee

The Nominations Committee will review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board taking into account the Company's current requirements and future development of the Company and make recommendations to the Board with regard to any changes. The committee will also give consideration to succession planning for the Board and will be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise. Under its terms of reference, it will be required to meet at least twice a year.

The Nominations Committee will be chaired by Nick von Schirnding, Independent Non-Executive Director, and its other members will be Louis Castro, Independent Non-Executive Director, and Brian McMaster, Executive Chairman.

Share Dealing Code

The Company has adopted a share dealing policy which sets out the requirements and procedures for the Board and applicable employees' dealings in any of its AIM securities in accordance with the provisions of MAR and of the AIM Rules for Companies.

Bribery and anti-corruption policy

The Company has adopted an anti-corruption and bribery policy which applies to the Board and employees of the Company and will apply to management and employees of the Group following Admission. It generally sets out their responsibilities in observing and upholding a zero tolerance position on bribery and corruption in all the jurisdictions in which the Group operates as well as providing guidance to those working for the Group on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, suppliers, contractors and consultants to conduct their day-to-day business activities in a fair, honest and ethical manner, be aware of and refer to this policy in all of their business activities worldwide and to conduct business on the Company's behalf in compliance with it. Management at all levels are responsible for ensuring that those reporting to them, internally and externally, are made aware of and understand this policy.

14. DIVIDEND POLICY

Given the requirement for investment in the Pedra Branca Project, it is the Directors' current intention to retain and re-invest any earnings arising from the Group's activities to fund development and further exploration activity. Accordingly, the Directors do not intend to pay dividends in the immediate future.

15. TAXATION

Information regarding certain taxation considerations for corporate, individual and trustee Shareholders in the United Kingdom with regard to Admission is set out in paragraph 14 of Part VIII of this document.

16. SHARE OPTIONS

The Company has adopted an unapproved employee share option scheme for its Directors, senior management, consultants and employees (the "Share Option Scheme").

The Share Option Scheme is drafted as an umbrella scheme permitting the grant of Enterprise Management Incentive Options ("EMI Options") to UK resident employees and unapproved options to all other participants, in either case granting option holders with the right to acquire Ordinary Shares. The Board will have discretion to grant Options to selected Directors, senior management, consultants and employees as it sees fit. The first grants have been made prior to or on Admission with the potential for additional annual grants of Options outside of close periods. The aggregate number of any issued or unissued Ordinary Shares being the subject of any such schemes from time to time shall not in any circumstances exceed 10 per cent. of the Company's issued ordinary share capital.

Options will be granted to UK resident employees (and unapproved options to all other participants) with the right to acquire Ordinary Shares with an exercise price equivalent to market value of the Ordinary Shares under option, which on the date of grant which, in the case of options granted prior to Admission, will be

set at the Placing Price, and for subsequent option grants will be determined by the closing price for an Ordinary Share on the business day immediately prior to the grant of the options.

Options will be subject to vesting and performance criteria and will ordinarily not be capable of exercise before the third anniversary of grant. Vesting and exercise will be subject to performance conditions to be determined by the Board which will it is anticipated be based on hitting key milestones.

In respect of those Options granted prior to or on Admission (see details below), 50 per cent. of the Ordinary Shares under option will vest 60 days following Admission (provided the option holder remains an eligible participant as defined in the Share Option Scheme rules) with the remaining 50 per cent. vesting upon the expiry of 90 days following commencement of trial mining production.

If a change of control of the Company happens prior to exercise, option holders will be entitled to exercise such proportion of their Options as is equivalent to the proportion of the vesting period which has expired on the date of the change of control, subject to the Board's discretion.

Leaver provisions will apply to all options such that option holders who leave other than by reason of injury, ill health, permanent incapacity, death or the sale of any subsidiary which they work for ("Good Leavers") will immediately lose all of their options, whether vested or not. Good Leavers will retain and be entitled to exercise a proportion of their options which is equal to the proportion of their vesting period which has expired on the date of leaving, in the period of 90 days following leaving and if not exercised by that point, they will lapse, save in the case of death, where the personal representatives of the deceased will have up to 12 months to exercise any vested options.

Whilst it is not expected that the EMI Options will give rise to any tax liabilities, the tax position unapproved option holders will depend on the local tax position in their home jurisdiction. All option holders will be required to indemnify the Company for any tax liabilities (including any primary or secondary social security contributions) arising to the Company in connection with their options.

As at the date of this document, certain Directors, senior management and employees hold, and will hold on Admission, in aggregate, 9,000,000 Options. A further 6,250,000 Options have been granted to certain consultants and advisers to the Company.

In addition to the Options, and as noted in paragraph 11.1 and 11.7 of Part VIII of this document, 7,900,624 Warrants have also been granted to Beaufort Securities.

17. ADMISSION, SETTLEMENT AND DEALINGS

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM and it is expected that Admission will become effective and dealings in the Enlarged Share Capital will commence at 8.00 a.m. on 29 June 2017.

18. FURTHER INFORMATION

You should read the whole of this document and not just rely on the information contained in this Part I. Your attention is drawn to the information set out in Parts II to VIII (inclusive) of this document which contain further information on the Company.

PART II

RISK FACTORS

There are a number of risks which may have a material and adverse impact on the future operating and financial performance of Jangada Mines and the value of Jangada Mines' securities, and if any such risks materialise an investor could lose all or part of their investment. An investment in Jangada Mines is, therefore, suitable only for financially sophisticated investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that might result from such investment. These include risks that are general risks associated with any form of business and specific risks associated with Jangada Mines' business and its involvement in PGM project exploration and development in Brazil. In particular, the Company's performance may be affected by changes in legal, regulatory and tax requirements in the UK and Brazil as well as overall global financial conditions. Whilst many of these risk factors are largely beyond the control of Jangada Mines and its Directors, the Company will seek to mitigate these risks, where possible, to the extent that the Directors consider appropriate for a company of the size and nature of the Company.

The Directors believe the following risks to be the most relevant and material to the Company. However, the list below is not an exhaustive list, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority (save that those risks that the Directors believe to be specific to the Company are set out ahead of those risks they consider to be general). Further risks which are not presently known to the Directors, or that the Directors currently deem immaterial, may also have a material adverse effect on the business, financial condition, prospects and share price of the Company.

Investors should also consider the risks identified by the Competent Person in the CPR in Part VI of this document.

(i) Specific risks relating to Jangada Mines' business activities

Renewal of mineral exploration permits

As set out in Part VII of this document, mineral exploration permits (as distinct from Mining Licenses which do not have a fixed duration) are valid and legally in force for a minimum of one year and a maximum of three years from the date of issuance. A permit can be successively renewed at the discretion of the DNPM, upon the request of the titleholder. The renewal permits combined, however, cannot exceed the total period granted for the original period and the titleholder will have to submit a fresh application for the permit. In order to renew a permit, the DNPM takes into consideration the development work performed to date as well as reasons justifying continued work. Under Brazilian law, the DNPM has 30 (thirty) days to decide on each renewal application submitted to it, however, the DNPM typically takes from 3 (three) to 12 (twelve) months to analyse each application and make a decision. After the DNPM has made its decision, it typically takes a few weeks until granting and publication in the Official Gazette.

Despite there being no minimum work requirement on the Group's licenses, the Group cannot guarantee that the DNPM will renew licenses held by its Brazilian subsidiary that have not had any work performed on them during their tenure of that license. In the event the renewal request is rejected, or a Brazilian subsidiary chooses not to lodge a renewal application, the Group is confident, although cannot guarantee, that, if it instead makes a new application to the DNPM, the license in question will be reissued to the Brazilian subsidiary.

The Directors note that all exploration work will initially be focused on the defined Mineral resource areas of the Curiu, Cedro and Esbarro prospects that sit within the three Mining Licenses, rather than any of the Exploration Licences that the Group owns.

Additional requirements for capital

The Group's capital requirements depend on numerous factors. The availability of equity funding is subject to market risk at the time and there is no guarantee that the Group will be able to secure any additional funding or be able to secure funding on terms favourable to the Group.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, scale back its exploration programmes and this may result in loss of tenure, as the case may be.

Potential Acquisitions

As part of its business strategy, the Group may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions including risks associated with operating in foreign jurisdictions.

Exploration and development of projects

Exploration and development of projects are inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation that the Directors bring to the Project, there is no assurance that other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the Mineral resource is not economically recoverable or may otherwise preclude the Company from successfully developing the Project.

Dependence on key executives and personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Group if one or more of these employees cease their employment.

Contractor risks

The Group's ongoing exploration programmes depend significantly on the maintenance of good relationships with, and the solvency of, its key contractors, including drilling contractors and land survey contractors.

It also relies on the maintenance of good relationships with regulatory and governmental departments. Failure to maintain these relationships may adversely impact the Group's performance.

Outsourced Business Activities

The Company has engaged the services of Palisade Business Consulting (CS) Pty Limited ("Palisade") for accounting and book-keeping, amongst other services. Whilst the Directors believe this allows for greater time efficiency and superior compliance with accounting laws and regulations, there is the risk that if Palisade ceases to act for the Company in the future, the Company would have to find an alternative service provider or employ additional personnel in house to perform the duties of Palisade. This in-house employment or the appointment of another service provider may or may not be on similar monetary terms to the current arrangement with Palisade.

(ii) General risks relating to Brazil

The Pedra Branca Project is located in Brazil and accordingly the Group will be subject to the risks associated with operating in that country, including various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalisation, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political conditions, currency controls and changes to mining legislation by local, state and federal authorities, governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Brazil may adversely affect the operations or profitability of the Group. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls,

foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Outcomes in courts in Brazil may be less predictable and may take longer than in the UK, which could affect the enforceability of contracts entered into by the Company or its subsidiaries in Brazil. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Group. The Group has made its investment and strategic decisions based on the information currently available to the Directors, however should there be any material change in the political, economic, legal and social environments in Brazil, the Directors may reassess investment decisions and commitments to assets in Brazil.

(iii) General resource company business risks relating to the Group

Exploration and development risks

The primary business of the Group is exploration for, and commercial development of, mineral ore bodies, which is subject to the risks inherent in these activities. Its operations are still in the exploration and evaluation phase.

The current and future operations of the Group may be affected by a range of factors, including, but not limited to:

- geological conditions;
- limitations on activities due to seasonal weather patterns;
- alterations to joint venture programmes and budgets;
- unanticipated operational and technical difficulties encountered in trenching, drilling, development, production and treatment activities;
- mechanical failure of operating plant and equipment;
- adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- unavailability of drilling, mining, processing and other equipment;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour;
- prevention of access by reason of political or civil unrest, outbreak of hostilities, inability to obtain regulatory or landowner consents or approvals;
- terms imposed by government on development of mining projects including conditions such as equity participation, royalty rates and taxes;
- delays in completing feasibility studies and obtaining development approvals; and
- risks of default or non-performance by third parties providing essential services.

No assurance can be given that future exploration will be successful or that a commercial mining operation will eventuate.

The ultimate success and financial viability of the Group depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance. There is no assurance that exploration and development of the mineral interests held by the Group, or any other projects that may be acquired by the Group in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited by the Group.

Development of a commercial mining operation is also dependent on the Group's ability to obtain necessary titles and governmental and other regulatory approvals on a timely basis.

Resource estimations

Resource estimates are expressions of judgement based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, resource estimates may change over time as new information becomes available. Should the Group encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Group's operations.

Environmental risks

The Pedra Branca Project is subject to various laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Pedra Branca Project is expected to have a variety of environmental impacts should development proceed. Development of the Pedra Branca Project will be dependent on the Group satisfying environmental guidelines and, where required, being approved by government authorities.

The Group intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

Capital expenditure risk and future production

The mining business is capital intensive and the development and exploitation of PGM resources and the acquisition of machinery and equipment require substantial capital expenditure. In addition, there can be no guarantee that costs incurred by the Group in exploring and evaluating potential targets will be translated into revenue producing assets. Although the Directors believe, taking into account the net proceeds of the Placing, that the working capital available to the Group is sufficient for its present requirements, beyond those requirements there can be no assurance that the Group will be able to reach its forecasted production levels, or that it will have access to sufficient investments, loans or other financing alternatives, to achieve its exploration, exploitation, development strategy.

Infrastructure

The commercialisation of the Pedra Branca Project will depend to a significant degree on the existence of adequate infrastructure. In the course of developing its operations, the Group will need to upgrade and / or construct infrastructure, which may include permanent water supplies, power, transport and logistics services which affect capital and operating costs. Significant additional funding may be required to develop such infrastructure. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure or any failure or unavailability in such infrastructure could materially adversely affect the Group's operations, financial condition and results of operations.

Uninsured risks

As a participant in exploration activities the Group may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. In particular, insurance against risks such as environmental pollution or other hazards as a result of mineral exploration and/or development may not be generally available on acceptable terms. Losses from uninsured risks may cause the Group to incur costs that could have a materially adverse effect upon the Group's financial performance.

Growth management

The Directors anticipate that further expansion will be required to address the anticipated growth in the markets in which the Group's clients operate. The Group's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place significant demands on management, support functions, accounting, sales and marketing and other resources. If the Group is unable to manage its expansion effectively, its business and financial results could suffer.

Risks associated with the need to maintain an effective system of internal controls

There can be no assurance that the Group will be able effectively to manage its proposed growth plans, or that the Group's current personnel, systems, procedures and internal controls will be adequate to support the Group's future developments. Any failure of the Board to manage effectively the Group's growth and development could have a material adverse effect on its business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Board's strategy will develop as anticipated.

Litigation

Whilst the Group currently has no outstanding material litigation, there can be no guarantee that the current or future actions of the Group will not result in litigation since the mineral industry, as all industries, is subject to claims, both with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Owing to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Group's financial position or results of operations.

Risk surrounding Pedra Branca having a partly paid issued share capital

There are currently 2,669,731 quotas in Pedra Branca that are not yet paid up. Whilst this is permitted under Brazilian law and by the constitution of Pedra Branca, there is a remote risk involved in having such unpaid quotas, as the Company, as quotaholder, would be held liable for the payment of such quotas in the event that Pedra Branca goes into liquidation.

Commodity prices

In the event the Group is able to commercialise the Project, revenue derived through the sale of minerals may expose the potential income of the Group to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Group. Such factors include supply and demand fluctuations for PGM products, technological advancements, forward selling activities and other macro-economic factors.

Currency risk

The Group's consolidated financial statements will be stated in Pounds Sterling and certain ongoing management costs will be denominated in Pounds Sterling. However, the markets for the commodities produced are typically listed in US Dollars and so the Group expects that the majority of its future revenues and operating expenses will be in US Dollars, Pounds Sterling and Real. Consequently, the Group will be exposed to ongoing currency risk and changes in the exchange rates of these currencies may negatively affect the Group's cash flows, operating results or financial condition to a material extent.

The Group does not intend to hedge its cash resources against risks associated with disadvantageous movements in the currency exchange rates for the time being. Therefore, currency exchange rate fluctuations may negatively affect the Group.

(iv) Ownership of Ordinary Shares and investment risks

Share price volatility and share market risks

Prospective investors should be aware that the value of an investment in the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the operating performance and underlying value of the Group. Investors may therefore realise less than, or lose all of, their investment.

The share prices of quoted companies can be highly volatile and shareholdings may be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares may be influenced by a large number of factors, some of which are specific to the Group and its operations and some of which may affect quoted companies generally. These factors include, without limitation:

- the operating performance of the Group and market expectations of future performance;
- changes in general economic conditions and outlook, including interest rates, inflation rates, exchange rates, commodity prices and the demand for, and supply of, capital;

- natural disasters, terrorism events, other hostilities and conflicts (including labour unrest, civil disorder, war, subversive activities or sabotage), fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
- changes in Government policies, taxation and other laws;
- large purchases or sales of Ordinary Shares by other investors;
- changes in investor sentiment towards particular market sectors and the equity markets in general; and
- other factors which are outside of the control of the Group.

Such factors also impact on the ability of the Group to raise further funds by the issue of further Ordinary Shares or other securities in the Company.

Ordinary Share trading liquidity and future sales of Ordinary Shares

Prior to the Placing, there has been no public market for the Ordinary Shares. The Placing Price has been agreed between Beaufort Securities, Strand Hanson and the Company and may not be indicative of the market price for the Ordinary Shares following Admission. Although the Ordinary Shares are to be admitted to trading on AIM, there is no guarantee that there will be a liquid market in the Ordinary Shares on AIM. If an active trading market is not developed or maintained, the liquidity and market price of the Ordinary Shares could be adversely affected. It may therefore be difficult, in certain circumstances, to achieve the prevailing market price for sales of Ordinary Shares or to sell Ordinary Shares at all, and to realise a return on investment in the Ordinary Shares.

Although the Ordinary Shares are to be admitted to trading on AIM, they will not be listed on the Official List. An investment in securities traded on AIM may carry a higher degree of risk than securities quoted on the Official List.

Options, Warrants and dilution

The Company has issued Options and Warrants, and the Board, subject to Shareholder approval if required, may in the future issue Options and/or additional Warrants to certain parties, including advisers, employees, directors, senior management and consultants of the Company. Whilst the exercise of such Options and/or Warrants would result in the inflow of cash into the Company, such exercise would also result in the dilution of the shareholdings of other investors.

In addition, the Group will need to raise additional funds in the future to finance the expansion of its operations and/or the Company may elect to issue Ordinary Shares as consideration for acquisitions. If additional funds are raised through the issuance of new equity of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the Shareholders may be reduced, Shareholders may experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

The Concert Party will be interested in a majority of the Company on Admission

On Admission, the Concert Party will hold 77.1 per cent. of the Enlarged Share Capital. While it has entered into the Relationship Agreement, by virtue of the level of its shareholding, the Concert Party may be able to influence certain matters requiring approval of the Shareholders.

As result of its interest on Admission, the Concert Party will, subject to the provisions of the Relationship Agreement, be able to pass or defeat ordinary and special resolutions of the Company.

In addition, for so long as the Concert Party is interested in Ordinary Shares carrying more than 50 per cent. of the Company's voting share capital, it will be able to acquire further Ordinary Shares without incurring an obligation under Rule 9 to make a general offer for the Company.

Also, the willingness of a third party to make a takeover offer for the Company is likely to be influenced by the willingness of the Concert Party to accept such an offer. The interests of the Concert Party may differ or conflict with the interests of other investors. This could delay, deter or prevent acts that other investors may

favour or which are or may be beneficial to the Company and have a material adverse effect on the market price of the Ordinary Shares.

Dividend policy

There can be no assurance as to the level of future dividends (if any). The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors, and will depend on, among other things, the Group's earnings, financial position, cash requirements and availability of profits. A dividend may never be paid. At present, the Directors believe that the Group should seek to generate capital growth for its Shareholders through the appraisal, exploration and appropriate development of its assets. Therefore, the Company's dividend policy is that the Directors intend to introduce a progressive dividend policy when they consider it appropriate to do so.

The Company is a holding company and its operations are conducted through its subsidiary, Pedra Branca. Consequently, its main sources of revenue are expected to be dividends or advances from its subsidiary. The ability of the Company's subsidiary to pay dividends and of the Group to receive distributions from its investments in other entities is subject to applicable local laws and other restrictions, including applicable tax laws and covenants in some of the Group's bank credit facilities. These laws and restrictions could limit the payment of dividends and other distributions to the Company and so restrict the Company's ability to fund other operations or to pay a dividend to Shareholders.

Taxation

Whilst the Company, together with any subsidiaries, remains "small" for the purposes of the Corporation Tax Act 2009 ("CTA 2009"), it will be subject to UK corporation tax on any dividends received from Brazilian subsidiaries, since such subsidiaries would not be resident in a qualifying territory for the purposes of s931B CTA 2009. The Company and its subsidiaries will be "small" for the purpose of CTA 2009 for so long as, together they have less than 250 employees and either turnover of less than €50 million or gross assets of less than €43 million.

Any change in the Company's tax status or the tax applicable to holding Ordinary Shares, or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon tax law and practice at the date of this document, which is subject to change.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Ordinary Shares.

Potential investors should consider that an investment in the Company is speculative and that any Shares purchased carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Ordinary Shares.

PART III

(A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY



23 June 2017

The Directors
Jangada Mines Plc
5 Fleet Place
London EC4M 7RD

The Directors
Strand Hanson Limited
26 Mount Row
London W1K 3SQ

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Dear Sirs,

Introduction

We report on the audited historical financial information of Jangada Mines Plc (the "Company") for the period from incorporation on 30 June 2015 to 30 June 2016 (the "Company Financial Information"). The Company Financial Information has been prepared for inclusion in Part III(B) "*Historical Financial Information of the Company*" of the Company's AIM Admission document dated 23 June 2017 (the "Admission Document"), on the basis of the accounting policies set out in note 2 of the Company Financial Information. This report is required by paragraph (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the Company Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the Company Financial Information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Company Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information underlying the Company Financial Information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Company Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at the period stated and of its loss, cash flows and changes in equity for the period stated in accordance with IFRS.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully,

Crowe Clark Whitehill LLP

Chartered Accountants

PART III

(B) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

Statement of consolidated comprehensive income

The audited statement of consolidated comprehensive income of the Company for the period from incorporation on 30 June 2015 to 30 June 2016 is set out below:

	<i>Note</i>	<i>Period ended 30 June 2016 \$'000</i>
Administration expenses		(48)
Loss from continuing operations		(48)
Gain on bargain purchase	6	7
Loss before tax		(41)
Tax expense	7	–
Total loss for the period		(41)
Currency translation differences		1
Total comprehensive income		(40)
Loss and total comprehensive loss for the period attributable to:		
Owners of the parent		(39)
Non-controlling interests		(2)
		(41)
Loss per share attributable to the ordinary equity holders of the Company during the period – Basic and diluted (\$)	8	(14)

Statement of consolidated financial position

The audited statement of consolidated financial position of the Company as at 30 June 2016 is set out below:

	Note	30 June 2016 \$'000
Assets		
Non-current assets		
Plant, property and equipment	9	12
Intangible assets	10	1
		<hr/> 13
Current assets		
Cash and cash equivalents		3
		<hr/> 3
Total assets		<hr/> <hr/> 16
Liabilities		
Current liabilities		
Loans and borrowings	11	31
Other payables	12	23
		<hr/> 54
Total liabilities		54
Issued capital and reserves attributable to owners of the parent		
Share capital	13	–
Translation reserve		1
Retained earnings		(39)
		<hr/> (38)
Total equity attributable to owners of the parent		(38)
Non-controlling interests		–
		<hr/> –
Total equity		(38)
Total equity & liabilities		<hr/> <hr/> 16

Statement of consolidated cash flows

The audited statement of consolidated cash flows of the Company for the period from incorporation on 30 June 2015 to 30 June 2016 is set out below:

	<i>Period ended 30 June 2016 \$'000</i>
Cash flows from operating activities	
Loss before tax	(41)
Non cash gain on bargain purchase	(7)
Increase in trade and other payables	15
	<hr/>
Net cash flows from operating activities	(33)
	<hr/>
Investing activities	
Cash acquired by acquisition of subsidiary	6
Purchase of plant, property and equipment	2
	<hr/>
Net cash from investing activities	8
	<hr/>
Financing activities	
Proceeds from related party borrowings	31
	<hr/>
Net cash from financing activities	31
	<hr/>
Net movement in cash and cash equivalents	6
	<hr/>
Cash and cash equivalents at beginning of period	–
Movements in foreign exchange	(3)
	<hr/>
Cash and cash equivalents at end of period	3
	<hr/> <hr/>

Statement of consolidated changes in equity

The audited statement of consolidated changes in equity of the Company for the period from incorporation on 30 June 2015 to 30 June 2016 is set out below:

	<i>Share capital \$'000</i>	<i>Translation reserve \$'000</i>	<i>Retained earnings \$'000</i>	<i>Total equity attributable to owners \$'000</i>	<i>Non- controlling interest \$'000</i>	<i>Total equity \$'000</i>
At 30 June 2015	–	–	–	–	–	–
Comprehensive Income for the period						
Loss	–	–	(39)	(39)	(2)	(41)
Other comprehensive income	–	1	–	1	–	1
	<u>–</u>	<u>1</u>	<u>–</u>	<u>1</u>	<u>–</u>	<u>1</u>
Total comprehensive income for the period	–	1	(39)	(38)	(2)	(40)
Transactions with owners						
Non-controlling interest on acquisition of subsidiary	–	–	–	–	2	2
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2</u>	<u>2</u>
Total transactions with owners	–	–	–	–	2	2
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2</u>	<u>2</u>
As at 30 June 2016	<u>–</u>	<u>1</u>	<u>(39)</u>	<u>(38)</u>	<u>–</u>	<u>(38)</u>

NOTES TO THE COMPANY FINANCIAL INFORMATION

1. General information

The Company is a public limited company, incorporated on 30 June 2015 with the registration number 09663756 and with its registered office at 5 Fleet Place, London EC4M 7RD. The Company's principal activities are the provision of mining services.

2. Accounting policies

Basis of preparation

The Company Financial Information has been prepared in accordance with IFRS issued by the International Accounting Standards Board, under the historical cost convention.

The Company Financial Information is presented in US\$, which is also the functional currency of the Company and is the preferred currency of the owners of the Company. The functional currency of the Group is the R\$. Amounts are rounded to the nearest thousand (US\$'000), unless otherwise stated.

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

Foreign currency

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

Financial liabilities

The Company classifies its financial liabilities into one category.

Other financial liabilities

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

Intangible assets

Intangible assets comprise software costs. The intangibles are carried at cost and amortised on a systematic basis over the remaining useful lives of the assets.

Property, plant and equipment

Depreciation is provided in order to write off each asset over its estimated useful life.

Taxation

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

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

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

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

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

Changes in accounting policies

The Company has not applied in advance any of the accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the International Accounting Standards Board (IASB) but are not yet effective for the current financial period.

The effects of IFRS 15 “*Revenues from Contracts with Customers*” and IFRS 9 “*Financial Instruments*” are still being assessed, as these new standards may have a significant effect on the Company’s future financial statements. The Directors will assess the impact that the adoption of these and other Financial Reporting Standards will have in the financial statements of the Company in the period of initial application.

3. Critical accounting estimates and judgements

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

Judgements

Going concern

The Directors monitor future cash requirements against current resources and the availability of future funding, which includes the proceeds expected in connection with the Placing and Admission, and have prepared detailed financial projections looking beyond twelve months from the date of Admission. In developing these financial projections, the Directors make enquiries and form assumptions as to future expenditures based upon their view of the current and future economic conditions that will prevail over the period covered by the projections.

Having considered the assumptions underlying the financial projections, the Directors have a reasonable expectation that resources are adequate to continue in operation for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the Company Financial Information.

Acquisition of Pedra Branca

Significant judgement is involved in assessing the fair value of the consideration for and the assets and liabilities acquired in the in 81.6 per cent. acquisition of Pedra Branca (as further described in note 6 and note 16 to the Company Financial Information).

Estimates and assumptions

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

4. Financial instruments – Risk Management

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

- credit risk;
- foreign exchange risk; and
- liquidity risk.

Credit risk

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

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

Foreign exchange risk

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

Liquidity risk

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

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

Principal financial instruments

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

- related party borrowings

Capital management

The Directors' policy is for the Company 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 Directors' approach to capital management during the period.

The Company is not subject to externally imposed capital requirements.

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

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

General objectives, policies and processes

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

5. Segment information

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

6. Gain on bargain purchase

The gain on bargain purchase consists entirely of the recognised gain on the bargain purchase of 81.6 per cent. of the share capital of Pedra Branca (a company registered in Brazil) on 30 April 2016 from Garrison Capital Partners Limited, in return for:

- a consideration of \$1;
- undertaking full responsibility for any legal costs to defend any labour dispute action involving Pedra Branca and any of its previous employees or contractors and any corporate, environmental, mining and tax liabilities involving any of Pedra Branca's assets; and
- a 1 per cent. smelting royalty on any future production from Pedra Branca's mining assets.

The Directors are not aware of any existing or pending tax or legal claims and no production has occurred is expected to occur in the imminent future. The Directors therefore value the consideration at US\$nil.

In accordance with IFRS 3, the surplus of the net assets acquired over the consideration paid has been recognised as a gain, entirely earned by the parent company, in the period in which the acquisition occurred.

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

The bargain purchase arose as the previous owners were unable to provide the significant working capital required to bring Pedra Branca's substantial pre-production mining assets into production and a revenue generating state. As a result, the previous owners recognised that the future liabilities, such as taxes and administrative costs, involved in the continued ownership of the licences outweighed their immediate value in their then non-revenue generating state. The Company was therefore able to acquire Pedra Branca for what the Directors consider to be negligible consideration, but potentially includes theoretically unlimited contingent consideration payments resulting from the Company's undertaking of future liabilities.

The gain on the bargain purchase is not expected to be chargeable for income tax purposes.

The Consolidated Statement of Changes in Equity includes a loss of \$10,000 from Pedra Branca's continuing operations during the period ended 30 June 2016. Had the acquisition taken place at the beginning of the period, the total loss of the Group would have been \$71,000. The non-controlling interest recognised on acquisition was \$2,000 which was calculated using the non-controlling interest's ownership percentage of the voting equity shares in Pedra Branca as at the acquisition date.

Details of the net assets acquired and gain on the bargain purchase are shown below:

	<i>Book and fair value as at 30 April 2016 \$'000</i>
Consideration	
Cash	–
Contingent consideration arrangement	–
Total consideration transferred	<u>–</u>
Acquisition costs	–
Recognised amounts of identifiable assets acquired and liabilities assumed	
Financial assets	6
Plant, property and equipment	10
Intangible assets	1
Financial liabilities	(8)
Non-controlling interest	(2)
Total identifiable net assets acquired	<u>7</u>
Gain on bargain purchase recognised in income statement	(7)
	<u>–</u>

7. Tax expense

	<i>Period ended 30 June 2016 \$'000</i>
Loss on ordinary activities before tax	(41)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	(8)
Effects of:	
Gain on bargain purchase not subject to tax	1
Unrelieved tax losses carried forward	7
Total tax charge for the period	<u>–</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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

8. Earnings per Ordinary Share

	<i>Period ended 30 June 2016 US\$'000</i>
Loss for the period from continuing operations	<u>(41)</u>

	<i>Period ended 30 June 2016</i>
Weighted average number of Ordinary Shares (basic and diluted)	3
Earnings per Ordinary Share – basic and diluted (US\$'000)	(14)

9. Plant, property and equipment

	<i>Motor vehicles \$'000</i>
<i>Cost and net book value</i>	
At 1 July 2015	–
Acquired on acquisition	10
Foreign exchange movements	2
At 30 June 2016	12

10. Intangible assets

The intangible assets relate to historic software licences with a cost of approximately \$2,000 and accumulated amortisation of approximately \$1,000 as at 30 June 2016.

11. Loans and borrowings

	<i>As at 30 June 2016 \$'000</i>
Current	
Related party loans	31
Total loans and borrowings	31

Currency profile of loans and borrowings:

	<i>As at 30 June 2016 \$'000</i>
Australian Dollar	31
	31

12. Other payables

	<i>As at 30 June 2016 \$'000</i>
Accruals	23
Total other payables	23

13. Share capital

	<i>Issued Number</i>	<i>\$'000</i>
<i>Ordinary Shares of 1p each:</i>		
At 1 July 2015 and 30 June 2016	<u>3</u>	<u>–</u>

14. Other receivables

	<i>As at 30 June 2016 \$'000</i>
Other receivables	15
Less: provision for impairment of trade receivables	<u>(15)</u>
Net amount of other receivables	<u>–</u>
Movement in impairment	
At 1 January	13
Increase during the period	<u>2</u>
At 31 December	<u>15</u>

15. Staff costs

There were three members of staff during period ended 30 June 2016. Directors' remuneration for the period ended 30 June 2016 amounted to \$nil.

16. Subsidiaries

The details of the subsidiaries of the Company, which have been included in this Company Financial Information are:

<i>Name</i>	<i>Country of incorporation</i>	<i>Proportion of ownership interest</i>
Pedra Branca do Brasil Mineracao Ltda	Brazil	81.6%
Mineração Solitário do Brasil Ltda	Brazil	81.6%

The Company acquired 81.6 per cent. of the voting share capital and control of Pedra Branca do Brasil Ltda on 30 April 2016.

Pedra Branca owns 100 per cent. of the share capital in Mineração Solitário do Brasil Ltda ("Solitario"), the Company's indirect ownership of Solitario is therefore 81.6 per cent.

17. Related party transactions

During the period the Company entered into the following transactions with Garrison Capital, a related party due to having directors in common:

	<i>2016 £'000</i>
Garrison Capital:	
Purchases made on Company's behalf	31
Included within borrowings	<u>31</u>

18. Subsequent events

On 17 November 2016, the Company acquired 100 per cent. of the share capital of Anglo Platinum Brasil S.A. ("Anglo Platinum") in return for consideration of \$1 and undertaking full responsibility for Anglo Platinum's liabilities.

On 15 December 2016, the Company entered into a convertible loan note with Craig Hubler Profit Sharing Plan as the lender for the sum of US\$100,000, with interest accruing at the rate of 20 per cent. per annum and a maturity date of 15 December 2017. If the lender exercises its conversion rights before the maturity date, then no interest is payable. The lender has the right, at the lender's option and sole discretion, at any time after the inception of the loan note and prior to payment in full of the note, to convert the principal balance into fully paid ordinary shares of the Company at the AIM IPO placing price equivalent to the amount subscribed to in the note.

Also on 15 December 2016, the Company entered into a convertible loan note with Sagert Road Investments LLC as the lender for the sum of US\$300,000, with interest accruing at the rate of 20 per cent. per annum and a maturity date of 15 December 2017. If the lender exercises its conversion rights before the maturity date, then no interest is payable. The lender has the right, at the lender's option and sole discretion, at any time after the inception of the loan note and prior to payment in full of the note, to convert the principal balance into fully paid Ordinary Shares of the Company at the AIM IPO placing price equivalent to the amount subscribed to in the note.

On 16 February 2017, the Company acquired 15,698,302 newly created shares in Pedra Branca from its subsidiary Anglo Platinum in return for consideration of \$1.

Also on 16 February 2017, the Company acquired the remaining 193,721 newly created shares in Pedra Branca from Garrison Capital (a related party) in return for consideration of \$1, undertaking any legal costs to defend any labour disputes involving Pedra Branca or its previous employees or contractors and any corporate, environmental, mining and tax liabilities of Pedra Branca. This acquisition took the Company's direct ownership of Pedra Branca to 100 per cent.

The Company was initially capitalised by the issue of three Ordinary Shares of £0.01 each and subsequently by the issue of a further 5,999,997 Ordinary Shares of £0.01 each (totalling 6,000,000 Ordinary Shares of £0.01 each) which were then subdivided on a 25:1 ratio, prior to Admission. As a result, there are 150,000,000 Existing Ordinary Shares (of nominal value £0.0004) in issue as at the date of this document.

19. Nature of the Company Financial Information

The Company Financial Information presented above does not constitute statutory financial statements for the period under review.

PART III

(C) UNAUDITED INTERIM HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

Statement of consolidated comprehensive income

The unaudited interim statement of consolidated comprehensive income of the Company for the six-month period ended 31 December 2016, together with the unaudited statement of consolidated comprehensive income for the comparative six-month period ended 31 December 2015, are set out below:

	<i>6 Months ended 31 December Note</i>	<i>6 Months ended 31 December 2015 \$'000</i>
	<i>2016 \$'000</i>	<i>2015 \$'000</i>
Project costs	(32)	–
Administration expenses	(24)	(19)
Loss from operations	(56)	(19)
Finance expense	(20)	–
Loss before tax	(76)	(19)
Tax expense	4 –	–
Loss from continuing operations and total loss	(76)	(19)
Currency translation differences	(1)	–
Total comprehensive loss	<u>(77)</u>	<u>(19)</u>
Total loss attributable to:		
Owners of the parent	(71)	(19)
Non-controlling interests	(5)	–
	<u>(76)</u>	<u>(19)</u>
Total comprehensive loss attributable to:		
Owners of the parent	(72)	(19)
Non-controlling interests	(5)	–
	<u>(77)</u>	<u>(19)</u>
Loss per share attributable to the ordinary equity holders of the Company during the period – Basic and diluted (\$'000)	6 <u>(25)</u>	<u>(6)</u>

Statement of consolidated financial position

The unaudited statement of consolidated financial position of the Company as at 31 December 2016, together with the audited statement of consolidated financial position as at 30 June 2016, are set out below:

		<i>Unaudited As at 31 December 2016 \$'000</i>	<i>Audited As at 30 June 2016 \$'000</i>
	<i>Note</i>		
Assets			
Non-current assets			
Plant, property and equipment		9	12
Intangible assets		—	1
		<u>9</u>	<u>13</u>
Current assets			
Other receivables	7	381	—
Cash and cash equivalents		13	3
		<u>394</u>	<u>3</u>
Total assets		<u><u>403</u></u>	<u><u>16</u></u>
Liabilities			
Current liabilities			
Loans and borrowings	8	511	31
Other payables		7	23
		<u>518</u>	<u>54</u>
Total liabilities		<u><u>518</u></u>	<u><u>54</u></u>
Issued capital and reserves attributable to owners of the parent			
Share capital	9	—	—
Translation reserve		—	1
Retained earnings		(115)	(39)
		<u>(115)</u>	<u>(38)</u>
Total equity attributable to owners of the parent		<u>(115)</u>	<u>(38)</u>
Non-controlling interests		—	—
		<u>(115)</u>	<u>(38)</u>
Total equity		<u><u>(115)</u></u>	<u><u>(38)</u></u>
Total equity & liabilities		<u><u>403</u></u>	<u><u>16</u></u>

Statement of consolidated changes in equity

The unaudited interim statement of consolidated changes in equity of the Company for the six-month period ended 31 December 2016, together with the unaudited statement of consolidated changes in equity for the comparative six-month period ended 31 December 2015, are set out below:

	<i>Share capital \$'000</i>	<i>Translation reserve \$'000</i>	<i>Retained earnings \$'000</i>	<i>Total equity attributable to owners \$'000</i>	<i>Non- controlling interest \$'000</i>	<i>Total equity \$'000</i>
As at 30 June 2016	–	1	(39)	(38)	–	(38)
Comprehensive Income for the period						
Loss	–	–	(71)	(71)	(5)	(76)
Other comprehensive income	–	(1)	–	(1)	–	(1)
Total comprehensive Income for the period	–	(1)	(71)	(72)	(5)	(77)
Transactions with owners						
Acquisition of non-controlling interest	–	–	(5)	(5)	5	–
Total transactions with owners	–	–	(5)	(5)	5	–
As at 31 December 2016	–	–	(115)	(115)	–	(115)

Statement of consolidated cash flows

The unaudited interim statement of consolidated cash flows of the Company for the six-month period ended 31 December 2016, together with the unaudited statement of consolidated cash flows for the comparative six-month period ended 31 December 2015, are set out below:

	<i>6 Months ended 31 December 2016 \$'000</i>	<i>6 Months ended 31 December 2015 \$'000</i>
Cash flows from operating activities		
Loss before tax	(71)	(19)
Add back: depreciation	3	–
Increase in other receivables	(380)	–
Increase in trade and other payables	–	4
Net cash flows from operating activities	<u>(448)</u>	<u>(15)</u>
Financing activities		
Proceeds from related party borrowings	20	15
Capital advance into subsidiary	59	–
Issue of convertible loan notes	380	–
Net cash from financing activities	<u>459</u>	<u>15</u>
Net movement in cash and cash equivalents	<u>11</u>	<u>–</u>
Cash and cash equivalents at beginning of period	3	–
Movements in foreign exchange	(1)	–
Cash and cash equivalents at end of period	<u><u>13</u></u>	<u><u>–</u></u>

NOTES TO THE COMPANY INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company is a public limited company, incorporated on 30 June 2015 with the registration number 09663756 and with its registered office at 5 Fleet Place, London EC4M 7RD. The Company's principal activities are the provision of mining services.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Company Interim Financial Information for the period ended 31 December 2016 has been prepared in accordance with IAS 34 "*Interim Financial Reporting*". The results for the period ended 31 December 2016 are unaudited.

The Company Interim Financial Information has been prepared on a basis consistent with, and on the basis of, the accounting policies set out in the Company Financial Information set out in Part III(B) "*Historical Financial Information of the Company*" of this document. The Company Interim Financial Information has been prepared on the basis of the accounting policies, presentation, methods of computation and estimation techniques expected to be adopted in the financial information by the Company in preparing its next annual report.

The Company Interim Financial Information is presented in US\$, which is also the functional currency of the Company and is the preferred currency of the owners of the Company. The functional currency of the Group is the R\$. Amounts are rounded to the nearest thousand (\$'000), unless otherwise stated.

Standards and interpretations issued but not yet applied

The Directors have reviewed the Standards in issue by the International Accounting Standards Board ("IASB") and IFRIC, which are effective for annual accounting periods ending on or after the stated effective date. In their view, none of these standards would have a material impact on the Company Interim Financial Information.

Going concern (interims)

The Directors monitor future cash requirements against current resources and the availability of future funding, which includes the proceeds expected in connection with the Placing and Admission, and have prepared detailed financial projections looking beyond twelve months from the date of Admission. In developing these financial projections, the Directors make enquiries and form assumptions as to future expenditures based upon their view of the current and future economic conditions that will prevail over the period covered by the projections.

Having considered the assumptions underlying the financial projections, the Directors have a reasonable expectation that resources are adequate to continue in operation for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the Company Interim Financial Information.

Foreign currency

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

Financial liabilities

The Company classifies its financial liabilities into one category:

Other financial liabilities

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

Intangible assets

Intangible assets comprise software costs. The intangibles are carried at cost and amortised on a systematic basis over the remaining useful lives of the assets.

Property, plant and equipment

Depreciation is provided in order to write off each asset over its estimated useful life.

Taxation

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

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

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

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

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

3. BUSINESS SEGMENTS AND SEASONALITY

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 Company only operates in one segment: mining services.

The Directors believe that the Group's operations are not subject to any significant seasonality.

4. TAXATION

	<i>6 months ended 31 December 2016 \$'000</i>	<i>6 months ended 31 December 2016 \$'000</i>
Loss on ordinary activities before tax	(71)	(19)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	(14)	(4)
Effects of:		
Unrelieved tax losses carried forward	14	4
Total tax charge for the period	—	—

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

5. BARGAIN PURCHASE

During the period ended 30 June 2016, the Company recognised a \$7,000 gain on the bargain purchase of 81.6 per cent. of the share capital of Pedra Branca (a company registered in Brazil) on 30 April 2016 from Garrison Capital, in return for:

- a consideration of \$1;
- undertaking full responsibility for any legal costs to defend any labour dispute action involving Pedra Branca and any of its previous employees or contractors and any corporate, environmental, mining and tax liabilities involving any of Pedra Branca's assets; and
- a 1 per cent. smelting royalty on any future production from Pedra Branca's mining assets.

The Directors were not aware of any existing or pending tax or legal claims and no production has occurred is expected to occur in the imminent future. The Directors therefore valued the consideration at US\$nil.

In accordance with IFRS 3, the surplus of the net assets acquired over the consideration paid were recognised as a gain, entirely earned by the parent company, in the period in which the acquisition occurred.

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

The bargain purchase arose as the previous owners were unable to provide the significant working capital required to bring Pedra Branca's substantial pre-production mining assets into production and a revenue generating state. As a result, the previous owners recognised that the future liabilities, such as taxes and administrative costs, involved in the continued ownership of the licences outweighed their immediate value in their then non-revenue generating state. The Company was therefore able to acquire Pedra Branca for what the directors consider to be negligible consideration, but potentially includes theoretically unlimited contingent consideration payments resulting from the Company's undertaking of future liabilities.

The gain on the bargain purchase is not expected to be chargeable for income tax purposes.

Details of the net assets acquired and gain on the bargain purchase are shown below:

	<i>Book and fair value as at 30 April 2016 \$'000</i>
Consideration	
Cash	–
Contingent consideration arrangement	–
Total consideration transferred	<u>–</u>
Acquisition costs	–
Recognised amounts of identifiable assets acquired and liabilities assumed	
Financial assets	6
Plant, property and equipment	10
Intangible assets	1
Financial liabilities	(8)
Non-controlling interest	(2)
Total identifiable net assets acquired	<u>7</u>
Gain on bargain purchase recognised in income statement	<u>(7)</u>
	<u>–</u>

On 17 November 2016, the Company purchased 100 per cent. of the share capital of Anglo Platinum Brasil S.A. ("Anglo Platinum", a company registered in Brazil) in return for consideration of \$1 and undertaking full responsibility for Anglo Platinum's liabilities.

The Directors are not aware of any existing or pending liabilities and the Directors therefore value the consideration at US\$nil.

The acquisition of Anglo Platinum therefore took the Company's total direct and indirect ownership of Pedra Branca to 100 per cent.

6. EARNINGS PER ORDINARY SHARE

	<i>6 months ended 31 December 2016 US\$'000</i>	<i>6 months ended 31 December 2015 US\$'000</i>
Loss for the period	(76)	(19)
Weighted average number of Ordinary Shares (basic and diluted)	3	3
Loss per Ordinary Share – basic (US\$'000)	(25)	(6)
Loss per Ordinary Share – diluted (US\$'000)	(25)	(6)

The convertible loan notes (discussed in note 8 to the Company Interim Financial Information) are ignored for diluted loss per Ordinary Share calculation as (i) they are anti-dilutive to the loss for the period and (ii) they are only convertible at the Placing Price and no Placing has occurred as at the balance sheet date.

7. OTHER RECEIVABLES

Other receivables consist entirely of cash held on the Company's behalf at Fidelity Investments, a multinational financial services corporation based in Boston, Massachusetts, as the Company was in the process of opening a UK bank account at the period end.

8. LOANS AND BORROWINGS

	<i>As at 31 December 2016 \$'000</i>	<i>As at 30 June 2016 \$'000</i>
Current		
Convertible loan notes	400	–
Related party loans (note 10 to the Company Interim Financial Information)	111	31
Total loans and borrowings	511	31

Currency profile:

	<i>As at 31 December 2016 \$'000</i>	<i>As at 30 June 2016 \$'000</i>
US\$	400	–
Australian Dollar	111	31
	511	31

On 15 December 2016, the Company entered into a convertible loan note with Craig Hubler Profit Sharing Plan as the lender for the sum of US\$100,000, with interest accruing at the rate of 20 per cent. per annum

and a maturity date of 15 December 2017. If the lender exercises its conversion rights before the maturity date, then no interest is payable. The lender has the right, at the lender's option and sole discretion, at any time after the inception of the loan note and prior to payment in full of the note, to convert the principal balance into fully paid ordinary shares of the Company at the Placing Price equivalent to the amount subscribed to in the note.

Also on 15 December 2016, the Company entered into a convertible loan note with Sagert Road Investments LLC as the lender for the sum of US\$300,000, with interest accruing at the rate of 20 per cent. per annum and a maturity date of 15 December 2017. If the lender exercises its conversion rights before the maturity date, then no interest is payable. The lender has the right, at the lender's option and sole discretion, at any time after the inception of the loan note and prior to payment in full of the note, to convert the principal balance into fully paid ordinary shares of the Company at the Placing Price equivalent to the amount subscribed to in the note.

9. SHARE CAPITAL

	<i>Issued Number</i>	<i>Value \$'000</i>
<i>Ordinary Shares of 1p each:</i>		
At 1 July 2015 and 31 December 2016	<u>3</u>	<u>–</u>

10. RELATED PARTY TRANSACTIONS

During the period the Company entered into the following transactions with Garrison Capital, a related party due to having directors in common:

	<i>2016 \$'000</i>
Garrison Capital:	
Purchases made on Company's behalf during the period	20
Amounts owed and included within borrowings	<u>111</u>

11. COMMITMENTS

The Company had not entered into any material capital commitments as at 31 December 2016.

12. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Company is exposed through its operations to credit risk and liquidity risk. In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Directors' objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the Company Interim Financial Information.

Financial instruments

The financial instruments used by the Company, from which financial instrument risk arises, are cash and cash equivalents of \$13,000 (30 June 2016: \$3,000) and loans and borrowings of \$452,000 (30 June 2016: \$33,000).

The risk associated with the cash and cash equivalents is that the Company's bank will enter financial distress and be unable to repay the Company its cash on deposit. To mitigate this risk, cash and cash equivalents are only lodged with reputable financial institutions with sound balance sheets.

The risk associated with loans and borrowings is that the Company will not have sufficient funds to service interest charges and/or settle the liabilities when they fall due. The Directors seek to maintain a cash balance sufficient to meet expected requirements for a period of at least 45 days.

General objectives, policies and processes

The Directors have overall responsibility for the determination of the Company's risk management objectives and policies. Further details regarding these policies are set out below:

Credit risk

The Company's credit risk arises from cash and cash equivalents with banks and financial institutions. For banks and financial institutions, only reputable institutions with sound balance sheets are accepted.

Liquidity risk

Liquidity risk arises from the Directors' management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Directors' policy is to ensure that the Company will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Directors seek to maintain a cash balance sufficient to meet expected requirements for a period of at least 45 days.

The Directors have prepared cash flow projections on a monthly basis through to 31 December 2018. At the end of the period under review, these projections indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

13. CAPITAL RISK MANAGEMENT

The Directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. At the date of this financial information, the Company had been financed from equity and borrowings. In the future, the capital structure of the Company is expected to consist of borrowings and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

14. DIRECTORS' EMOLUMENTS

The four Directors were paid emoluments totaling US\$nil during the period under review. The Directors were the key management personnel.

15. SUBSEQUENT EVENTS

On 16 February 2017, the Company acquired 15,698,302 newly created shares in Pedra Branca from its subsidiary Anglo Platinum in return for consideration of \$1.

Also on 16 February 2017, the Company acquired the remaining 193,721 newly created shares in Pedra Branca from Garrison Capital (a related party) in return for consideration of \$1, undertaking any legal costs to defend any labour disputes involving Pedra Branca or its previous employees or contractors and any corporate, environmental, mining and tax liabilities of Pedra Branca. This acquisition took the Company's direct ownership of Pedra Branca to 100 per cent.

The Company was initially capitalised by the issue of three ordinary shares of £0.01 each and subsequently by the issue of a further 5,999,997 ordinary shares of £0.01 each (totalling 6,000,000 ordinary shares of £0.01 each) which were then subdivided on a 25:1 ratio, prior to Admission. As a result, there are 150,000,000 Existing Ordinary Shares (of nominal value £0.0004) in issue as at the date of this document.

16. NATURE OF THE COMPANY INTERIM FINANCIAL INFORMATION

The Company Interim Financial Information presented above does not constitute statutory financial statements for the period under review.

PART IV

(A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PEDRA BRANCA



23 June 2017

The Directors
Jangada Mines Plc
5 Fleet Place
London EC4M 7RD

The Directors
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26 Mount Row
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Dear Sirs,

Introduction

We report on the audited historical financial information of Pedra Branca do Brasil Mineracao Ltda ("Pedra Branca") for the three years ended 31 December 2016 (the "Pedra Branca Financial Information"). The Pedra Branca Financial Information has been prepared for inclusion in Part IV(B) "*Historical Financial Information of Pedra Branca*" of Jangada Mines Plc's (the "Company") AIM admission document dated 23 June 2017 (the "Admission Document"), on the basis of the accounting policies set out in note 2 to the Pedra Branca Financial Information. This report is required by paragraph (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the Pedra Branca Group Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the Pedra Branca Financial Information and to report our opinion to you.

Basis for Opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Pedra Branca Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Pedra Branca Financial Information underlying the financial statements and whether the accounting policies are appropriate to Pedra Branca's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Pedra Branca Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Basis for modified opinion on the year ended 31 December 2014

The evidence available to us in respect of the year ended 31 December 2014 was limited as the Directors were unable to access certain underlying records that could support the carrying value of the shareholder loan at the beginning of the financial year. As a result, we were unable to obtain sufficient appropriate evidence regarding the amount of \$268,000 recognised as finance income in the Statement of Comprehensive Income for the year ended 31 December 2014 (and as disclosed in note 6 to the Pedra Branca Financial Information). We were unable to obtain sufficient appropriate evidence in relation to this matter by using alternative procedures.

Modified Opinion in respect of the financial year ended 31 December 2014

In our opinion, the Pedra Branca Financial Information gives, for the purposes of the Admission Document dated 23 June 2017, a true and fair view of the state of affairs of Pedra Branca as at 31 December 2014 and, except for the possible effects of the matters described in the Basis for Modified Opinion paragraph above, a true and fair view of Pedra Branca's profits and cash flows for the period then ended, in accordance with the basis of preparation set out below and in accordance with applicable IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Opinion in respect of the financial years ended 31 December 2015 and 31 December 2016

In our opinion, the Pedra Branca Financial Information gives, for the purposes of the Admission Document dated 23 June 2017, a true and fair view of the state of affairs of Pedra Branca as at 31 December 2015 and 31 December 2016 and of its profits and cash flows for the periods then ended in accordance with the basis of preparation set out below and in accordance with applicable IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully,

Crowe Clark Whitehill LLP

Chartered Accountants

PART IV

(B) HISTORICAL FINANCIAL INFORMATION OF PEDRA BRANCA

Statement of comprehensive income

The audited statement of comprehensive income of Pedra Branca for each of the three years ended 31 December 2016 is set out below:

	<i>Note</i>	<i>Year ended 31 December 2014 \$'000</i>	<i>Year ended 31 December 2015 \$'000</i>	<i>Year ended 31 December 2016 \$'000</i>
Project costs		(1,276)	(118)	(55)
Administration expenses		(243)	(223)	(13)
Loss from operations		(1,519)	(341)	(68)
Finance income	6	326	16	–
Loss before tax		(1,193)	(325)	(68)
Tax expense	7	–	–	–
Loss for the year – attributable to owners of the Company		<u>(1,193)</u>	<u>(325)</u>	<u>(68)</u>
<i>Items that may be transferred to P&L</i>				
Currency translation differences		(63)	(97)	–
Total comprehensive loss for the year – attributable to owners of the Company		<u>(1,256)</u>	<u>(422)</u>	<u>(68)</u>
Loss per share attributable to the ordinary equity holders of the company during the period				
– Basic (\$)	8	<u>(0.15)</u>	<u>(0.04)</u>	<u>(0.01)</u>

Statement of financial position

The audited statement of financial position of Pedra Branca as at each of 31 December 2014, 31 December 2015 and 31 December 2016 is set out below:

		Year ended 31 December 2014 \$'000	Year ended 31 December 2015 \$'000	Year ended 31 December 2016 \$'000
Note				
Assets				
Non-current assets				
	9	37	11	9
Plant, property and equipment				
	10	1	1	–
Intangible assets				
		38	12	9
Current assets				
	11	2	–	–
Other receivables				
		456	18	13
Cash and cash equivalents				
		458	18	13
Total assets		496	30	22
Liabilities				
Current liabilities				
		3	–	–
Trade payables				
		41	–	–
Other payables				
Total liabilities		44	–	–
Issued capital and reserves attributable to owners of the parent				
	12	3,467	3,467	3,467
Share capital				
	13	7,051	7,051	7,111
Capital reserves				
	13	(63)	(160)	(160)
Translation reserve				
	13	(10,003)	(10,328)	(10,396)
Retained earnings				
Total equity		452	30	22
Total equity & liabilities		496	30	22

Statement of cash flows

The audited statement of cash flows of Pedra Branca for each of the three years ended 31 December 2016 is set out below:

	<i>Year ended 31 December 2014 \$'000</i>	<i>Year ended 31 December 2015 \$'000</i>	<i>Year ended 31 December 2016 \$'000</i>
Cash flows from operating activities			
Loss before tax	(1,193)	(325)	(68)
Add back: depreciation	5	13	4
Decrease in accounts receivable	1	2	–
Decrease in accounts payable	(258)	(41)	–
Net cash flows from operating activities	<u>(1,445)</u>	<u>(351)</u>	<u>(64)</u>
Investing activities			
Movement within fixed assets	<u>(22)</u>	<u>10</u>	<u>–</u>
Net cash from investing activities	<u>(22)</u>	<u>10</u>	<u>–</u>
Financing activities			
Advance from capital increase	<u>1,633</u>	<u>–</u>	<u>60</u>
Net cash from financing activities	<u>1,633</u>	<u>–</u>	<u>60</u>
Net movement in cash and cash equivalents	<u>166</u>	<u>(341)</u>	<u>(4)</u>
Cash and cash equivalents at beginning of period	339	456	18
Movements in foreign exchange	<u>(49)</u>	<u>(97)</u>	<u>(1)</u>
Cash and cash equivalents at end of year	<u><u>456</u></u>	<u><u>18</u></u>	<u><u>13</u></u>

Statement of changes in equity

The audited statement of changes in equity of Pedra Branca for each of the three years ended 31 December 2016 is set out below:

	<i>Share capital \$'000</i>	<i>Capital reserves \$'000</i>	<i>Translation reserve \$'000</i>	<i>Retained earnings \$'000</i>	<i>Total equity \$'000</i>
As at 1 January 2014	3,467	5,418	–	(8,810)	75
Comprehensive Income for the year					
Loss	–	–	–	(1,193)	(1,193)
Other comprehensive income	–	–	(63)	–	(63)
Total comprehensive Income for the year	–	–	(63)	(1,193)	(1,256)
Contributions by and distributions to owners					
Capital advance	–	1,633	–	–	1,633
Total contributions by and distributions to owners	–	1,633	–	–	1,633
As at 31 December 2014	3,467	7,051	(63)	(10,003)	452
Comprehensive Income for the year					
Loss	–	–	–	(325)	(325)
Other comprehensive income	–	–	(97)	–	(97)
Total comprehensive Income for the year	–	–	(97)	(325)	(422)
As at 31 December 2015	3,467	7,051	(160)	(10,328)	30
Comprehensive Income for the year					
Loss	–	–	–	(68)	(68)
Other comprehensive income	–	–	–	–	–
Total comprehensive Income for the year	–	–	–	(68)	(68)
Contributions by and distributions to owners					
Share issue	–	–	–	–	–
Capital advance	–	60	–	–	60
Total contributions by and distributions to owners	–	60	–	–	60
As at 31 December 2016	3,467	7,111	(160)	(10,396)	22

NOTES TO THE PEDRA BRANCA FINANCIAL INFORMATION

1. General information

Pedra Branca Do Brasil Mineracao Ltda ("Pedra Branca") is a Brazilian limited liability corporation, incorporated on 6 June 2006 with the registration number 08.158.242/0001-10. Pedra Branca's principal activity is the provision of mining services.

2. Accounting policies

Basis of preparation

The Pedra Branca Financial Information has been prepared in accordance with IFRS issued by the International Accounting Standards Board, under the historical cost convention.

The Pedra Branca Financial Information is presented in US\$, which is the preferred currency of the owners of the Company. The functional currency of Pedra Branca is the R\$. Amounts are rounded to the nearest thousand (\$'000), unless otherwise stated.

The preparation of the Pedra Branca Financial Information in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in applying the Company's and Group's accounting policies (see below and note 3 to the Pedra Branca Financial Information).

Foreign currency

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

Financial liabilities

Pedra Branca classifies its financial liabilities into one category:

Other financial liabilities

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

Financial assets

Pedra Branca classifies its financial assets into one category:

Other financial assets

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

Deferred taxation

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

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

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

Deferred tax assets and liabilities are offset when Pedra Branca 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.

Going concern

Pedra Branca's business is in the exploration phase and to date has not begun to generate revenues. The business is therefore dependent on the availability of further funding to enable the financing of future development expenditure and to provide working capital. As part of the financial reporting process, the Directors carry out a detailed assessment of going concern for a period of at least 12 months from the date of approval of the Pedra Branca Financial Information, taking into consideration a number of matters including projected cash flows, medium and long-term business plans and expectations and the availability of funding. The Directors have assessed that they have raised sufficient funding to cover their current and future capital needs. On the basis of their assessment, the Directors have concluded that it is appropriate to prepare the Pedra Branca Financial Information on a going concern basis.

Changes in accounting policies

Pedra Branca has not applied in advance any of the accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the International Accounting Standards Board (IASB) but are not yet effective for the current financial period.

The effects of IFRS 15 "*Revenues from Contracts with Customers*" and IFRS 9 "*Financial Instruments*" are still being assessed, as these new standards may have a significant effect on the company's future financial statements. The Directors will assess the impact that the adoption of these and other Financial Reporting Standards will have in the financial statements of Pedra Branca in the period of initial application.

3. Critical accounting estimates and judgements

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

Judgements

Exploration and evaluation assets

Pedra Branca capitalises costs directly related to the exploration and evaluation of mineral assets and reviews the resulting asset for impairment on a regular basis. Significant judgement is involved both in analysing costs between exploration and evaluation costs and other costs and in assessing the impairment of the asset.

Estimates and assumptions

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

4. Financial instruments – Risk Management

Pedra Branca is exposed through its operations to the following financial risks:

- credit risk
- foreign exchange risk
- other market price risk, and
- liquidity risk.

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

Capital management

Pedra Branca'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 Pedra Branca's approach to capital management during the period.

Pedra Branca is not subject to externally imposed capital requirements.

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

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

General objectives, policies and processes

The Directors has overall responsibility for the determination of Pedra Branca'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 Pedra Branca's competitiveness and flexibility.

5. Segment information

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

6. Finance income

	<i>Year ended 31 December 2014 \$'000</i>	<i>Year ended 31 December 2015 \$'000</i>	<i>Year ended 31 December 2016 \$'000</i>
Shareholder loan written off	268	–	–
Bank interest	42	16	–
Profit on disposal of fixed assets	13	–	–
Other income	3	–	–
Finance income	<u>326</u>	<u>16</u>	<u>–</u>

The finance income from the shareholder loan written off relates to debts written off and previously owed to Mineração Solitário do Brasil Ltda, a shareholder in Pedra Branca at the date of the write off. There were no other shareholder loans to Pedra Branca during the three-year period ended 31 December 2016.

7. Tax expense

	<i>Year ended 31 December 2014 \$'000</i>	<i>Year ended 31 December 2015 \$'000</i>	<i>Year ended 31 December 2016 \$'000</i>
Loss on ordinary activities before tax	(1,193)	(325)	(68)
Loss on ordinary activities multiplied by standard rate of corporation tax in Brazil of 15%	(179)	(49)	(10)
Effects of:			
Unrelieved tax losses carried forward	179	49	10
Total tax charge for the period	<u>–</u>	<u>–</u>	<u>–</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

8. Earnings per share

	<i>Year ended 31 December 2014 \$'000</i>	<i>Year ended 31 December 2015 \$'000</i>	<i>Year ended 31 December 2016 \$'000</i>
Loss for the year attributable to owners of Pedra Branca	<u>(1,193)</u>	<u>(325)</u>	<u>(68)</u>

	<i>Year ended 31 December 2014</i>	<i>Year ended 31 December 2015</i>	<i>Year ended 31 December 2016</i>
Weighted average number of shares (basic & diluted)	<u>8,188,951</u>	<u>8,188,951</u>	<u>8,188,951</u>
Loss per share – basic (\$)	<u>(0.15)</u>	<u>(0.04)</u>	<u>(0.01)</u>
Loss per share – diluted (\$)	<u>(0.15)</u>	<u>(0.04)</u>	<u>(0.01)</u>

The comparative loss per share figures for 2014 and 2015 have been calculated using the weighted average number of shares in issue during the year ended 31 December 2016 so as to provide a consistent basis for comparison in accordance with IAS33.

9. Plant, property and equipment

	<i>Fixtures and fittings \$'000</i>	<i>Motor vehicles \$'000</i>	<i>Computer equipment \$'000</i>	<i>Total \$'000</i>
Cost				
At 1 January 2014	8	22	4	34
Additions	–	19	–	19
At 31 December 2014	<u>8</u>	<u>41</u>	<u>4</u>	<u>53</u>
Additions	–	–	6	6
Disposals	–	(15)	1	(14)
Foreign exchange movements	(3)	(8)	(3)	(14)
At 31 December 2015	<u>5</u>	<u>18</u>	<u>8</u>	<u>31</u>
Foreign exchange movements	–	2	–	2
At 31 December 2016	<u>5</u>	<u>20</u>	<u>8</u>	<u>33</u>
Accumulated depreciation				
At 1 January 2014	3	6	2	11
Depreciation	1	4	–	5
At 31 December 2014	<u>4</u>	<u>10</u>	<u>2</u>	<u>16</u>
Depreciation	1	5	7	13
Disposals	–	(6)	–	(6)
Foreign exchange movements	(1)	(1)	(1)	(3)
At 31 December 2015	<u>4</u>	<u>8</u>	<u>8</u>	<u>20</u>
Depreciation	1	3	–	4
At 31 December 2016	<u>5</u>	<u>11</u>	<u>8</u>	<u>24</u>
Net book value				
At 31 December 2014	4	31	2	37
At 31 December 2015	1	10	–	11
At 31 December 2016	<u>–</u>	<u>9</u>	<u>–</u>	<u>9</u>

10. Intangible assets

The intangible assets relate to historic software licences with a cost of approximately \$2,000 and accumulated depreciation of approximately \$1,000 at each year end under review.

11. Other receivables

	<i>As at 31 December 2014 \$'000</i>	<i>As at 31 December 2015 \$'000</i>	<i>As at 31 December 2016 \$'000</i>
Other receivables	2	13	15
Less: provision for impairment of trade receivables	—	(13)	(15)
Net amount of other receivables	<u>2</u>	<u>—</u>	<u>—</u>
Movement in impairment			
At 1 January	—	—	13
Increase during the year	—	13	2
At 31 December	<u>—</u>	<u>13</u>	<u>15</u>

12. Share capital

	<i>Issued Number</i>	<i>\$'000</i>
Ordinary shares with a par value of R\$1:		
At 1 January 2014 and 31 December 2014 and 2015	8,188,929	3,467
Bonus issue	33	—
At 31 December 2016	<u>8,188,962</u>	<u>3,467</u>

The bonus issue of 33 shares valued at \$10 in the year ended 31 December 2016 capitalised an equivalent amount from the capital reserve.

13. Reserves

The following describes the nature and purpose of each reserve within equity:

<i>Reserve</i>	<i>Description and purpose</i>
Translation reserve	Represents cumulative gains/losses arising on retranslating the net assets of foreign currency transactions into US\$.
Capital reserves	Represents funds advanced to the company for long term investment.
Treasury stock	Represents shares repurchased by the company and intended for retirement or resale.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

14. Key management personnel and staff costs

There were no payments to key management personnel in the three year period to 31 December 2016. There were no members of staff during year ended 31 December 2016 (2015: 4, 2014: 8).

15. Acquisition

On 30 April 2016, Pedra Branca issued 33 shares with a nominal value of \$10 to acquire the entire share capital of Mineração Solitário do Brasil Ltda (“Solitario”), a company incorporated in Brazil. The purpose of the acquisition was to acquire the 30 shares that Solitario held in Pedra Branca.

At the date of the acquisition, Solitario’s book value and fair value was \$10, consisting of \$9 of shares in Pedra Branca and \$1 of cash. There was no activity in Solitario subsequent to the acquisition, therefore the acquisition of Solitario has had no impact on the result of Solitario during the year ended 31 December 2016.

16. Subsequent events

On 16 February 2017, Pedra Branca issued 11,715,668 ordinary shares at R\$1 per share.

17. Nature of the Pedra Branca Financial Information

The Pedra Branca Financial Information presented above does not constitute statutory financial statements for the period under review.

PART V

(A) ACCOUNTANT'S REPORT ON THE UNAUDITED PROFORMA STATEMENT OF NET ASSETS OF THE GROUP



23 June 2017

The Directors
Jangada Mines Plc
5 Fleet Place
London EC4M 7RD

The Directors
Strand Hanson Limited
26 Mount Row
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Dear Sirs,

Introduction

We report on the unaudited pro forma statement of net assets of the Company (the "Pro Forma Financial Information") set out in Part V(B) "*Unaudited Pro Forma Statement of Net Assets of the Group*" of Jangada Mines Plc's (the "Company") AIM admission document dated 23 June 2017 (the "Admission Document"). The Pro Forma Financial Information has been prepared on the basis of the notes thereto, for illustrative purposes only, to provide information about how the net proceeds from the Placing Shares might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing its unaudited interim financial information as at 31 December 2016. This report is required by Schedule Two of the AIM Rules for Companies (the "AIM Rules") and is given for the purpose of complying with that schedule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (together, the "Directors") to prepare the Pro Forma Financial Information. It is our responsibility to form an opinion on the Pro Forma Financial Information as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting 4000 as issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial information with the Directors. We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully,

Crowe Clark Whitehill LLP

Chartered Accountants

PART V

(B) UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

Set out below is an unaudited pro-forma statement of net assets of the Group (the “Pro Forma Financial Information”), which has been prepared on the basis of the Company’s unaudited interim historical financial information as at 31 December 2016, as adjusted for the receipt of the net proceeds from the Placing.

As set out in the notes below, the Pro Forma Financial Information has been prepared for illustrative purposes only and because of its nature will not represent the actual consolidated financial position of the Group as at the date of Admission.

	<i>As at 31 December 2016 (Note 1) \$'000</i>	<i>Adjustments The Placing (Note 2) \$'000</i>	<i>Unaudited Pro forma (Notes 3, 4) \$'000</i>
Non-current assets			
Plant, property and equipment	9	–	9
	9	–	9
Current assets			
Other receivables	381	–	381
Cash and cash equivalents	13	2,070	2,083
	394	2,070	2,464
Total assets	403	2,070	2,473
Current liabilities			
Loans and borrowings	(511)	–	(511)
Other payables	(7)	–	(7)
Total liabilities	(518)	–	(518)
Net assets	(115)	2,070	1,955

- (1) The financial information has been extracted from the Company Financial Information set out in Part III (C) “Unaudited Interim Historical Financial Information of the Company”.
- (2) The adjustment reflects an estimate of the proceeds of the Placing of \$2,880,000 (£2,250,000), after deduction of estimated fees and expenses of \$810,000 (£630,000), translated at £1 to \$1.28.
- (3) The unaudited pro forma statement of net assets does not constitute financial statements within the meaning of section 434 of the Companies Act.
- (4) The unaudited pro forma statement of net assets does not reflect any trading results or other transactions undertaken by the Company since 31 December 2016.

PART VI
COMPETENT PERSON'S REPORT



**Pedra Branca Platinum Group Metals
Project, Brazil**

(Latitude 9°34' S, Longitude 41°52' W)

**JORC (2012) Compliant Mineral
Technical Report - Mineral Resources
Estimation**

Prepared by GE21 Consultoria Mineral Ltda. on behalf of:

Jangada Mines Plc

Effective Date: 30th March 2017

Competent Person: Bernardo Cerqueira Viana – BSc (Geology), MBA, MAIG

Peer Review: Porfírio Cabaleiro Rodriguez – BSc (Min Eng), MAIG

Mineral Resource Estimate

23 June 2017

The Directors
Jangada Mines Plc
5 Fleet Place
London
EC4M 7RD

The Directors
Strand Hanson Limited
26 Mount Road
London
WIK 3SQ

Dear Sirs,

Below you will find the final version, FinalSA, of the Mineral Resource Estimate.



Bernardo H. C. Viana
MAIG 3709

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the purpose of this document.

Primary Author
Bernardo H C Viana



Porfirio Cabaleiro Rodriguez
MAIG 3708

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Supervising Principal
Porfirio Cabaleiro Rodriguez

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Document Review and Sign Off



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Primary Author
Bernardo H C Viana



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Supervising Principal
Porfirio Cabaleiro Rodriguez

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Table of Contents

EXECUTIVE SUMMARY	9
1 INTRODUCTION AND TERMS OF REFERENCE	15
1.1 Project History	15
2 QUALIFICATIONS AND BASIS OF OPINION	16
3 SITE VISIT AND DOCUMENTATION	16
4 COUNTRY BACKGROUND	17
5 BRAZILIAN LEGISLATION	18
5.1 Mineral Legislation	18
5.1.1 Prospecting Licenses	18
5.1.2 Exploration Licenses	19
5.1.3 Mining Licenses	19
5.2 Environmental Legislation	20
5.2.1 Environmental Liabilities	21
5.3 Tenement Status Review	21
6 PROPERTY DESCRIPTION, ACCESS AND LOCATION	39
7 PHYSIOGRAPHY AND CLIMATE	41
8 GEOLOGY AND MINERALIZATION	42
8.1 Regional Geology	42
8.2 Local and Property Geology	45
8.3 Structural Geology	49
9 EXPLORATION PROGRAMME	54
9.1 Target Areas	54
9.2 Sampling and Survey Methods	56
9.2.1 Field Mapping and Sampling	56
9.3 Geophysics	61
9.3.1 Ground Geophysics	61
9.3.2 Government Survey	62
9.3.3 Airborne Geophysics 2013	62
9.4 Remote Sensing	67
9.4.1 ASTER Mineral Mapping	67
10 DRILLING	69
10.1 Diamond Drilling – Historic Works	69
10.2 Diamond Drilling – 2012 Campaign	70
10.3 Relogging and Sampling Campaign 2012 – 2013	71
10.4 Diamond Drilling – Anglo's 2014 Campaign	72
10.5 Core Quality and Recovery	73
10.6 Sampling Procedure	73
10.7 Laboratory	74
10.8 Quality Control (QAQC)	74

10.9	Data Verification	75
11	GEOMETALLURGICAL TEST WORK CAMPAIGN 2013.....	78
12	MINERAL RESOURCE ESTIMATION	80
12.1	Introduction.....	80
12.2	Drilling Data Base.....	80
12.3	Geological Modelling	80
12.4	Block Modelling	83
12.5	Compositing	86
12.6	Statistical Analysis.....	86
12.7	Geostatistical Structural Analysis.....	89
12.7.1	Variography Discussion	90
12.8	Grade Estimation.....	92
12.8.1	Search Neighbourhood and Estimation Strategy.....	94
12.8.2	Validation	95
12.9	Mineral Resource Reporting	101
12.9.1	Mineral Resource Classification.....	101
12.9.2	Density	101
12.9.3	Cut Off Grade Analysis	102
12.9.4	Resource Classification	102
12.9.5	Grade Tonnage Report.....	106
13	CONCLUSIONS AND RECOMMENDATIONS	109
13.1	Conclusions.....	109
13.2	Recommendations	110
14	REFERENCES.....	111

List of Tables

Table ES_1 – Pedra Branca Drillhole Database Summary	12
Table ES_2 – Pedra Branca Project: Mineral Resource Table	13
Table 5.2_1 – Main Environmental Licensing Stages of Brazilian Mining Projects	21
Table 5.3_1 – Tenement Status Review	21
Table 10.8_1 – Duplicate Sample Analysis - Summary	75
Table 10.8_2 – Standard and Blank Samples - Summary	75
Table 12.2_1 – Pedra Branca Drillhole Database Summary	80
Table 12.4_1 – Block Model Summary	84
Table 12.4_2 – Block Model Attributes	85
Table 12.4_3 – Volumetric Validation: Wireframes x Block Model	86
Table 12.6_1 – Basic Statistical Analysis Summary	87
Table 12.7.1_1 – Variogram Models Summary	90

Table 12.8.1_1 – Ordinary Kriging Strategy	94
Table 12.9.2_1 – Confidence Level of Key Criteria	101
Table 12.9.3_1 – Cut Off Analysis Parameters	102
Table 12.9.4_1 – Resource Pit Estimate Results - Cedro	103
Table 12.9.4_2 – Resource Pit Estimate Results - Curiu	104
Table 12.9.4_3 – Resource Pit Estimate Results - Esbarro	105
Table 12.9.4_4 – Resource Pit Estimate Results - Trapia	106
Table 12.9.5_1 – Cedro Target: Mineral Resource Table	107
Table 12.9.5_2 – Curiu Target: Mineral Resource Table	107
Table 12.9.5_3 – Esbarro Target: Mineral Resource Table	108
Table 12.9.5_4 – Trapia Target: Mineral Resource Table	108
Table 12.9.5_5 – Pedra Branca Project: Mineral Resource Table	109
Table 13_1 – Pedra Branca Project: Mineral Resource Table	110

List of Figures

Figure ES_1 – Project Location.	10
Figure ES_1 – Pedra Branca Project Targets.	11
Figure 6_1 – Location Map of Arapuá Project.	40
Figure 6_1 – The main road leading into Capitão Mor Village.	40
Figure 6_3 – Pedra Branca Project ADM office in rio and core yard in Capitão Mor.	41
Figure 7_1 – Pedra Branca Project landscape general view.	42
Figure 8.1_1 – The tectonic setting of Pedra Branca in the Central Ceará Domain.	43
Figure 8.1_2 – The location of the Pedra Branca project in the Central Ceará Domain.	44
Figure 8.1_3 – Major lineaments defining major tectonic boundaries in the northeast of Brazil.	45
Figure 8.2_1 – Drill core demonstrating the dominant textures of the altered dunite of the Troia Unit at Pedra Branca	46
Figure 8.2_2 – Mafic and ultramafic portions of the Troia Unit	47
Figure 8.2_3 – Chromitite bands in half core from the Cedro target	48
Figure 8.2_4 – Coarse grained, meso-cumulate dunite with PGE	49
Figure 8.2_5 – Meso-cumulate dunite with liquid phase serpentinite	49
Figure 8.3_1 – The mega-sigmoidal structure that defines the regional structure at Pedra Branca	50
Figure 8.3_2 – The mega-sigmoidal structure that defines the regional structure at Pedra Branca	52
Figure 8.3_3 – Structural orientation in the country rocks at Pedra Branca	53
Figure 8.3_4 – Cross sections from Banabuiu target area	53

Figure 9.1_1 – The main target areas at Pedra Branca Project	55
Figure 9.2.1_1 – Cross section from the Pitombeiras target area in the south at Pedra Branca Project	56
Figure 9.2.1_2 – Geological map of the Esbarro and Cedro target areas	57
Figure 9.2.1_3 – Map showing the location of soil samples taken at Pedra Branca	58
Figure 9.2.1_4 – Map showing stream sediment sample locations at Pedra Branca	59
Figure 9.2.1_5 – Cr and Pt in stream sediment samples at Pedra Branca	60
Figure 9.3.1_1 – Ground magnetometry images from the Esbarro target area	61
Figure 9.3.3_1 – Piper Navajo Chieftan PA31-350 used.	63
Figure 9.3.3_2 – Extent of the airborne magnetic and radiometric survey at Pedra Branca.	64
Figure 9.3.3_4 – White markings showing prospective target areas identified from the airborne geophysical survey .	65
Figure 9.3.3_5 – White markings showing prospective target areas identified from the airborne geophysical survey.	66
Figure 9.3.3_6 – The new total field magnetic map.	67
Figure 9.4.1_1 – Mineral map produced from ASTER images.	68
Figure 10.1_1 – An example of the litho-stratigraphy as seen in drill core at the Cedro target.	70
Figure 10.2_1 – Drill hole locations for the 2012 drilling campaign.	71
Figure 10.4_1 – An analytical signal magnetic map showing all drill hole locations from the 2014 drilling.	72
Figure 10.5_1 – Original drillhole recovery bulletin.	73
Figure 10.9_1 – Photo of drillhole marker visited on the field.	76
Figure 10.9_2 – Photo of the drillhole description record.	77
Figure 11_1 – Sample locations for metallurgical test work performed at Pedra Branca.	78
Figure 11_2 – Mineral abundances in ore material from the Troia unit ultramafic rocks	79
Figure 12.3_1 – Cedro Mineralization Zone Model.	81
Figure 12.3_2 – Esbarro Mineralization Zone Model.	82
Figure 12.3_3 – Curiu Mineralization Zone Model.	82
Figure 12.3_4 – Trapia Mineralization Zone Model.	83
Figure 12.4_1 – Esbarro Block Model - Classified by oxide zone – Visual Validation.	85
Figure 12.5_1 – Histogram – Sample Length.	86
Figure 12.6_1 – EDA – Pd (g/t) Esbarro – Sulphide zone.	88
Figure 12.6_2 – EDA – Pt (g/t) Esbarro – Sulphide zone.	89
Figure 12.7.1_1 – Variography – Esbarro – Pt – Oxide + Transition Zones.	91
Figure 12.7.1_2 – Variography – Cedro – Pd – Sulphide Zone.	92
Figure 12.8.2_1 – Comparative Statistic – NN-Check – Esbarro – Pd (g/t).	96
Figure 12.8.2_2 – Comparative Statistic – NN-Check – Cedro – Pt (g/t)	97
Figure 12.8.2_3 – Swath Plot – East Coordinate (X) – Cedro	98

Figure 12.8.2_4 – Swath Plot – North Coordinate (Y) – Cedro	99
Figure 12.8.2_5 – Swath Plot – Elevation (Z) – Cedro	100
Figure 12.9.4_5 – Resource Classification – Block Model – Cedro.	103
Figure 12.9.4_6 – Resource Classification – Block Model – Curio.	104
Figure 12.9.4_7 – Resource Classification – Block Model – Esbarro.	105
Figure 12.9.4_8 – Resource Classification – Block Model – Trapia.	106

List of Appendices

Appendix A – Certificate of Competent Person
Appendix B – QAQC
Appendix C – EDA Statistics Histograms and Plots
Appendix D – Variographic Analysis
Appendix E – NN-Check
Appendix F – Swath Plot

Glossary of Selected Geological and Mining Terms

"Anomaly"	an abnormal find or result
"Archaean"	a geological era greater 2.5 Ga
"Au"	gold
"Bushveld Complex"	a geological region, internationally recognized for its PGM and chromitite deposits, located in South Africa
"Chromitite"	rocks containing more than 75% chromite
"Chromite"	chrome oxide ore mineral
"Cr"	chromium
"Cu"	copper
"dip"	direction or angle that the plane of a rock formation makes with horizontal
"dyke"	a sheet-like body of igneous rock cutting across country rock
"g/t"	grams per tonne
"Ga"	a billion years
"gabbro"	a coarse grained igneous rock

"ha"	hectare
"Igneous rock"	rock formed by the crystallisation or solidification of magma
"JORC Code"	the Australasian Code for reporting of Mineral Resources and Ore Reserves as most recently documented by the Joint Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Council of Australia in 2012
"km"	kilometre
"Ma"	a million years
"magma"	molten rock formed within the earth beneath surface
"Ni"	nickel
"Olivine"	a rock forming group of magnesium iron silicate minerals forming a complete solid solution series between the forsterite mineral (magnesium silicate) to the fayalite mineral (iron silicate)
"Outcrop"	rock unit exposed at surface
"Pd"	palladium
"Pt"	platinum
"PGM"	platinum group metals, comprising of the six closely related elemental metals of platinum, palladium, iridium, rhodium, ruthenium and osmium
"Proterozoic"	a geological era of between 2.5 Ga and 0.6 Ga
"Pyroxenite"	an igneous rock comprising generally of pyroxene minerals, of varying calcium, magnesium and iron silicates
"Reef"	a term used to describe a lode or vein of gold bearing or precious metal rock
"Reserve"	a part of a Resource which can be mined at a profit under reasonable expected economic conditions as defined by the JORC Code
"Resource"	mineralised body for which there is sufficient sampling information and geological understanding to outline a deposit of potential economic merit as defined by the JORC Code
"Sill"	a sheet-like body of igneous rock conforming to bedding planes of country rock
"Strike"	horizontal level direction or bearing of an inclined rock bed, structure, vein or stratum surface
"Sulphide"	a mineral containing sulphur in its non-oxidised form
"Ultramafic"	partial acronym describing an igneous rock consisting of ferro (iron) magnesian minerals

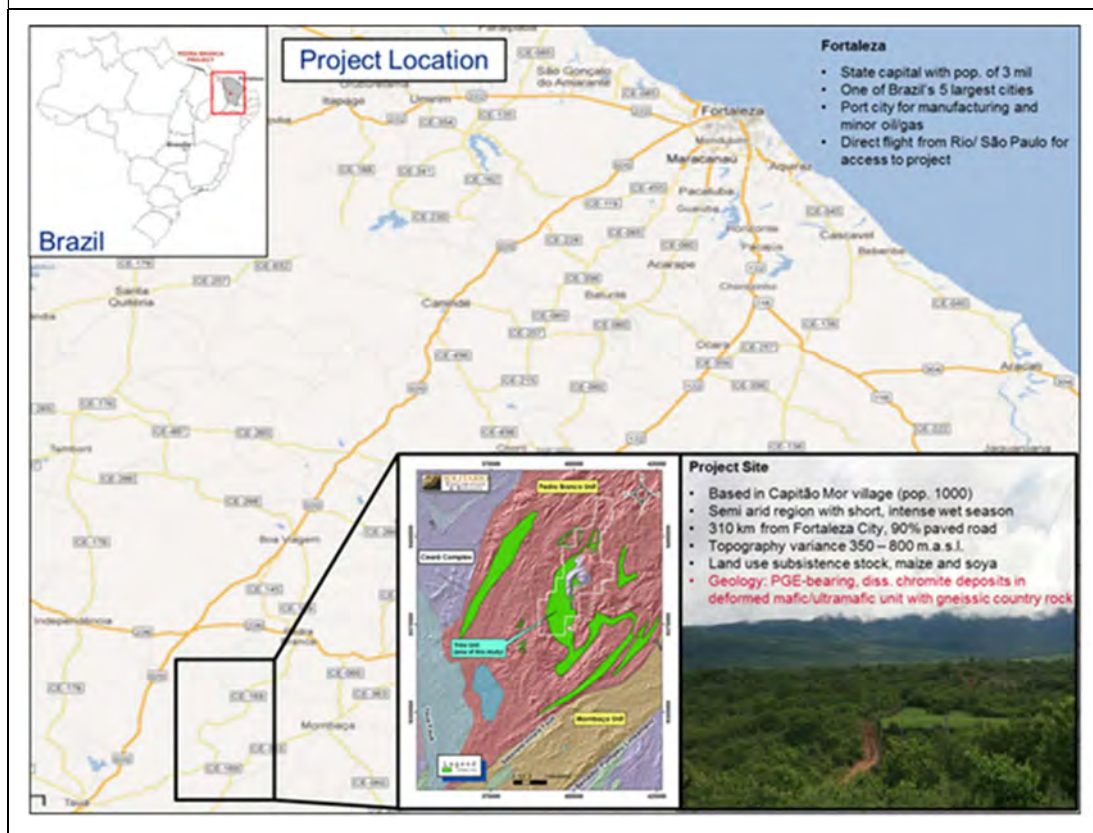
EXECUTIVE SUMMARY

GE 21 has been commissioned by Jangada Mines Plc (“Jangada” or the “Company”) to prepare a Competent Person’s Report in accordance with the “Note for Mining and Oil & Gas Companies – June 2009” of the AIM Rules for Companies distributed by the London Stock Exchange including a Mineral Resource Estimate in accordance with the JORC Code (2012) for the Pedra Branca Platinum Group Metal (PGM) Project in Ceará, Brazil. This report has been prepared pursuant to the Company’s application for admission to trading on the AIM market of the London Stock Exchange.

This report was conducted and signed by the Bernardo Viana, a geologist with 16 years of geological and mining related experience and reviewed by Porfirio Cabaleiro Rodriguez, a mining engineer with 38 years’ experience. Mr Viana and Mr Rodriguez meet the criteria set by the JORC Code (2012) for Competent Persons.

The Project is located 280km southwest of Fortaleza, the capital of Ceara State, north-eastern Brazil. Access to the project area is via a paved Brazilian state Highway (BR020) that connects Fortaleza to Brasilia. At the town of Bom Jesus, 260km by road from Fortaleza, a dirt road branches off to the east to the village of Capitão Mor, 18km to the east. Driving time from Fortaleza is approximately four to six hours.

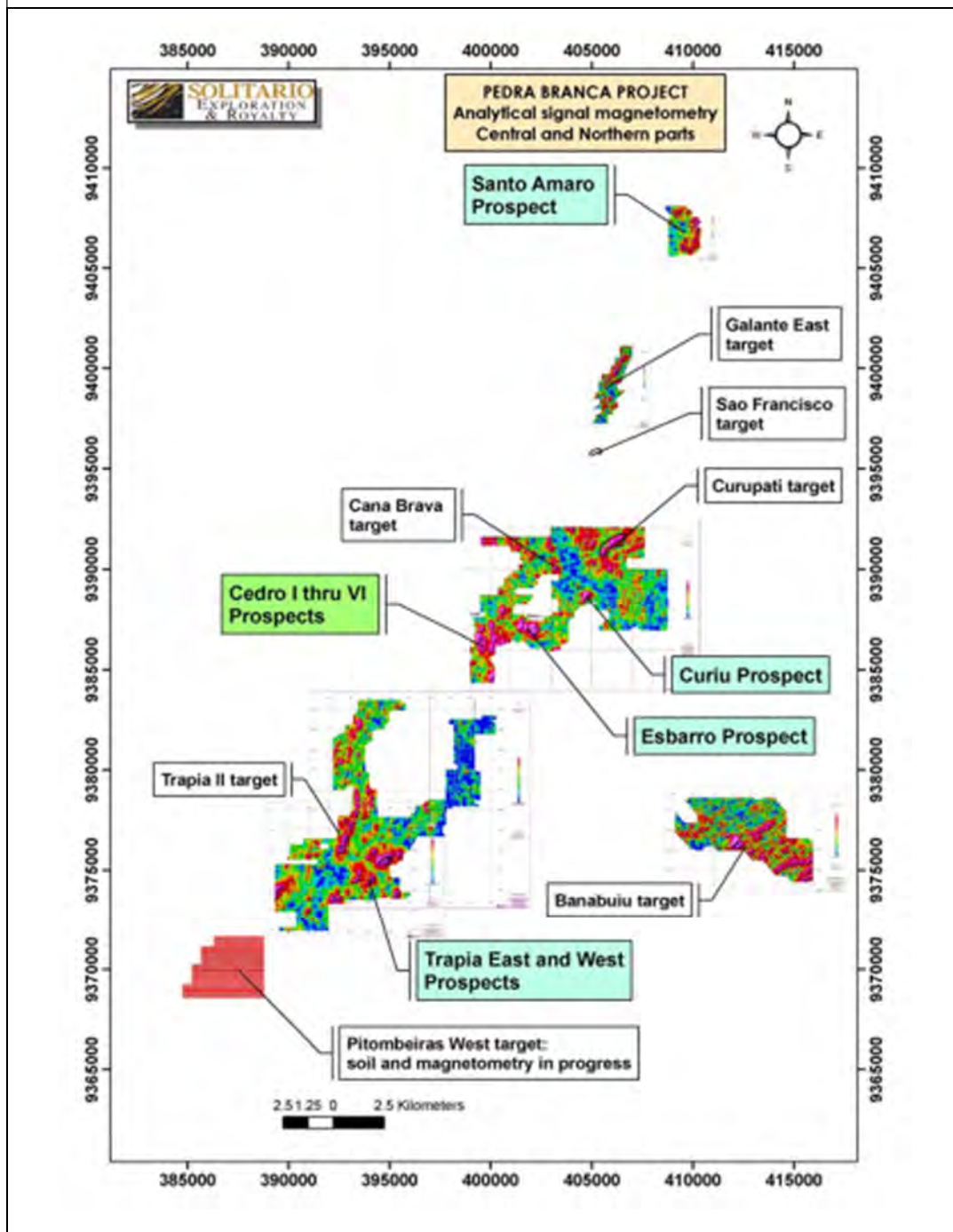
Figure ES_1
Pedra Branca Project Location



Geology

The PGM deposits at Pedra Branca are hosted by the Paleoproterozoic ultramafic Troia Unit, consisting of altered dunite intruded into Archaean Basement Gneisses. PGM mineralization is associated with chromite-rich horizons and base metal sulphides within the dunite. Regionally, the rocks have been deformed by at least three deformation events which have left the dunite intrusion folded and dismembered.

Figure ES_1
Pedra Branca Project Targets



Exploration

Exploration was carried out by a number of previous companies throughout the project's 50-year history. The last of these companies, Anglo American, completed amongst other work, a total recheck and validation of the project database. Jangada integrated all the available information validated by Anglo American and carried out their own validation programme.

The exploration database consists of remote sensing, geological mapping, soil and stream sediment sampling programs, ground and airborne geophysics, diamond drilling, topographic surveys, laboratory chemical analyses, petrography, process mineralogy and metallurgical ore characterization data.

Table ES_1 Pedra Branca Drill Hole Databases Summary			
Drilling Method	Total of Drill Holes	Total length	Samples with Chemical results
Diamond Drilling	351	25726 m	9349

Process Metallurgy

Extensive drill core and field sampled ore samples have been analysed by bench scale flotation tests. These tests have confirmed that the Pedra Branca ore can be processed by convention methods as seen on other PGM-copper-nickel-chrome operations.

Resource Model

GE21 executed the geological modelling, the grade estimation and the classification of the mineral resources of the Pedra Branca Project (Curiu, Esbarro, Trapia and Cedro targets). In doing so, the following set of factors was taken into consideration: the quantity and spacing of the available data, the interpretation of the mineralization controls, the type of mineralization, and the quality of the data that was utilized.

The modelling and the estimate were developed with Gemcom Surpac 6.1.4 software. The project's database was based on UTM zone 24 south, SIRGAS2000.

Classification

The Pedra Branca Project mineralization zones are classified as Measured, Indicated and Inferred Mineral Resource based on the assessment of the input data, geological interpretation and quality of grade estimation and are based on the JORC Code (2012).

Density

The density applied in the block model was defined by the IDW (inverse distance weighting) estimate of values obtained by the experimental specific gravity test with litho types in drill core samples. Altogether, 2026 density determinations tests were carried out on all rotative drill holes. Sample data from drill hole database was estimated by IDW separately on each oxide zones (oxide, transition and sulphide).

Resource Reporting and Cut-off Grade

A cut-off grade of 0.3 g/t equivalent Au was applied based on a "reasonable expectation of eventual economical extraction", to support a statement of the resource based on positive economic performance, using equivalent gold content prices and general costs based on similar gold projects in Brazil.

Table ES_2
Pedra Branca Project

Grade Tonnage Table – 30 Mar 2017. Pedra Branca Deposit: Total Aggregated Mineral Resource - Effective Date: 30th March 2017. Block Model: 20m X 10m X 2m (5m X 2.5m X 0.5m) Considered Equivalent Gold Cut-Off Grade: 0.30 g/t

Zone	Classification	Tonnes (kt)	PGE (g/t)	Pd (g/t)	Pt (g/t)	Au (g/t)	PGE (koz)	Pd (koz)	Pt (koz)	Au (koz)
Oxide	Measured	1339	1.230	0.802	0.398	0.030	52.9	34.5	17.1	1.3
	Indicated	3836	1.555	0.932	0.584	0.040	191.8	114.9	72.0	4.9
	Inferred	3636	1.920	1.133	0.767	0.019	224.4	132.5	89.7	2.3
	Sub Total	8811	1.656	0.995	0.631	0.030	469.1	281.8	178.8	8.5
Transition	Measured	698	1.255	0.831	0.404	0.020	28.2	18.6	9.1	0.4
	Indicated	1536	1.307	0.833	0.440	0.033	64.5	41.2	21.7	1.6
	Inferred	2182	1.095	0.699	0.371	0.025	76.8	49.0	26.0	1.7
	Sub Total	4416	1.194	0.767	0.400	0.027	169.5	108.9	56.8	3.9
Sulphide	Measured	949	1.481	0.973	0.487	0.022	45.2	29.7	14.9	0.7
	Indicated	2586	1.005	0.570	0.396	0.040	83.6	47.4	32.9	3.3
	Inferred	6376	0.902	0.471	0.360	0.071	185.0	96.6	73.9	14.6
	Sub Total	9911	0.984	0.545	0.382	0.058	313.7	173.8	121.6	18.5
Grand Total		23138	1.280	0.759	0.480	0.041	952.4	564.5	357.2	30.7

Conclusions

In preparing this Report, GE21 reviewed geological reports and maps, miscellaneous technical papers, company letters and memoranda, and public and private information as listed at the end of this Report. We have made the following conclusions from our work and the preparation of this report:

- The Troia Unit at the Pedra Branca project shows significant and continuous Platinum Group Metal mineralization;
- The geological genetic model and mineralization style is well defined and understood;
- The Project has sufficient quality geological data to model and estimate mineral resources compliant with the JORC code of 2012. This includes data relating to drilling quality, quantity and spacing, data capturing and sampling methods, quality control, and density data. These have been reviewed and found to be in good standing;
- The Pedra Branca Project contains a JORC (2012) compliant resource of 23.138Mt at 1.28g/t containing 952,400oz of platinum + palladium + gold, classified in Measured, Indicated and Inferred Resources;
- There is a reasonable expectation of eventual economic extraction. GE21 has considered current and similar project operating costs in Brazil and expected process metallurgy recoveries from test results conducted on the Pedra Branca ore;
- In the context of all information reviewed and observations during the site visit, no environmental issues have been identified at the Project;

- We conclude that there are no material resource issues preventing the Company from advancing the Project toward the intended goal of economic extraction.

Recommendations

Based on the current project results, GE21 recommends:

- Database samples validation by Jangada with check-assay: analyse 5% of the pulp and rejects from the lab at another certificated laboratory;
- In the future drilling and exploration programs Jangada maintain the procedures and methodology, including QAQC definitions, used by Anglo American;
- Carry out a field campaign to test other anomalies defined by previous exploration programmes;
- For Pedra Branca to progress towards its goal of near-term production, the following path is recommended in terms of required work: Complete minor additional resource and reserve drilling, bulk metallurgy test study, and a scoping study to determine operation parameters and likely financial model. This work stream will be essential to secure the required permitting to progress to commercial pilot production. To complete the above exploration programme GE21 suggests a budget of up to USD650,000.

1 INTRODUCTION AND TERMS OF REFERENCE

GE 21 has been commissioned by Jangada Mines Plc ("Jangada" or the "Company") to prepare a Competent Person's Report in accordance with the "Note for Mining and Oil & Gas Companies – June 2009" of the AIM Rules for Companies distributed by the London Stock Exchange including a Mineral Resource Estimate in accordance with the JORC Code (2012) for the Pedra Branca Platinum Group Metal (PGM) Project in Ceará, Brazil. This report has been prepared pursuant to the Company's application for admission to trading on the AIM market of the London Stock Exchange.

Currently the Project belongs to Pedra Branca do Brasil Mineração Ltda, the Brazilian subsidiary of Jangada.

Jangada is incorporated in England & Wales with registered number 09663756 on 30 June 2015.

Jangada holds 99.99% of the shares in Pedra Branca, with 0.01% of the shares held by FFA Holding & Mineração Ltda. Brian McMaster, Executive Chairman of the Company, is a director and shareholder of Garrison Capital Partners Limited, which owned 99.99% of Pedra Branca from 30 April 2016 to 16 February 2017. FFA Holding & Mineração Ltda. is 99.99% Luis Mauricio Azevedo, non-executive director of the Company.

This report was conducted and signed by the Competent Person Bernardo Viana, a geologist with 16 years of geological and mining related experience ranging from execution, management and coordination of geology projects, to resource estimation in a variety of commodities including Fe, Mn, Bauxite, Au, Cu, Ni, Zn and Phosphate in Brazil, Uruguay, Peru, Argentina, Venezuela, Colombia, Chile and Angola. He is a member of the Australian Institute of Geoscientists ("MAIG") and is independent of Jangada.

1.1 Project History

Dubbed Pedra Branca, the complex was discovered in the 1960's by local government geologists who were exploring the area for its chromite potential and by 1969, five holes were drilled into the Esbarro prospect.

The project then sat idle until 1985, when South African-based Gencor and Rio Tinto identified platinum-palladium mineralization associated with the chromite bands. Targeting separate areas on the ultramafic belt, the companies completed airborne magnetic and radiometric surveys, as well as mapping, soil sampling and trenching. The work resulted in the discovery of 10-15 scattered showings of chromitite and copper-nickel soil geochemical anomalies. Rio Tinto focused on the most northerly chromite occurrence, known as Esbarro 1 and 2, which lie within 400m of each other. A total 2 holes over an 800m strike length, with 13 of the holes intersecting the chromite horizon. Meanwhile, Gencor targeted the central and southern portions of the ultramafic belt carrying out trenching and they drilled eight holes into the Trapia 1 and Trapia 2 showings. Both Rio Tinto and Gencor ceased exploration following a slump in platinum and palladium prices.

As the price of platinum and palladium started to increase in the late 1990s, Altoro Gold, (who has since merged with Denver-based Solitario Resources), acquired the project and started drilling in 1999.

In January 2003, Anglo American Platinum signed a joint venture agreement with Solitario and continued to invest in the project sufficiently to secure majority ownership and in 2011 assumed management of the joint venture.

Throughout Anglo's 12-year involvement they advanced the project through several development gates which included:

- Extensive resource drilling on the main target deposits bringing the total drilled meters to ca. 30,000m
- Resource estimate and scoping study in 2005
- Drill core process metallurgical tests in 2005 and 2006
- Ground geophysics, target generation and target drilling 2007 – 2012
- Resampling of all historic drill core
- SAMREC compliant resource estimate 2012
- Regional scale, high quality airborne geophysics 2013
- Additional process metallurgy test studies on ore 2013
- Geophysics target generation and drilling 2014

In 2015 Jangada Mines acquired the Project from the Joint Venture.

2 QUALIFICATIONS AND BASIS OF OPINION

GE21 is a specialized, independent mineral consulting company that is headquartered in Belo Horizonte, Minas Gerais, Brazil. The mineral resource estimate was developed by GE21 staff members, who are accredited by the Australian Institute of Geoscientists (AIG) as "Competent Persons".

Geologist Bernardo de Cerqueira Viana was the principal competent person responsible for the development of this report. Mr. Viana is a member of the Australian Institute of Geoscientists (MAIG) and has more than 16 years' experience in mining projects, specifically in the areas of geological modelling, mineral resource estimation and the economic evaluation of projects.

Mining Engineer Porfirio Cabaleiro Rodriguez provided Mr. Viana with a peer review of this project. Mr. Porfirio Rodriguez acted as the chief supervisor for this report. He is a mining engineer with 38 years' experience in the field of mineral resource and reserve estimation. He has vast experience with various commodities, which include phosphate ore, iron ore, uranium, gold and nickel and rare earth elements, among others. Mr. Rodriguez is a member of the Australian Institute of Geoscientists (MAIG).

3 SITE VISIT AND DOCUMENTATION

In preparing this Report, GE21 reviewed geological reports and maps, miscellaneous technical papers, company letters and memoranda, and public and private information as listed at the end of this Report. GE21 carefully reviewed all the information, GE21 has not conducted any independent investigation to verify its accuracy and completeness. GE21 has only reviewed

the land tenure in a preliminary fashion, and has not independently verified the legal status or ownership of the property or the underlying agreements.

In addition to a site visit undertaken by Mr. Bernardo Viana to the Pedra Branca Project between 30 and 31 March 2017, the authors of this report have relied extensively on information provided by Jangada, and discussions with Jangada's technical team.

There were no impediments to visiting any or all parts of the project area.

Units

All units of measurement used in this report are SI metric unless otherwise stated. Where third party reports use other than SI metric units, then the original units have been preserved throughout.

Map Grid

All project data were used in Universal Transverse Mercator coordinate system ("UTM") UTM Zone 24S with a SIRGAS2000 datum, which is currently being used by the Brazilian Mining Department ("DNPM").

Currency

Currency is expressed in US Dollars ("US\$") unless otherwise stated.

4 COUNTRY BACKGROUND

Brazil occupies a land surface area of about 8.5 million square kilometres, slightly larger than Australia. The climate is largely tropical, with more temperate regions in the south. The topography is mostly flat, with rolling lowlands in the north, some plains and a narrow coastal belt. The total population is approximately 204 million and literacy levels are approximately 89%. The official language is Portuguese, while English, and Spanish are also spoken. The capital city is Brasilia, located in the centre of the country.

Political conditions in Brazil are stable. Brazil has been a member of the World Trade Organisation since 1995 and is a founding member of Mercosul, a trade liberalisation programme for South America.

The fundamentals of Brazilian macro-economic policy are based primarily on fiscal austerity, the control of inflation and free foreign exchange. The strength of the world economy and the high level of liquidity in international financial resources during 2013, accelerated production, led to more intense global trade, and created favourable conditions for foreign investment and the recovery of the country's economy since 2004.

A decrease in growth of the Brazilian economy during 2014 (0.1%) was the result of a benign international environment. However, the Brazilian economy has rebounded positively after the global financial crisis and grew at approximately 2.7% in 2013, 1.8% in 2012 (3.9% in 2011, 7.6% in 2010, -0.2% in 2009, and 5.1% in 2008).

Despite currently facing a severe political and economic crisis, Brazil has made strong progress in the last decade. It has been demonstrated that the institutions of government are working, thus permitting a fast recovery with sustainable growth in the future.

Sustaining high growth rates in the longer term depends on the impact of the governmental structural reform program and efforts to build a more welcoming climate for investment, both domestic and foreign.

The 1995 constitutional amendment provided a landmark in Brazilian mining legislation by granting foreign companies the right to hold majority ownership in Brazilian projects and equality of fiscal and economic treatment. Today, numerous multi-national mining companies are active in Brazil, including Anglo American Plc, Rio Tinto Plc and BHP Billiton Limited.

Legislation promoting public-private partnerships, a key effort to attract private investment to infrastructure, was also approved in 2004. Labour reform and proposals to increase autonomy for the Central Bank are still pending. Despite this well-considered reform agenda, much remains to be done to improve the regulatory climate for investments, particularly in the energy sector; to simplify tax systems at the state and federal levels, and to further reform the pension system. The legislation will apparently continue unchanged during the current Presidency of Michel Temer (2016-2018).

Brazil's production from natural resources, oil and gas reached US\$85billion (or 4% of GDP) in 2013. Brazil is a big producer of niobium and iron ore, tantalum, aluminium, graphite and manganese.

5 BRAZILIAN LEGISLATION

5.1 Mineral Legislation

Mineral tenements in Brazil are granted subject to various conditions prescribed by the Brazil Mining Code, including rental payment and reporting requirements, and each tenement is granted subject to standard conditions that regulate the holder's activities or are designed to protect the environment. Mineral tenements in Brazil generally comprise Prospecting Licenses, Exploration Licenses and Mining Licenses.

The holder of a granted Prospecting License, Exploration License or Mining License is not required to spend a set annual amount per hectare in each tenement on exploration or mining activities. Therefore, there is no statutory or other minimum expenditure requirement in Brazil. However, annual rental payments are made to the DNPM and the holder of an Exploration License must pay rates and taxes, ranging, based on the current exchange rate, from US\$0.687 to US\$1.039 per hectare, to the Local Government.

Lodging a caveat or registering a material agreement against the tenement may protect various interests in a Mining License.

If a mineral tenement is located on private land, then the holder must arrange or agree with the landowners to access the property.

5.1.1 Prospecting Licenses

A Prospecting License entitles the holder, to the exclusion of all others, to explore for minerals in the area of the License, but not to conduct commercial mining. A Prospecting License may cover a maximum area of 50 hectares and remains in force for up to 5 years. The holder may apply for a renewal of the Prospecting License which is subject to approval by DNPM. The period of renewal may be up to a further 5 years.

5.1.2 Exploration Licenses

An Exploration License entitles a holder, to the exclusion of all others, to explore for minerals in the area of the License, but not to conduct commercial mining. The maximum area of an Exploration License is 2,000 hectares outside of the Amazonia region and 10,000 hectares within the Amazonia region (Amazonas, Para, Mato Grosso, Amapá, Rondônia, Roraima and Tocantins States). An Exploration License remains in force for a maximum period of 3 years and can be extended by no more than a further 3-year period. Any extension is at DNPM's discretion and will require full compliance with the conditions stipulated by the Brazil Mining Code that must be outlined in a report to DNPM applying for the extension of the License.

Once all legal and regulatory requirements have been met, exploration authorization is granted under an Exploration License, granting the holder all rights and obligations relating to public authorities and third parties. An Exploration License is granted subject to conditions regulating the conduct of activities, which includes the obligation to commence exploration work no later than 60 days after the Exploration License has been published in the Federal Official Gazette and not to interrupt it without due reason for more than 3 consecutive months or 120 non-consecutive days, to perform exploration work under the responsibility of a geologist or mining engineer, legally qualified in Brazil, to inform DNPM of the occurrence of any other mineral substance not included in the exploration permit and to inform DNPM of the start or resumption of the exploration work and any possible interruption.

If the holder of an Exploration License proves the existence of a commercial ore reserve (as defined in the Brazil Mining Code) on the granted Exploration License, the DNPM cannot refuse the grant of a Mining License with respect to that particular tenement if the License holder has undertaken the following:

- An exploration study to prove the existence of an ore reserve;
- A feasibility study on the commercial viability of the ore reserve;
- The grant of an environmental license to mine on the particular tenement.

5.1.3 Mining Licenses

A Mining License entitles the holder to work, mine and take minerals from the mining lease subject to obtaining certain approvals. Mining rights can be denied in very rare circumstances, where a public authority considers that a subsequent public interest exceeds that of the utility of mineral exploration, in which case the Federal Government must compensate the mining concession holder.

In Brazil, a Mining License covers maximum areas ranging from 2,000 hectares to 10,000 hectares, depending on the geographical area, as detailed above, and remains in force indefinitely. The holder must report annually on the status and condition of the mine.

As with other mining tenements, a Mining License is granted subject to conditions regulating activities. Standard conditions regulating activities include matters such as:

- The area intended for mining must lie within the boundary of the exploration area;
- Work described in the mining plan must be commenced no later than 6 months from the date of official publication of the grant of the Mining License, except in the event of a force majeure;

- Mining activity must not cease for more than 6 consecutive months once the operation has begun, except where there is proof of force majeure;
- The holder must develop the deposit according to the mining plan approved by the DNPM;
- The holder must undertake the mining activity according to environmental protection standards detailed in an Environmental License obtained by the holder;
- The holder must pay the landowner's share of mining proceeds according to values and conditions of payments set forth by law, which is a minimum of 50% of CFEM (see below), but it is usually agreed to be higher under a contract between the holder of the Mining License and the landowner;
- The holder must pay financial compensation to the State and local authorities for exploiting mineral resources by way of a Federal royalty, the CFEM, which is a maximum of 3% of revenue, but varies from state to state.

An application for a Mining License is granted solely and exclusively to individual firms or companies incorporated under Brazilian law, which will have a head office, management and administration in Brazil, and are authorized to operate as a mining company.

There are no legal impediments in the knowledge of GE21 to the lawful operation of the mineral tenure described herein.

5.2 Environmental Legislation

Article 225 of the Brazilian Constitution requires reclamation and rehabilitation of mined out areas by the operators. All possible polluting activities are required to be licensed under the terms of the Brazilian National Environmental Policy (Federal Law 6.938 of 31 August 1981). Regulations for the administration of Environmental Policy are established by the National Council of the Environment (CONAMA)'s Resolution 237 issued on 19 December 1997. CONAMA sets the conditions, limits and the control and use procedures for natural resources, and permits implementation and operation of projects. Licenses are issued by either a federal, state or a municipal agency. The extent of the proposed impact is considered by CONAMA in determining the issuance of a license and is based on regulations set forth by Resolution 237/97, listed below:

- Federal entities are responsible for licensing activities which may cause national or regional-level environmental impact (more than two federal States);
- State entities and Federal District Entities are responsible for the activities which may cause State-level environmental impact (two or more cities);
- Municipal entities are responsible for licensing the activities, which may cause local environmental impact (within city limits).

The license may be issued in one of the forms described in Table 5.2_1

Table 5.2_1 Main Environmental Licensing Stages of Brazilian Mining Projects	
License	Description
Preliminary License (LP*)	Indicates environmental viability of project. Location and concept approval, subject to a specific environmental impact assessment and a formal public hearing
Installation License (LI*)	Authorizes project initiation. Permits the engineering work, subject to an environmental control plan.
Operation License (LO*)	Authorizes the start of operations. Requirement to demonstrate establishment of all the environmental programmes and control systems.

The license will be subject to approval by the relevant municipality to confirm compliance with the Organic Act and the Municipal Law of Use and Occupation of the Terrain. In addition to the environmental license process and according to Resolution 237/97, requirements of the preliminary licensing phase also include:

- Approval for water resources use;
- The Authorization for Forest Exploration (APEF) which is required in the cases where there is change in the Surficial Deposit usage or vegetation suppression;
- The Authorization for disturbance of vegetation in Permanent Protected Areas (APP) or in Units of Conservation (UC) by the Authorized Environmental entity.

5.2.1 Environmental Liabilities

No environmental liabilities have been identified within the Pedra Branca mineral properties.

5.3 Tenement Status Review

Below is a table with the status of each of the Mineral Rights and a brief summary based on the copies of the files that we have obtained at the office of the National Department of Mineral Production – DNPM in the State of Ceará.

Table 5.3_1 Pedra Branca Project Tenement Status Review					
Mineral Rights no.	Titleholder	Status	Expiry date	Annual Fee per Hectare (TAH)	TAH's Due Date
800.619/10	Pedra Branca do Brasil Mineração Ltda.	Exploration License Extended	June 13, 2017	Not applicable	Not applicable
800.793/10	Pedra Branca do Brasil Mineração Ltda.	Exploration License Extended	June 13, 2017	Not applicable	Not applicable
800.138/14	Pedra Branca do Brasil Mineração Ltda.	Exploration License	September 26, 2017	Not applicable	Not applicable
800.139/14	Pedra Branca do Brasil Mineração Ltda.	Exploration License	September 26, 2017	Not applicable	Not applicable
800.752/10	Pedra Branca do Brasil Mineração Ltda.	Exploration License Extended	December 31, 2017	Not applicable	Not applicable
800.373/13	Altoro Mineração Ltda.	Exploration License	April 19, 2019	R\$ 3.208,11	July 31, 2017

800.374/13	Altoro Mineração Ltda.	Exploration License	April 19, 2019	R\$ 1.863,05	July 31, 2017
800.375/13	Altoro Mineração Ltda.	Exploration License	April 19, 2019	R\$ 3.131,96	July 31, 2017
800.124/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 6.419,29	July 31, 2017
800.126/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 6.420,00	July 31, 2017
800.128/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 6.388,38	July 31, 2017
800.129/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 6.419,97	July 31, 2017
800.133/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 6.419,49	July 31, 2017
800.134/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 6.419,71	July 31, 2017
800.137/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 6.419,58	July 31, 2017
800.140/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 5.036,43	July 31, 2017
800.235/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.510,17	July 31, 2017
800.236/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.839,19	July 31, 2017
800.410/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.207,34	July 31, 2017
800.411/14 (Trapiá Target)	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.210,10	July 31, 2017
800.412/14 (Trapiá Target)	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.210,10	July 31, 2017
800.413/14 (Trapiá Target)	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.209,71	July 31, 2017
800.414/14 (Trapiá Target)	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.210,22	July 31, 2017
800.415/14 (Trapiá Target)	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.209,58	July 31, 2017
800.515/14 (Trapiá Target)	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.679,82	July 31, 2017
800.698/14 (Cedro Target)	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 1.550,62	July 31, 2017
800.700/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.209,97	July 31, 2017
800.701/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.175,20	July 31, 2017
800.702/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.186,25	July 31, 2017
800.703/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 512,03	July 31, 2017
800.704/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 1.359,37	July 31, 2017

800.705/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.210,16	July 31, 2017
800.706/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 2.395,24	July 31, 2017
800.707/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.209,78	July 31, 2017
800.710/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.210,13	July 31, 2017
800.711/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.209,94	July 31, 2017
800.712/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.209,87	July 31, 2017
800.713/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.209,90	July 31, 2017
800.714/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.209,81	July 31, 2017
800.715/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.209,90	July 31, 2017
800.716/14	Mineração Solitário do Brasil Ltda.	Exploration License	May 05, 2019	R\$ 3.209,87	July 31, 2017
800.152/14	Pedra Branca do Brasil Mineração Ltda.	Exploration License	September 14, 2019	R\$ 3.210,00	January 31, 2018
800.159/14	Pedra Branca do Brasil Mineração Ltda.	Exploration License	September 14, 2019	R\$ 3.210,03	January 31, 2018
800.495/16	Pedra Branca do Brasil Mineração Ltda.	Exploration License	March 02, 2020	R\$ 3.209,90	July 31, 2017
800.095/99 (Esbarro Target)	Pedra Branca do Brasil Mineração Ltda.	Final Report Presented	-	Not applicable	Not applicable
800.096/99 (Esbarro and Cedro Targets)	Pedra Branca do Brasil Mineração Ltda.	Final Report Presented	-	Not applicable	Not applicable
800.097/99 (Curiú Target)	Pedra Branca do Brasil Mineração Ltda.	Final Report Presented	-	Not applicable	Not applicable

The change of the ownership of the tenements held by Altoro Mineração Ltda. and Mineração Solitário do Brasil Ltda. to Pedra Branca do Brasil Mineração Ltda. is underway with the DNPM.

The legal information below is a compilation from a FFA Legal

Tenement no. 800.138/2014 – Holder: Pedra Branca do Brasil Mineração Ltda.

The application was presented to DNPM on March 26th, 2014 by Mineração Solitário do Brasil Ltda., for exploration of platinum ore in the Cities of Mombaça, Pedra Branca and Tauá, State of Ceará.

As a consequence of a Lawsuit presented by the holder the Exploration Permit was granted on September 26th, 2014 for a period of three years valid up to September 26th, 2017, for an area of 1,158.52 hectares.

On June 10th, 2015, the holder presented the assignment of the tenement to Pedra Branca do Brasil Mineração Ltda.

On July 07th, 2015 the Official Gazette published the assignment of the tenement to Pedra Branca do Brasil Mineração Ltda., which is now the sole holder of legal and beneficial title.

The Annual Fees per Hectare (TAHs) for the three years have been properly paid.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to July 28th, 2017.

Tenement no. 800.139/2014 – Holder: Pedra Branca do Brasil Mineração Ltda.

The application was presented to DNPM on March 26th, 2014 by Mineração Solitário do Brasil Ltda., for exploration of platinum ore in the Cities of Mombaça and Tauá, State of Ceará.

As a consequence of a Lawsuit presented by the holder the Exploration Permit was granted on September 26th, 2014 for a period of three years valid up to September 26th, 2017, for an area of 1,999.95 hectares.

On June 10th, 2015, the holder presented the assignment of the tenement to Pedra Branca do Brasil Mineração Ltda.

On July 07th, 2015 the Official Gazette published the assignment of the tenement to Pedra Branca do Brasil Mineração Ltda., which is now the sole holder of legal and beneficial title.

The Annual Fees per Hectare (TAHs) for the three years have been properly paid.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to July 28th, 2017.

Tenement no. 800.373/2013 – Holder: Altoro Mineração Ltda.

The application was presented to DNPM on April 16th, 2013 by Altoro Mineração Ltda. (which has been merged into Mineração Solitário do Brasil Ltda. which, on its turn, has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on April 19th, 2016 for a period of three years valid up to April 19th, 2019, for an area of 999.41 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.208,11 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to February 18th, 2019.

Tenement no. 800.374/2013 – Holder: Altoro Mineração Ltda.

The application was presented to DNPM on April 16th, 2013 by Altoro Mineração Ltda. (which has been merged into Mineração Solitário do Brasil Ltda. which, on its turn, has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on April 19th, 2016 for a period of three years valid up to April 19th, 2019, for an area of 580.39 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 1.863,05 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to February 18th, 2019.

Tenement no. 800.375/2013 – Holder: Altoro Mineração Ltda.

The application was presented to DNPM on April 16th, 2013 by Altoro Mineração Ltda. (which has been merged into Mineração Solitário do Brasil Ltda. which, on its turn, has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on April 19th, 2016 for a period of three years valid up to April 19th, 2019, for an area of 975.69 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.131,96 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to February 18th, 2019.

Tenement no. 800.124/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on March 18th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Boa Viagem, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,999.78 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 6.419,29 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.126/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on March 18th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Tauá, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 2,000 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 6.420,00 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.128/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on March 18th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Tauá, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,990.15 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 6.388,38 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.129/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on March 18th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Tauá, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,999.99 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 6.419,97 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.133/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on March 18th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the Cities of Boa Viagem and Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,999.84 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 6.419,49 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.134/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on March 18th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Tauá, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,999.91 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 6.419,71 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.137/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on March 26th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Tauá, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,999.87 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 6.419,58 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.140/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on March 26th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the Cities of Mombaça and Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,568.98 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 5.036,43 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.235/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on May 27th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Tauá, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,093.51 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.510,17 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.236/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on May 27th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the Cities of Pedra Branca and Tauá, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,196.01 hectares. The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.839,19 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.410/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on August 12th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Mombaça, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 999.17 hectares. The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.207,34 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.411/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on August 12th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Mombaça, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,000.03 hectares. The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.210,10 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.412/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on August 12th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,000.03 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.210,10 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.413/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on August 12th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the Cities of Mombaça and Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 999.91 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.209,71 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.414/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on August 12th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Mombaça, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,000.07 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.210,22 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.415/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on August 12th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Mombaça, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 999.87 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.209,58 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.515/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on September 15th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,146.36 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.679,82 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.698/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 483.06 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 1.550,62 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.700/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 999.99 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.209,97 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.701/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 989.16 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.175,20 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.702/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 992.60 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.186,25 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.703/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 159.51 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 512,03 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.704/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 423.48 hectares. The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 1.359,37 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.705/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,000.05 hectares. The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.210,16 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.706/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 746.18 hectares. The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 2.395,24 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.707/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 999.93 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.209,78 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.710/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Mombaça, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 1,000.04 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.210,13 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.711/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 999.98 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.209,94 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.712/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 999.96 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.209,87 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.713/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 999.97 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.209,90 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.714/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 999.94 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.209,81 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.715/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 999.97 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.209,90 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.716/2014 – Holder: Mineração Solitário do Brasil Ltda.

The application was presented to DNPM on December 17th, 2014 by Mineração Solitário do Brasil Ltda. (which has been merged into Pedra Branca do Brasil Mineração Ltda.), for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on May 05th, 2016 for a period of three years valid up to May 05th, 2019, for an area of 999.96 hectares.

The beginning of the activities was properly informed on June 13th, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to July 31st, 2017 and July 31st, 2018 in the current amount of R\$ 3.209,87 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to March 06th, 2019.

Tenement no. 800.152/2014 – Holder: Pedra Branca do Brasil Mineração Ltda.

After winning the bid process related to tenement no. 800.476/2006, the application was presented to DNPM on March 31st, 2014 by Pedra Branca do Brasil Mineração Ltda., for exploration of platinum ore in the Cities of Mombaça and Pedra Branca, State of Ceará.

The Exploration Permit was granted on September 14th, 2016 for a period of three years valid up to September 14th, 2019, for an area of 1,000 hectares.

The beginning of the activities was properly informed on November 01st, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to January 31st, 2018 and January 31st, 2019 in the current amount of R\$ 3.210,00 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to July 16th, 2019.

Tenement no. 800.159/2014 – Holder: Pedra Branca do Brasil Mineração Ltda.

After winning the bid process related to tenement no. 800.477/2006, the application was presented to DNPM on March 31st, 2014 by Pedra Branca do Brasil Mineração Ltda., for exploration of platinum ore in the Cities of Mombaça and Pedra Branca, State of Ceará.

The Exploration Permit was granted on September 14th, 2016 for a period of three years valid up to September 14th, 2019, for an area of 1,000.01 hectares.

The beginning of the activities was properly informed on November 01st, 2016.

The Annual Fee per Hectare (TAH) for the first year has been properly paid and the TAHs for the second and third years shall be paid up to January 31st, 2018 and January 31st, 2019 in the current amount of R\$ 3.210,03 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to July 16th, 2019.

Tenement no. 800.495/2016 – Holder: Pedra Branca do Brasil Mineração Ltda.

The application was presented to DNPM on August 23rd, 2016 by Pedra Branca do Brasil Mineração Ltda., for exploration of platinum ore in the City of Pedra Branca, State of Ceará, for an initial area of 1,000.03 hectares.

The Exploration Permit was granted on March 02nd, 2017 for a period of three years valid up to March 02nd, 2020, for an area of 999,97 hectares.

The beginning of the activities shall be informed up to May 01st, 2017.

The Annual Fees per Hectare (TAHs) for the three years shall be paid up to July 31st, 2017, July 31st, 2018 and July 31st, 2019 in the current amount of R\$ 3.209,90 each.

In order to have the Exploration Permit renewed a partial report shall be presented by the holder up to January 02nd, 2020.

Tenement no. 800.095/1999 – Holder: Pedra Branca do Brasil Mineração Ltda.

The application was presented to DNPM on June 16th, 1999 by Altoro Mineração Ltda., for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on January 12th, 2000 for a period of three years valid up to January 12th, 2003, for an area of 1,000 hectares.

On November 12th, 2001 the holder presented the surface rights agreements.

The Annual Fees per Hectare (TAHs) for the three years have been properly paid.

In order to have the Exploration Permit renewed the partial report was presented on November 04th, 2002 and the Exploration Permit was renewed for three additional years on March 19th, 2003.

The TAHs for the three additional years have been properly paid.

The final report was presented on March 20th, 2006 requiring the postponement of its approval for a period of three years due to the temporary impossibility of technical and economic mining feasibility.

On November 28th, 2006 the holder presented the assignment of the tenement to Pedra Branca do Brasil Mineração Ltda.

On May 31st, 2007 the Official Gazette published the assignment of the tenement to Pedra Branca do Brasil Mineração Ltda., which is now the sole holder of legal and beneficial title.

On October 28th, 2008 the Official Gazette published the approval of the postponement regarding the final report's decision for a period of three years.

On August 26th, 2011 the holder requested the postponement regarding the final report's decision for an additional period of three years.

On November 28th, 2013 the Official Gazette published the approval of the postponement regarding the final report's decision for an additional period of three years.

On October 24th, 2016 the holder requested the postponement regarding the final report's decision for an additional period of three years.

Tenement no. 800.096/1999 – Holder: Pedra Branca do Brasil Mineração Ltda.

The application was presented to DNPM on June 16th, 1999 by Altoro Mineração Ltda., for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on January 24th, 2000 for a period of three years valid up to January 24th, 2003, for an area of 218.60 hectares.

On August 07th, 2000 the Official Gazette published a new Exploration Permit rectifying the previous one, for a period of three years, for an area of 857.20 hectares.

On March 09th, 2001 the Official Gazette published a new Exploration Permit rectifying the previous one, for a period of three years, for an area of 1,000 hectares.

On November 12th, 2001 the holder presented the surface rights agreements.

The Annual Fees per Hectare (TAHs) for the three years have been properly paid.

In order to have the Exploration Permit renewed the partial report was presented on December 16th, 2003 and the Exploration Permit was renewed for three additional years on April 26th, 2004.

The TAHs for the three additional years have been properly paid.

On November 28th, 2006 the holder presented the assignment of the tenement to Pedra Branca do Brasil Mineração Ltda.

The final report was presented on April 26th, 2007 requiring the postponement of its approval for a period of three years due to the temporary impossibility of technical and economic mining feasibility.

On May 31st, 2007 the Official Gazette published the assignment of the tenement to Pedra Branca do Brasil Mineração Ltda., which is now the sole holder of legal and beneficial title.

On August 20th, 2009 the Official Gazette published the approval of the postponement regarding the final report's decision for a period of three years.

On June 20th, 2012 the holder requested the postponement regarding the final report's decision for an additional period of three years.

On October 25th, 2013 the Official Gazette published the approval of the postponement regarding the final report's decision for an additional period of three years.

On October 24th, 2016 the holder requested the postponement regarding the final report's decision for an additional period of three years.

Tenement no. 800.097/1999 – Holder: Pedra Branca do Brasil Mineração Ltda.

The application was presented to DNPM on June 16th, 1999 by Altoro Mineração Ltda., for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on January 24th, 2000 for a period of three years valid up to January 24th, 2003, for an area of 1,000 hectares.

On November 12th, 2001 the holder presented the surface rights agreements.

The Annual Fees per Hectare (TAHs) for the three years have been properly paid.

In order to have the Exploration Permit renewed the partial report was presented on November 04th, 2002 and the Exploration Permit was renewed for three additional years on March 19th, 2003.

The TAHs for the three additional years have been properly paid.

The final report was presented on March 20th, 2006 requiring the postponement of its approval for a period of three years due to the temporary impossibility of technical and economic mining feasibility.

On November 28th, 2006 the holder presented the assignment of the tenement to Pedra Branca do Brasil Mineração Ltda.

On May 31st, 2007 the Official Gazette published the assignment of the tenement to Pedra Branca do Brasil Mineração Ltda., which is now the sole holder of legal and beneficial title.

On October 28th, 2008 the Official Gazette published the approval of the postponement regarding the final report's decision for a period of three years.

On August 26th, 2011 the holder requested the postponement regarding the final report's decision for an additional period of three years.

On November 28th, 2013 the Official Gazette published the approval of the postponement regarding the final report's decision for an additional period of three years.

On October 24th, 2016 the holder requested the postponement regarding the final report's decision for an additional period of three years.

Tenement no. 800.619/2010 – Holder: Pedra Branca do Brasil Mineração Ltda.

The application was presented to DNPM on June 29th, 2010 by Pedra Branca do Brasil Mineração Ltda., for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on August 20th, 2010 for a period of three years valid up to August 20th, 2013, for an area of 18.85 hectares.

The Annual Fees per Hectare (TAHs) for the three years have been properly paid.

In order to have the Exploration Permit renewed the partial report was presented on June 20th, 2013 and the Exploration Permit was renewed for three additional years on June 13th, 2014.

The TAHs for the three additional years have been properly paid.

The final report shall be presented up to June 13th, 2017.

Tenement no. 800.752/2010 – Holder: Pedra Branca do Brasil Mineração Ltda.

The application was presented to DNPM on July 28th, 2010 by Pedra Branca do Brasil Mineração Ltda., for exploration of platinum ore in the Cities of Mombaça, Pedra Branca and Tauá, State of Ceará.

The Exploration Permit was granted on December 06th, 2010 for a period of three years valid up to December 06th, 2013, for an area of 959.93 hectares.

The Annual Fees per Hectare (TAHs) for the three years have been properly paid.

In order to have the Exploration Permit renewed the partial report was presented on October 03rd, 2013 and the Exploration Permit was renewed for three additional years on December 31st, 2014.

The TAHs for the three additional years have been properly paid.

The final report shall be presented up to December 31st, 2017.

Tenement no. 800.793/2010 – Holder: Pedra Branca do Brasil Mineração Ltda.

The application was presented to DNPM on August 17th, 2010 by Pedra Branca do Brasil Mineração Ltda., for exploration of platinum ore in the City of Pedra Branca, State of Ceará.

The Exploration Permit was granted on December 20th, 2010 for a period of three years valid up to December 20th, 2013, for an area of 7.27 hectares.

The Annual Fees per Hectare (TAHs) for the three years have been properly paid.

In order to have the Exploration Permit renewed the partial report was presented on October 18th, 2013 and the Exploration Permit was renewed for three additional years on June 13th, 2014.

The TAHs for the three additional years have been properly paid.

The final report shall be presented up to June 13th, 2017.

Royalty Agreement

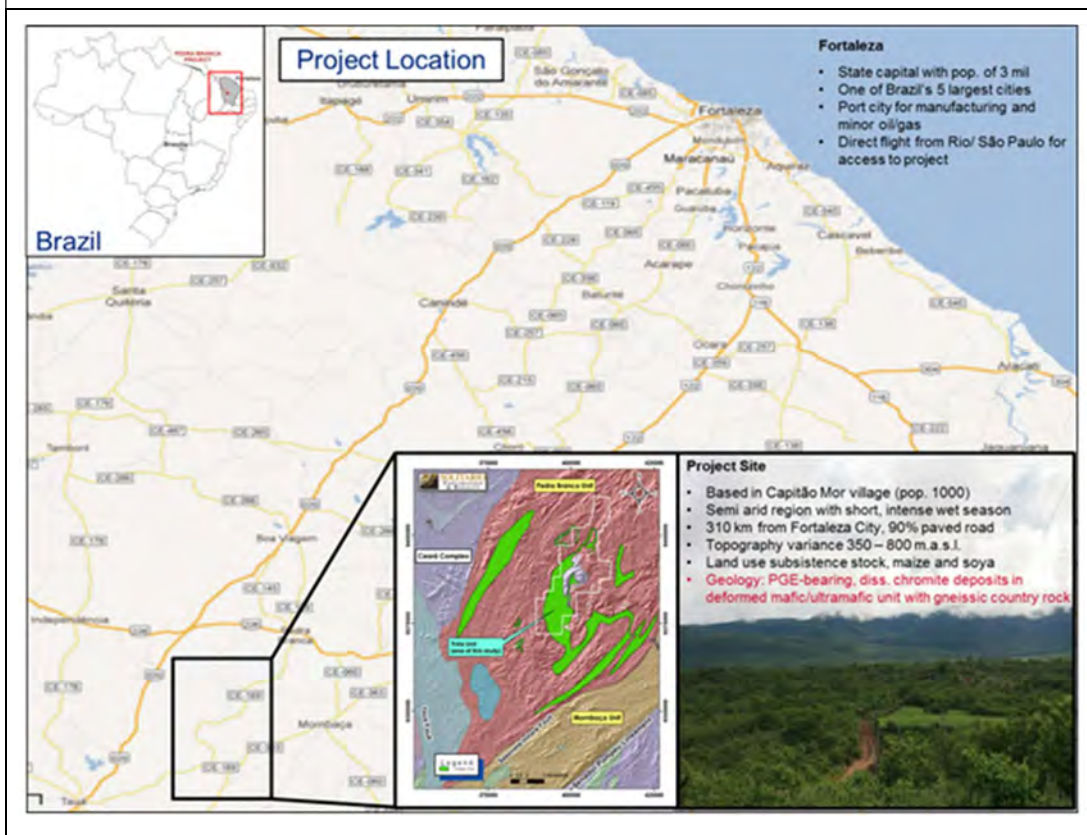
As part of the cost of the acquisition of the project, the Company has agreed to pay to Solitario Exploration & Royalty Corp, a royalty equal to 1% (one percent) of the Net Smelter Returns in the event that the Company (or any successor or assign) brings the Properties held by the Company or any portion thereof into Commercial Production.

6 PROPERTY DESCRIPTION, ACCESS AND LOCATION

The Project lies geographically approximately 280km southwest of Fortaleza, the capital of Ceara State, Brazil (Figure 6_1). Access to the project area is via a paved Brazilian state Highway (BR020) that connects Fortaleza to Brasilia. At the town of Bom Jesus, 260km by road from Fortaleza, a dirt road branches off to the east to the village of Capitão Mor, 18km to the east. Driving time from Fortaleza is approximately four to six hours.

Figure 6_1

Location Map of the Project



Capitão Mor lies immediately west of the Project and serves as the base camp for the project (Figure 6_2). An extensive network of dirt roads and trails provides access throughout the Project area. The village has a population of approximately 800 – 1000, a public phone, electric power, tapped potable water and a sewerage system. There is no mobile phone network coverage but the area is covered by a recently installed (2013) wireless internet service.

Figure 6_2

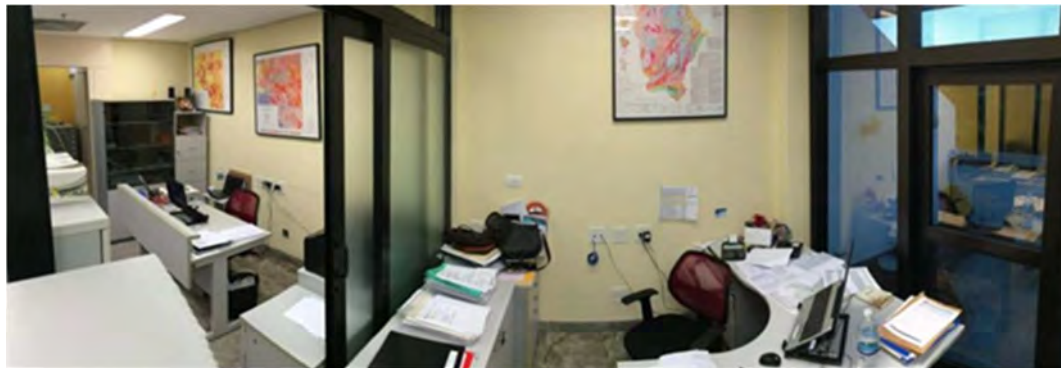
The main road leading into Capitão Mor village, where the field activities of Pedra Branca are based



Jangada maintains a small site office in the village and a staff house with three bedrooms, a kitchen and outside ablution facilities. The core is handled and stored in a large core yard adjacent to the staff house. All facilities are rented from local property owners (Figure 6_3).

Figure 6_3

Pedra Branca's administrative office in Rio de Janeiro (1) and core yard in Capitão Mor (2)



7 PHYSIOGRAPHY AND CLIMATE

The terrain at the Project is moderately hilly with elevations ranging from 350 to 800m. The region is semi-arid with two seasons; a hot, rainy season from January to April and a very hot, dry season from April to December. The annual precipitation ranges from 40 to 120cm and temperatures range from 15 degrees to 45 degree Celsius. Vegetation is mostly scrub (caatinga), thorny bushes and trees less than 6m high. Land use consists of subsistence farming of beans, maize, cattle and goats. (Figure 7_1).

Figure 7_1

Pedra Branca Project Landscape General View

Looking north with the Cedro target to the immediate W and Esbarro target on the hillside in the distance running to the left. This image shows both the undulating topography and lush summer vegetation of the region



A photograph showing the landscape in the Santo Amaro region and the contrasting vegetation of the very hot, dry winters in the Pedra Branca region



8 GEOLOGY AND MINERALIZATION

8.1 Regional Geology

The Borborema Province of north-eastern Brazil hosts many terrains that have undergone several tectonic/metamorphic events that can be correlated with tectonization in Central Africa.

In Ceara State, the Cruzeta Complex (Figure 8.1_1 to 8.1_3) in the Central Ceará Domain is a polycyclic basement unit composed of the Archean Tróia-Pedra Branca Massif (Sm-Nd ages 2.7-3.0Ga). This complex is stratigraphically divided (from bottom to top) into the mafic/ultramafic Troia Unit (TU), the calcic-sodic gneiss of Pedra Branca Unit and the sodic-potassic gneiss of

Mombaça Unit. The TU, in particular, is characterized by an important PGM-bearing layered ultramafic sequence.

Figure 8.1_1

The tectonic setting of Pedra Branca in the Central Ceará Domain (CC) of the Borborema Province. MCO – Medoi Coreau; CC – Central Ceará; RGND – Rio Grande do Sul; TZ – Traverse Zone; SD Southern Domain; SFC – São Francisco Craton

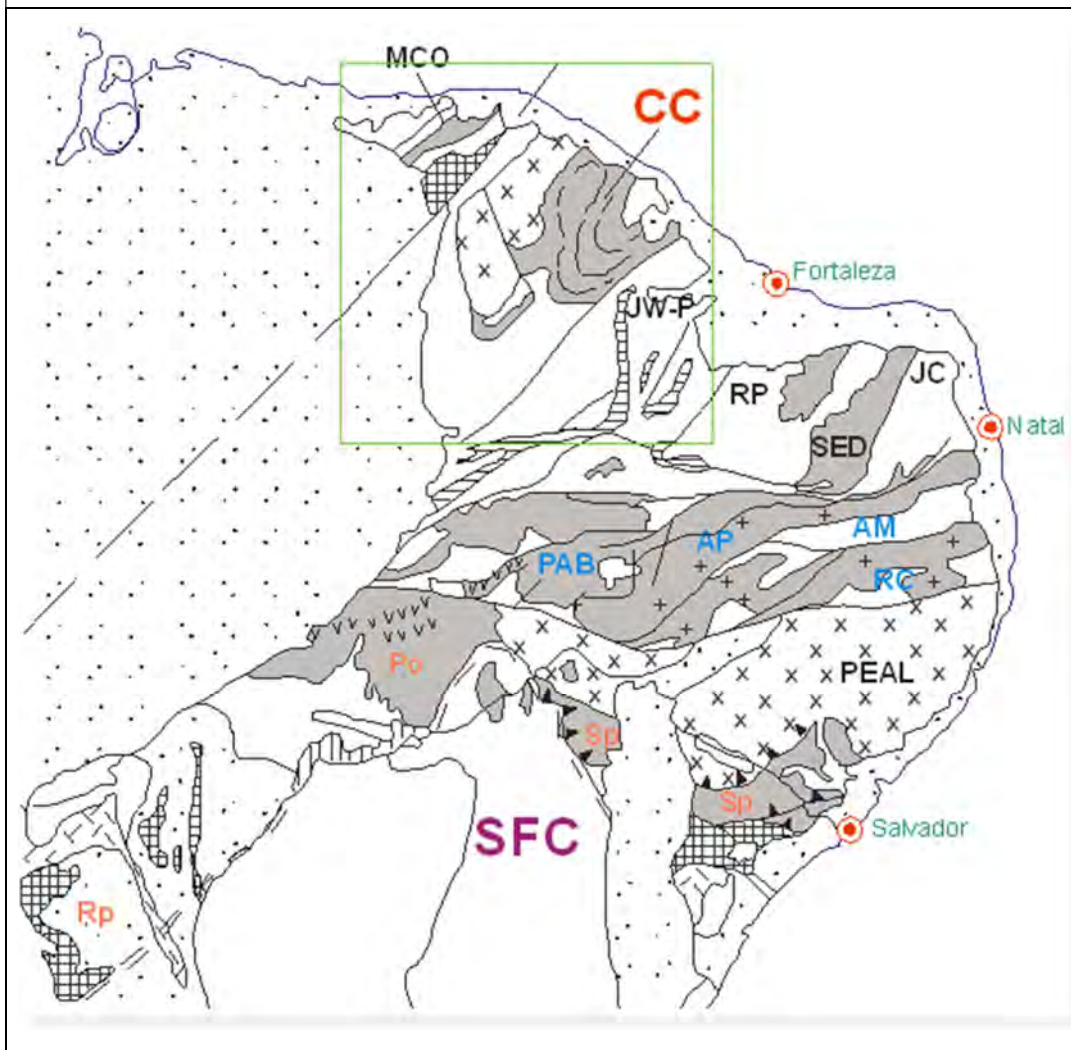


Figure 8.1_2

The location of the Pedra Branca project in the Central Ceará Domain

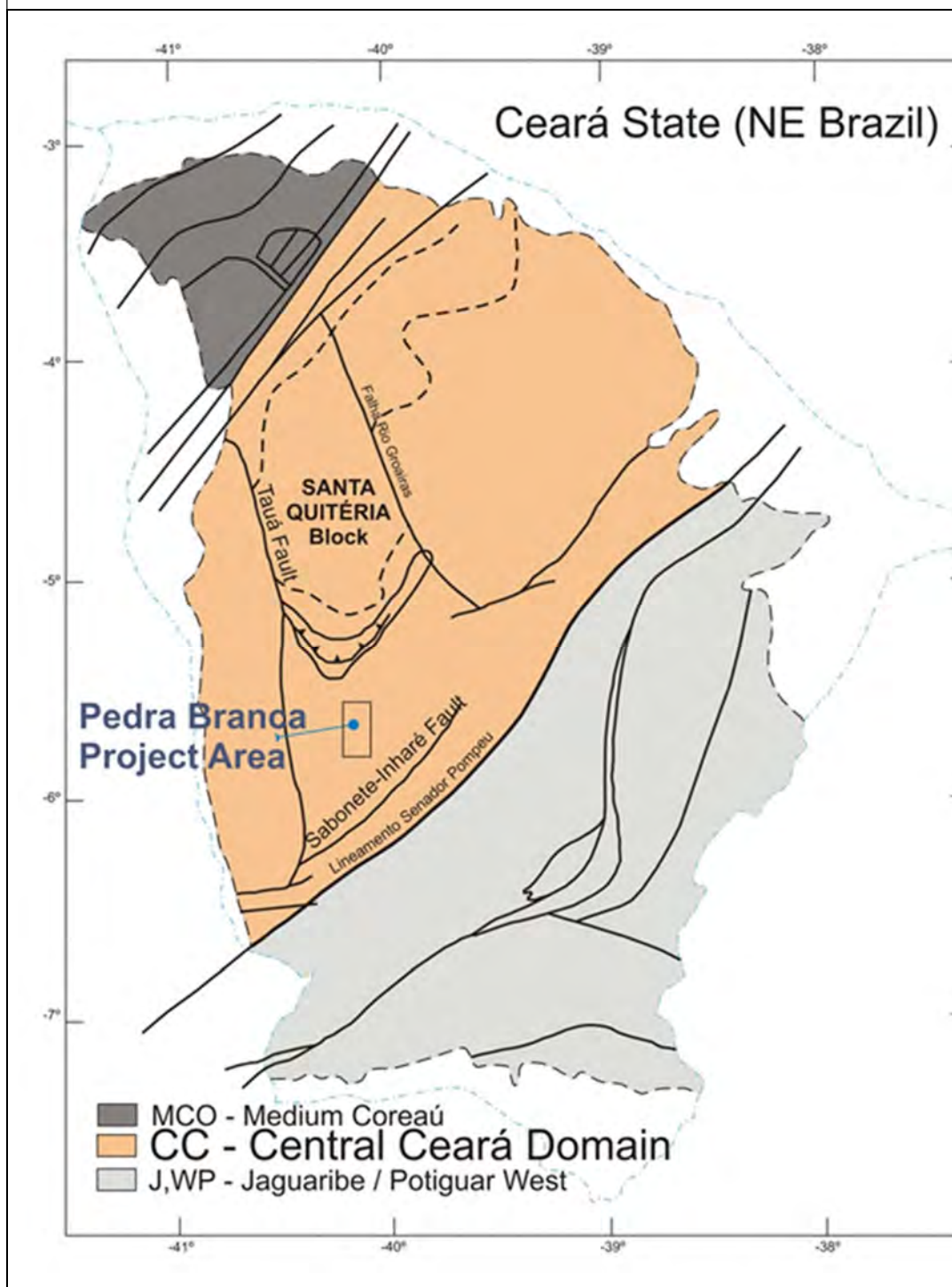
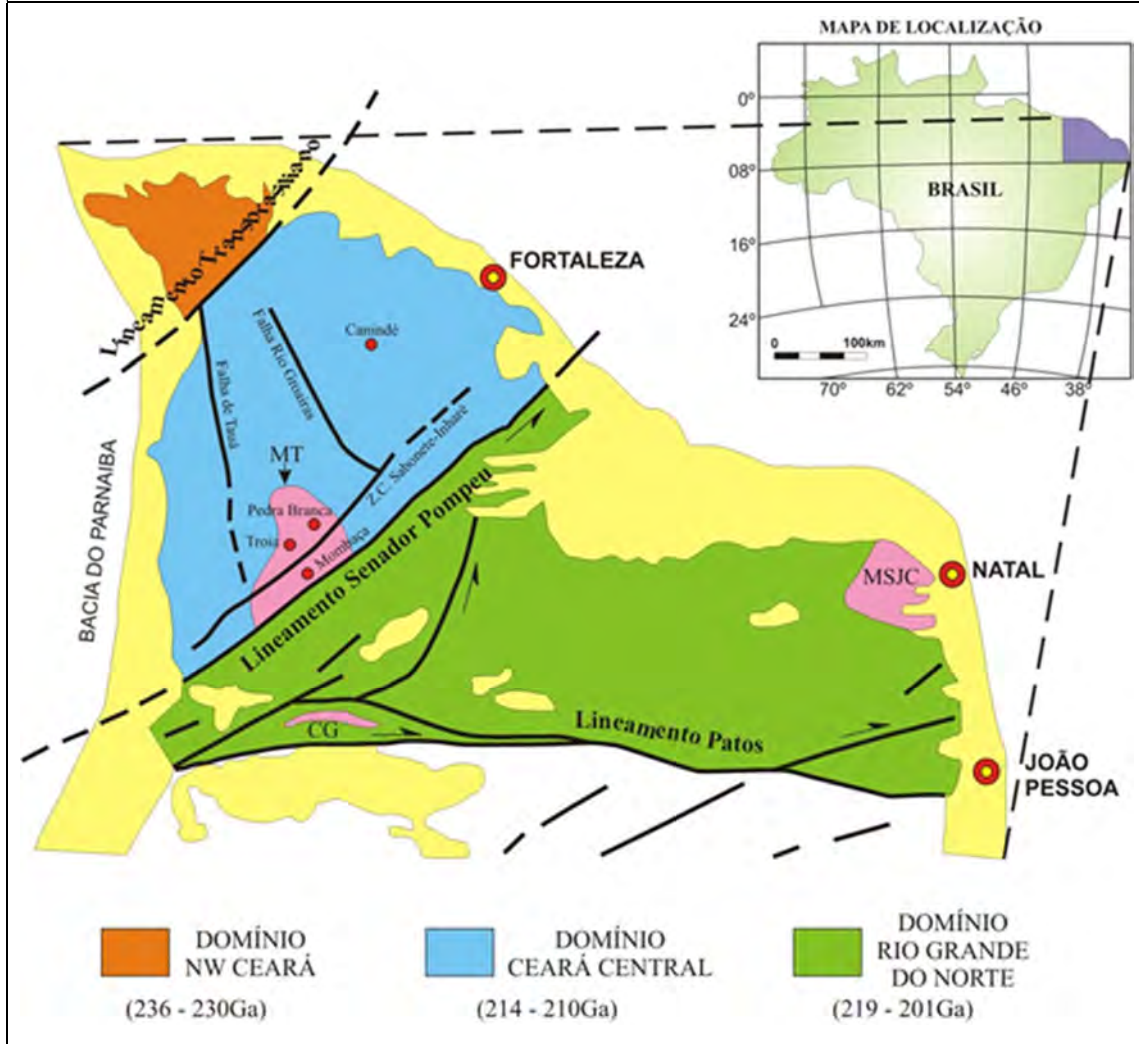


Figure 8.1_3

Major lineaments defining major tectonic boundaries in the northeast of Brazil. The Central Ceará domain is by the Transbrasiliano Lineament in the northwest, the Senador Pompeu Lineament in the southeast and the Bacia do Parnaíba in the west



8.2 Local and Property Geology

The TU is composed of coarse to medium grained olivine-websterite, peridotite and dunite cumulates (Figure 8.2_1). These rocks are profoundly folded, sheared and recrystallized by metamorphic processes.

Diorites and probable leucogabbros and even tonalites constitute a more evolved mafic unit. Later tabular injections of pegmatitic and tonalitic composition commonly cut the complex and resulted in metasomatic lenses composed of phlogopite and chlorite.

Figure 8.2_1

Drill core demonstrating the dominant textures of the altered dunite of the Troia Unit at Pedra Branca. The left piece shows very coarse grained, skeletal olivine (serpentinized) and serpentine matrix of orthocumulate dunite. Meso-cumulatic and adcumulatic serpentinized dunite can be seen centre and to the right respectively



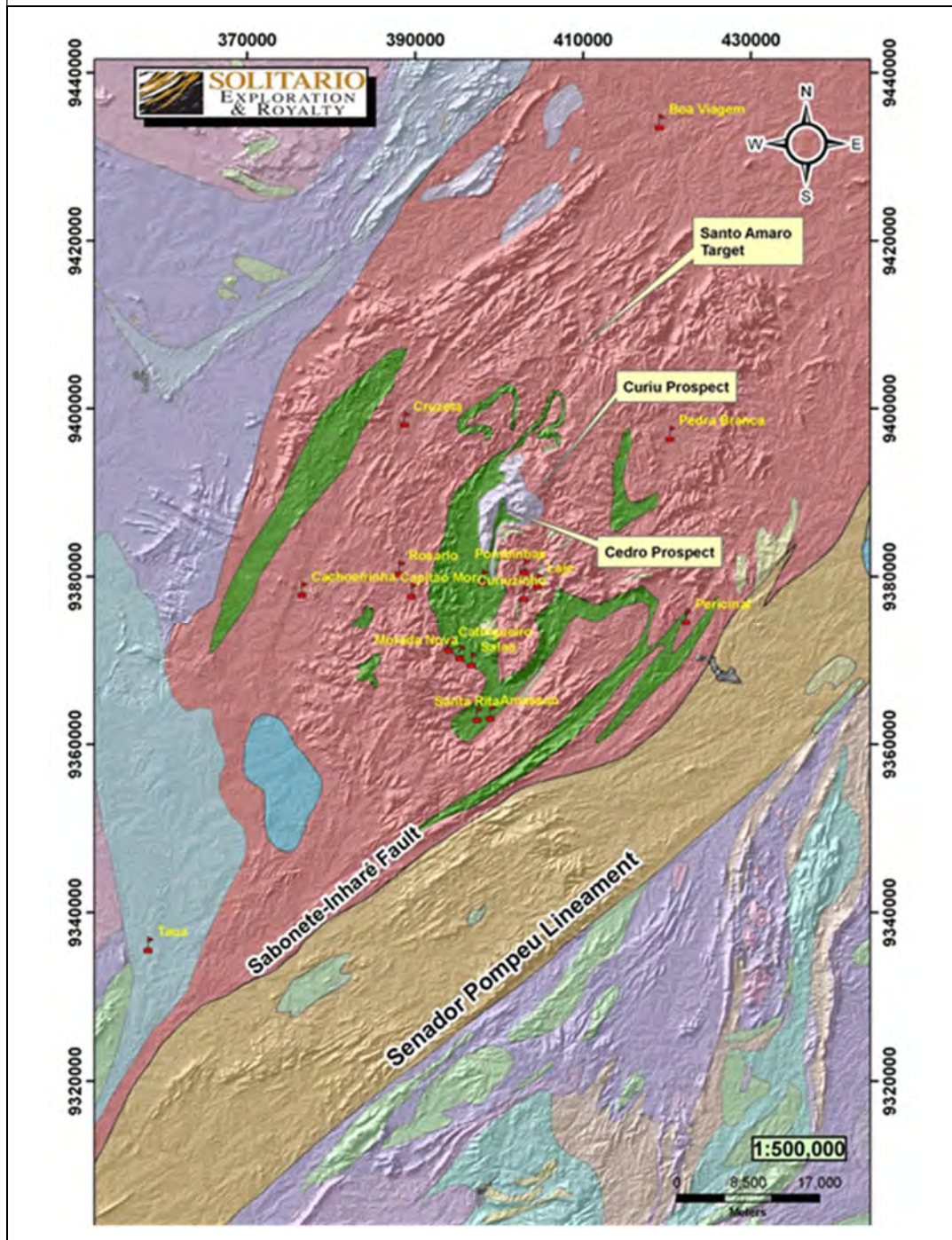
Primary mineral textures vary from adcumulate to mesocumulate. However, metamorphism and metasomatic processes have rounded primary cumulate crystals or partially to totally replaced primary textures with secondary mineral aggregates. (Figure 8.2_2).

Chromitite horizons from 30cm to 3m in thickness (Figure 8.2_3) occur in a classical transitional facies of layered complexes. Chromite occurs as euhedral octahedral grains from 0.3mm to 1.0mm in a secondary groundmass of foliated chlorite or fine-grained tremolite. These chromite-rich cumulate rocks are strongly associated with the highest PGM grades. This oxide phase also appears as an intercumulatic phase among the principal silicate crystals and its crystallization features demonstrate independent conditions of nucleation from the silicates (no cotectic crystallization paths with the larger silicate crystals. Light-green (greyish) coloured chlorite, tremolite/actinolite prisms and subordinate serpentine are formed by later metamorphic/metasomatic events. Trace amounts of chalcopyrite, pyrite, bornite and pentlandite occur in the secondary matrix.

Later, PGM-deficient chlorite-bearing layers were formed by shearing during metamorphism and intrusion of younger felsic rocks. Additionally, there are local massive or brecciated Ni-rich sulphide layers up to 3m in thickness at the basal contact of ultramafic bodies with the basement gneiss of the Cruzeta Complex or pegmatite-textured felsic injections.

Figure 8.2_2

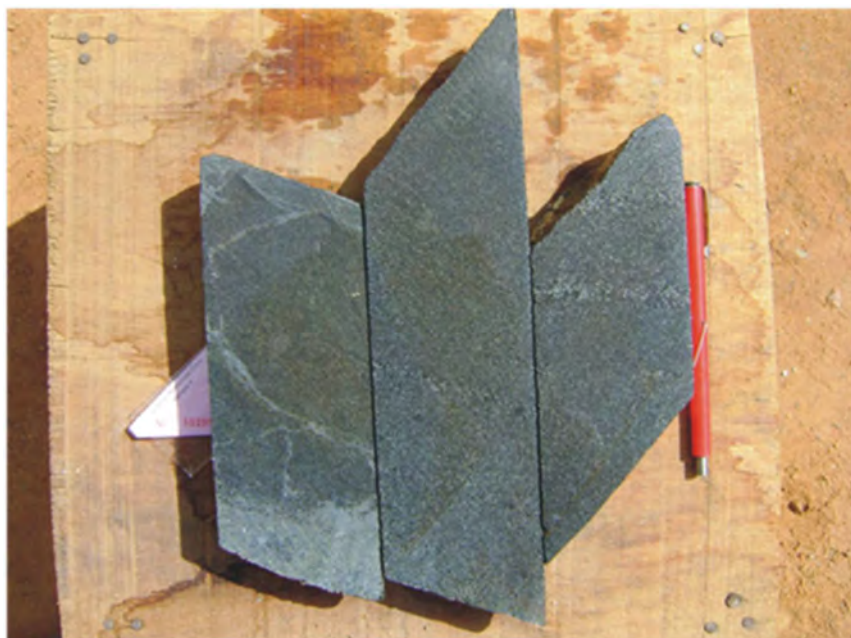
Mafic and ultramafic portions of the Troia Unit. A map of the extent of the mafic and ultramafic portions of the Troia Unit (green), country rock gneisses (pink) and granitoids (light blue) at Pedra Branca. The map demonstrates the structurally deformed nature of the units as well as the location of Pedra Branca's target areas and surrounding villages



Drill core of chromitite layers in TU contain up to 5% Cr, 8ppm Pt and 21ppm Pd. Observed Pt to Pd ratios are variable, ranging from 0.29 to 1.9. Normalized to primitive mantle, many chromitites are richer in Au, Cu, Zn and V than host rocks. Ti, Al and Cr variations within chromite suggest diverse environments of formation.

Figure 8.2_3

Chromitite bands in half core from the Cedro target. (DD08CD38). This sample contains 5.3 g/t Pt+Pd. Fine layering can be seen as defined by differences in chromite grain size



Besides the primary chromitites, important PGM values occur as a result of redistribution and enrichment by structural/metasomatic processes in response to regional left-lateral shearing. Cu, Ni, Sr and P also have been structurally remobilized along with the PGM.

Many occurrences of mineralization display a SW-NE trend, in accordance with a stretching lineation developed on the S2 axial foliation plane, which can be demonstrated geochemically on a microscopic up to a regional scale. District-wide magnetometry has been effective at mapping these trends regionally within the altered and tectonized ultramafic bodies.

Scanning Electron Microscope ("SEM") studies of magnetic PGM bearing rocks reveal acicular or slightly rounded secondary magnetite crystals intergrown with Cr rich chlorite (kammererite) laths.

PGM is associated with Ru, Te and Bi bearing sulphides and Pt, Pd, Ru alloys. These minerals are enclosed within or attached to tectonized chromite.

Pentlandite-bearing massive sulphide horizons, containing up to 2.5% Ni, also occur within the layered ultramafics. These rocks contain little Pt and Pd. Cu content in these massive sulphides is variable due to local remobilization into late, crosscutting chalcopyrite veinlets.

Summarizing, primary chromite is directly associated with an intercumulate liquid. The variability of the chromite content suggests multiple pulses of this residual melt and possible physical processes in the later stages of magmatic consolidation, such as filter pressing. PGM also occurs in association with primary magmatic sulphide minerals as well as remobilized sulphide minerals in post-magmatic environments.

Figure 8.2_4

Coarse grained, meso-cumulate dunite with PGM-bearing liquid phase chromite contained in the late-stage magmatic liquid serpentinite matrix



Figure 8.2_5

Meso-cumulate dunite with liquid phase serpentinite. The dunite contains interstitial liquid phase, chromite-bearing serpentinite matrix. The large, liquid phase serpentinite area also contains chromite blebs



8.3 Structural Geology

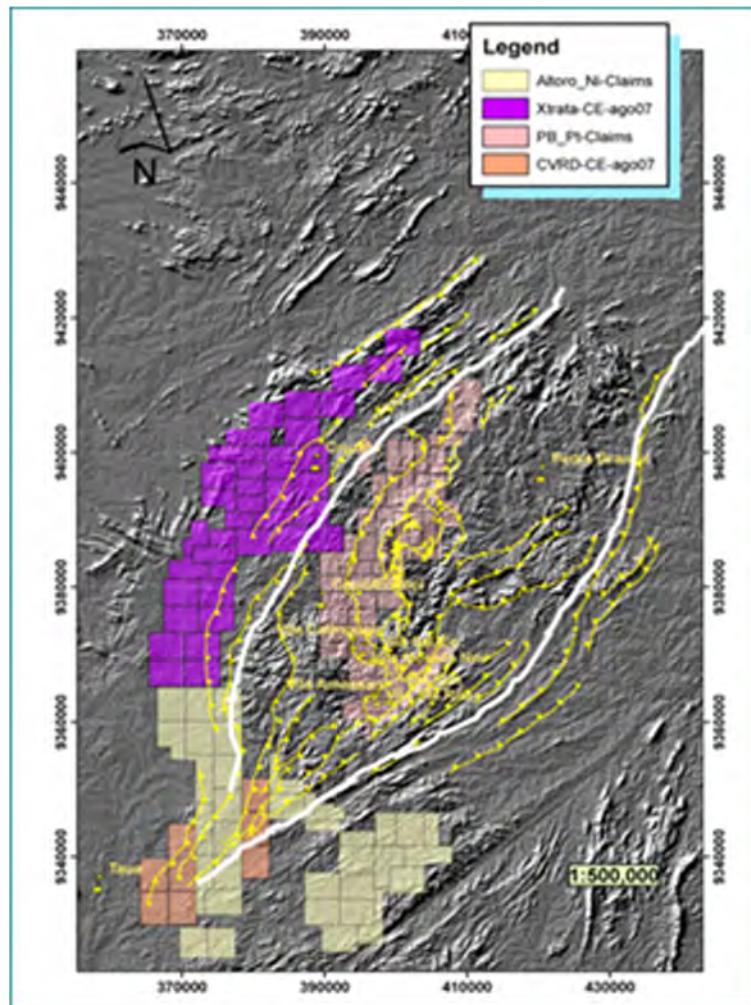
The ultramafic bodies which host the PGM mineralization at the Project are elongated lenses with the long axis of the lenses commonly orientated between 70 and 110 degrees. Sizes of the bodies vary but most have a similar aspect ratio, with a length:width:thickness of about 4:2:1. The reason for this may be the geological characteristics of the ultramafic rocks and adjacent gneisses metamorphism. This characteristic may be useful in screening of magnetic anomalies for those most likely to be caused by mineralized ultramafic bodies during high-grade

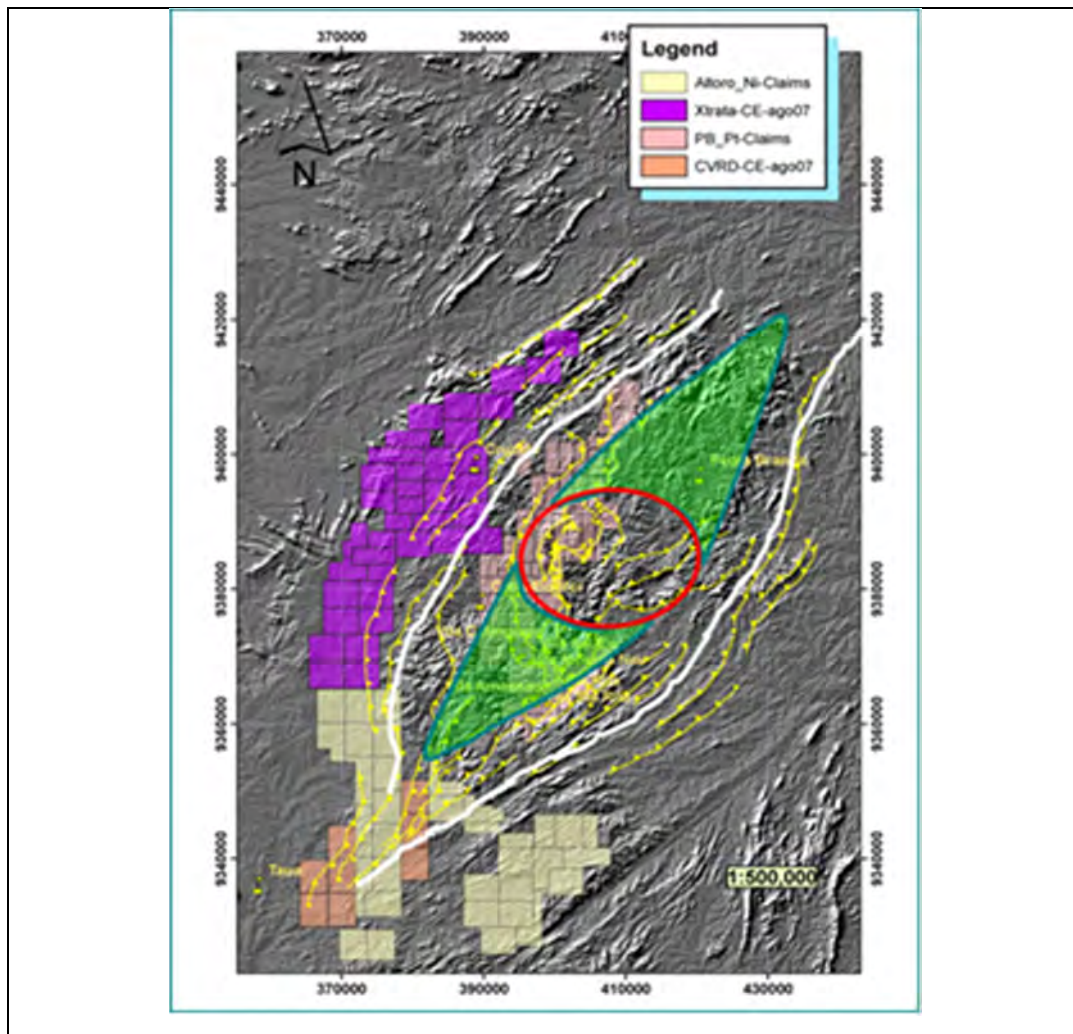
dynamic/thermal. The ultramafic bodies are generally overlain by a sequence of amphibolite rock interlayered with granitoids. The footwall is a diverse suite of generally well-layered gneisses, granitoid and amphibolites.

Tectonic reworking of these terranes created a 70km long almond-shaped megastructure with a NE-SW trend delimited by subparallel, deep-seated crustal shear zones of extensive proportions (Figure 8.3_1). The principal strands of shearing are the Sabonete-Inharé Fault, the Senador Pompeu Lineament and the more distal Tauá Fault.

Figure 8.3_1

The mega-sigmoidal structure that defines the regional structure at Pedra Branca



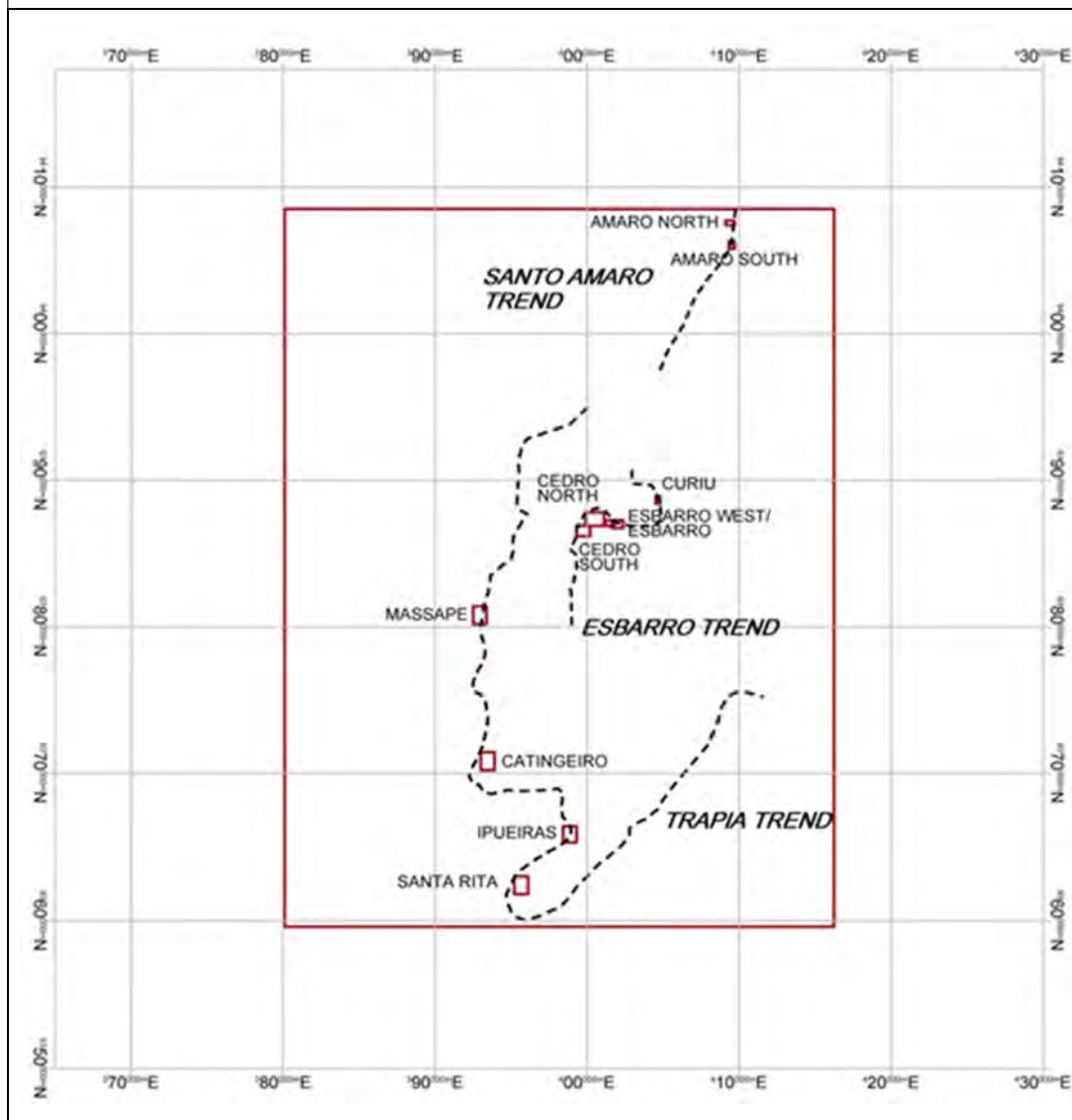


Where observed, contacts of the ultramafic bodies with their host rocks are sheared. The ultramafic bodies themselves are variably cut by altered shear zones. These shears are most often at low to moderate angles, however late steep shears sometimes associated with quartz or pegmatite veins are locally present.

The ultramafic rocks were originally composed primarily of pyroxene and olivine. Alteration has affected the mineralogy however; primary cumulate textures are often well preserved. Four main types of alteration have been recognized. An early pervasive alteration has altered the olivine to serpentine and the pyroxenes to tremolite. This alteration is generally pervasive although petrographic work often shows relic olivine and pyroxene is present in small amounts. Locally light coloured pyroxenite layers have been only partially altered. The alteration of olivine to serpentine was accompanied by the development of magnetite.

Figure 8.3_2

The mega-sigmoidal structure that defines the regional structure at Pedra Branca



The second phase of alteration is the development of chlorite tremolite schist from peridotitic rocks. This alteration is often accompanied with a distinct texture designated corona texture. This texture is comprised of serpentinite after olivine altering to chlorite but with a rim of tremolite around the olivine.

A third phase of alteration is tremolitization of the serpentized olivine. This occurs both as pervasive alteration with very sharp boundaries (alteration front) and as a non-pervasive mottling fabric parallel to foliation and generally near shear zones or the margins of the ultramafic bodies. This type of alteration is strongly structurally controlled.

A fourth type of alteration is associated with brittle fractures, quartz veins and/or felsic intrusive rocks. It is generally restricted to structures and fracture selvages. The mineralogy is often zoned from a central zone of phlogopite schist outward to chlorite phlogopite schist, chlorite actinolite schist and tremolite schist. Structures associated with this alteration are commonly steeply dipping.

The last two types of alteration are generally accompanied with at least partial magnetite destruction.

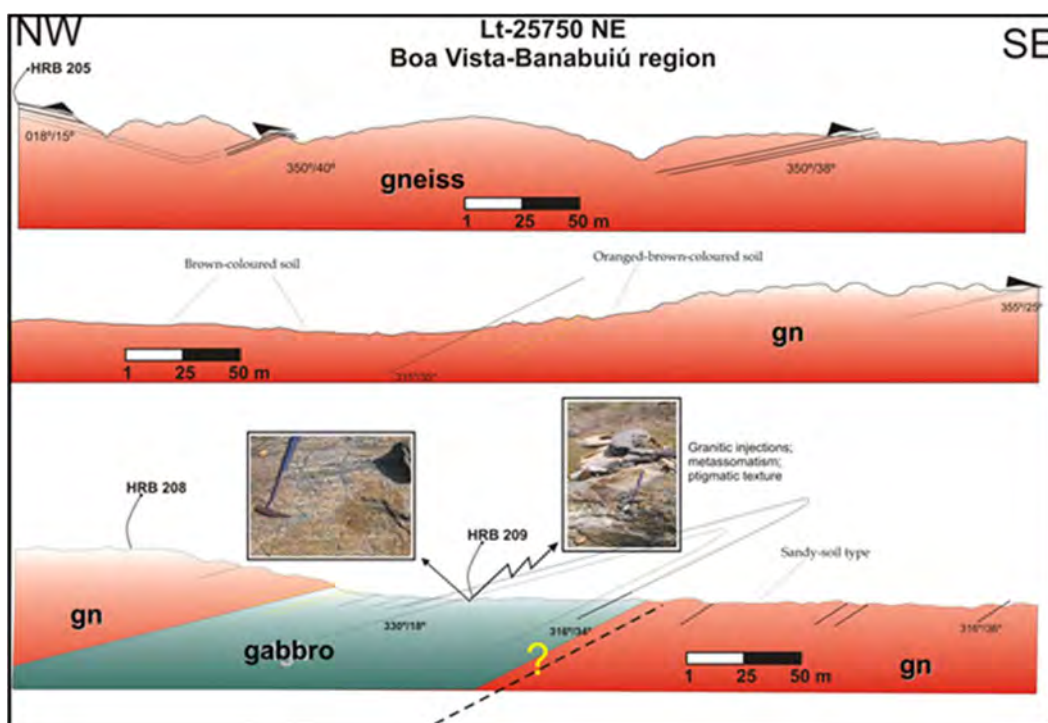
Figure 8.3_3

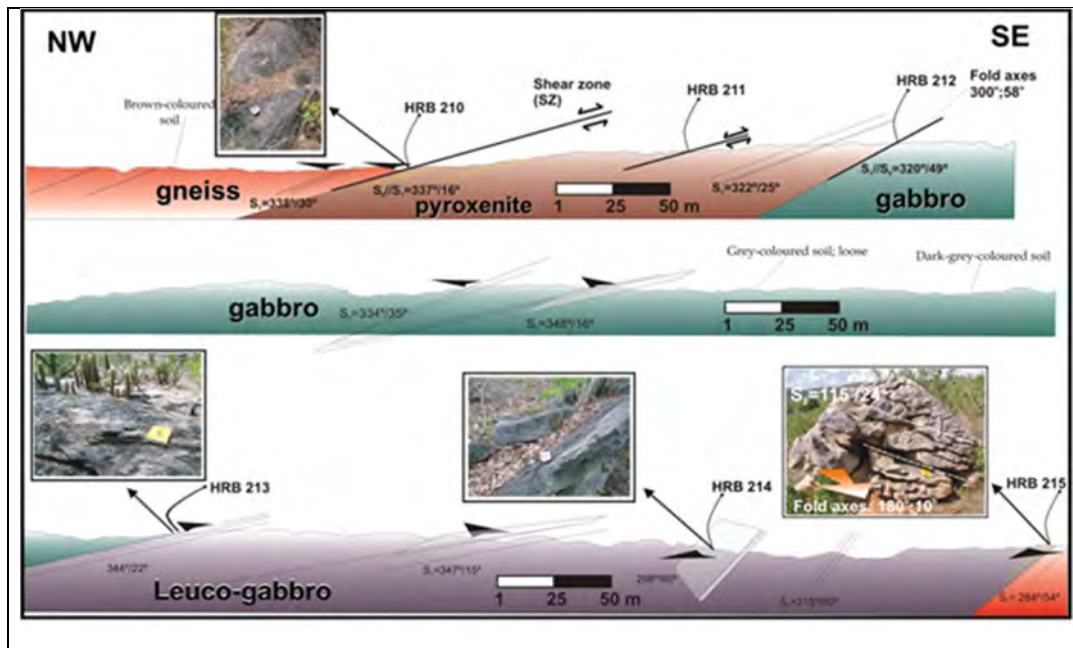
Structural orientation in the country rocks at Pedra Branca



Figure 8.3_4

Cross sections from Banabuiu target area





9 EXPLORATION PROGRAMME

Various exploration programs were carried out by previous companies. The last of these companies, Anglo, completed a total recheck and validation of the project database. Jangada integrated all the available information validated by Anglo and carried out their own validation programme.

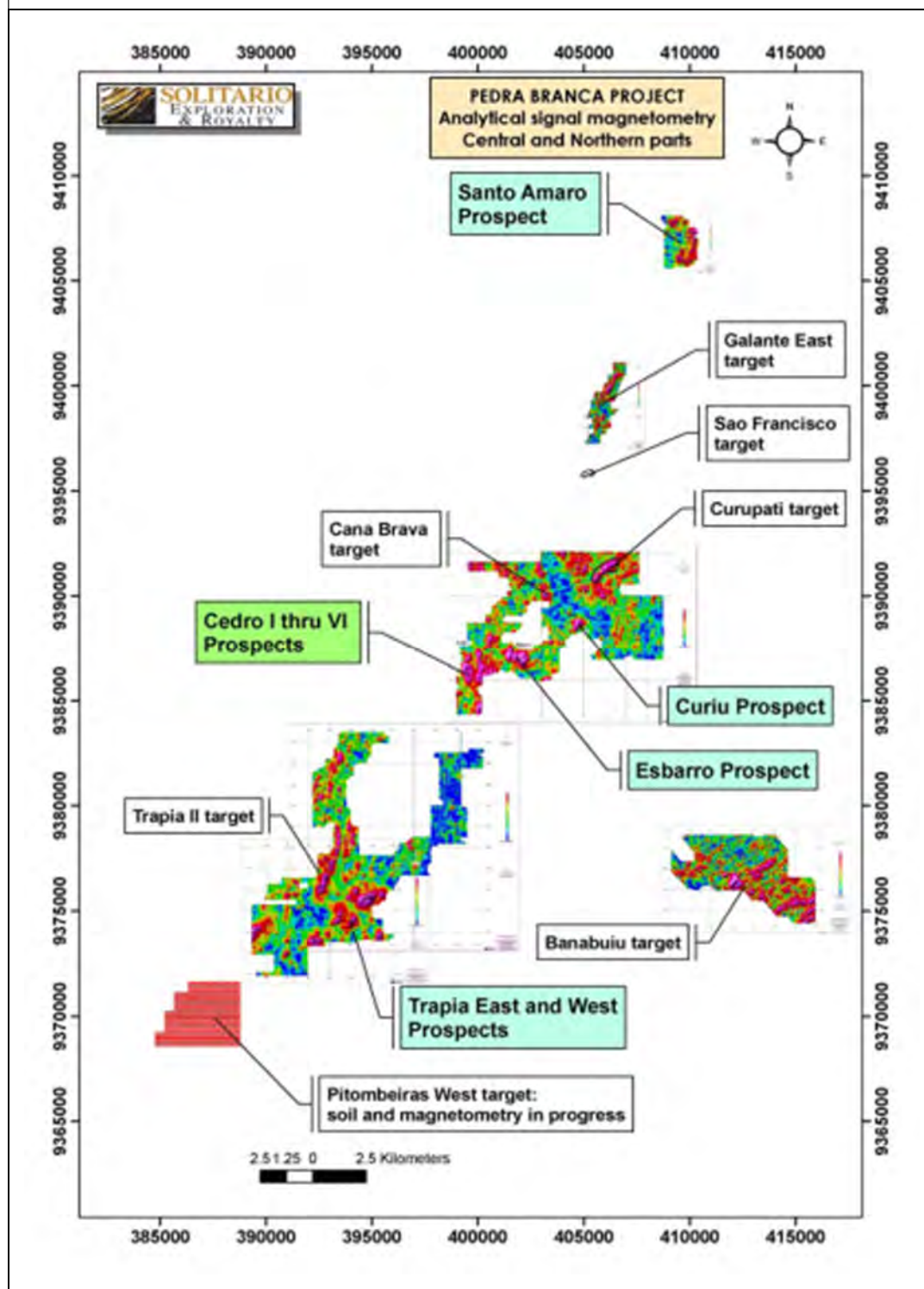
The exploration database consists of remote sensing, geological mapping, soil sampling program, ground geophysics, diamond drilling, topographic survey, chemical analysis laboratory, petrography and technological characterization.

9.1 Target Areas

Target areas were delineated in accordance with historic geological work done including outcrop occurrences of chromite and ultramafic rocks, the presence of PGM mineralization, sampling and geophysical anomalies and drilling. Target area names are traditionally derived from the closest human settlement or node. In the Pedra Branca region these are usually small villages or “vilas”. The map below shows the various target areas at Pedra Branca.

Figure 9.1_1

The main target areas at Pedra Branca Project



9.2 Sampling and Survey Methods

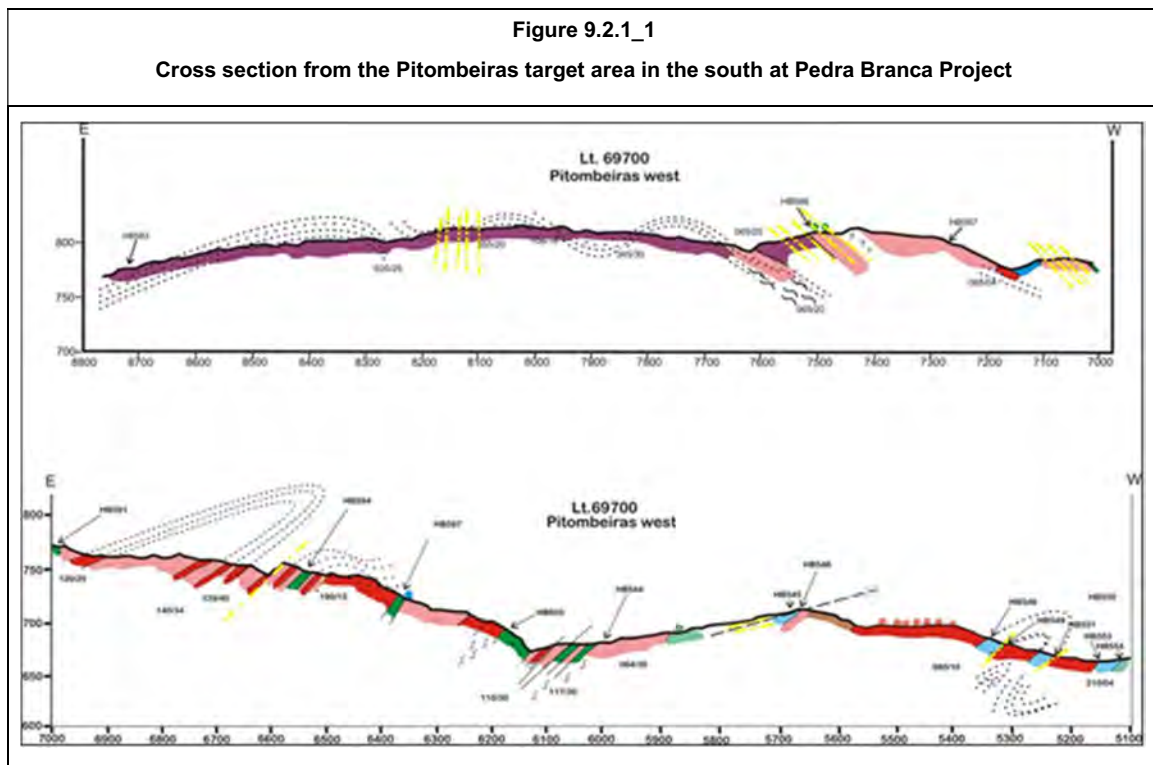
9.2.1 Field Mapping and Sampling

Extensive field mapping and soil sampling campaigns have been conducted in the Pedra Branca project area by various companies since the 1960's. Jangada has retained the entire field mapping data set, geological maps and chemical analyses.

Field mapping at Pedra Branca has sometimes been challenging due to the density of vegetation and extreme temperature. Soil and sediment sampling have also proven effective on a local scale but with diminishing results for regional exploration work.

Soil sampling was conducted by excavating down to a depth of 80cm (C-horizon), and a sample of approximately 3kg was taken. Where soil sampling was conducted a sample spacing of 30m and a line spacing of 100m is used. Figure 9.2.1_3 indicates the soil samples taken over the Pedra Branca prospect, totalling 25,678 samples.

A government stream sediment dataset was obtained over the project; the density of sampling on the government dataset is approximately 1 sample/2km². The soil sampling has assisted in defining new target areas.



Stream sediment samples were taken by collecting a sample from sediment on the surface of the streambed. The sample size is approximately 3kg. A total of 3733 stream samples were collected across the site (Figure 9.2.1_3).

Figure 9.2.1_2

Geological map of the Esbarro and Cedro target areas

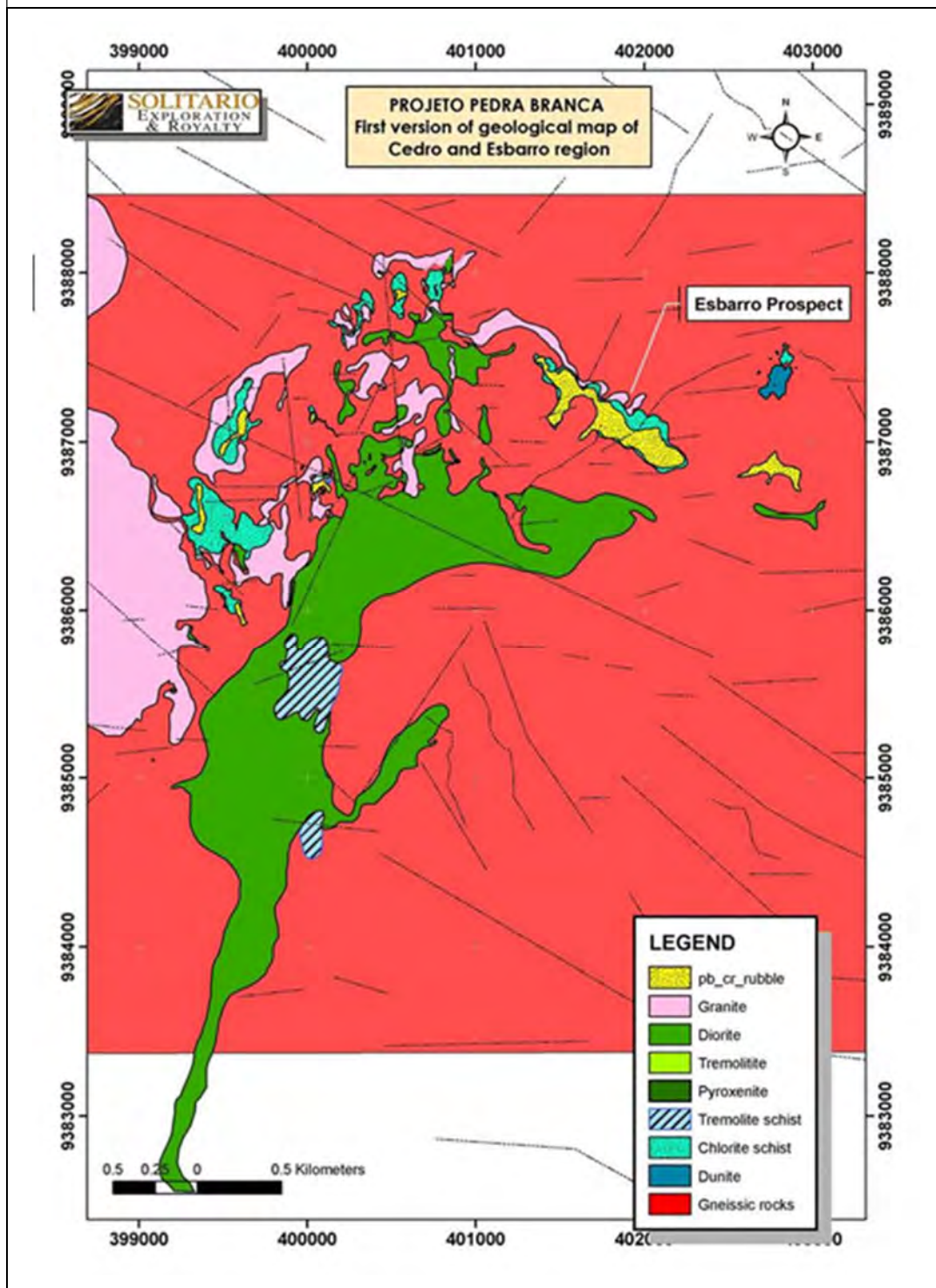


Figure 9.2.1_3

Map showing the location of soil samples taken at Pedra Branca

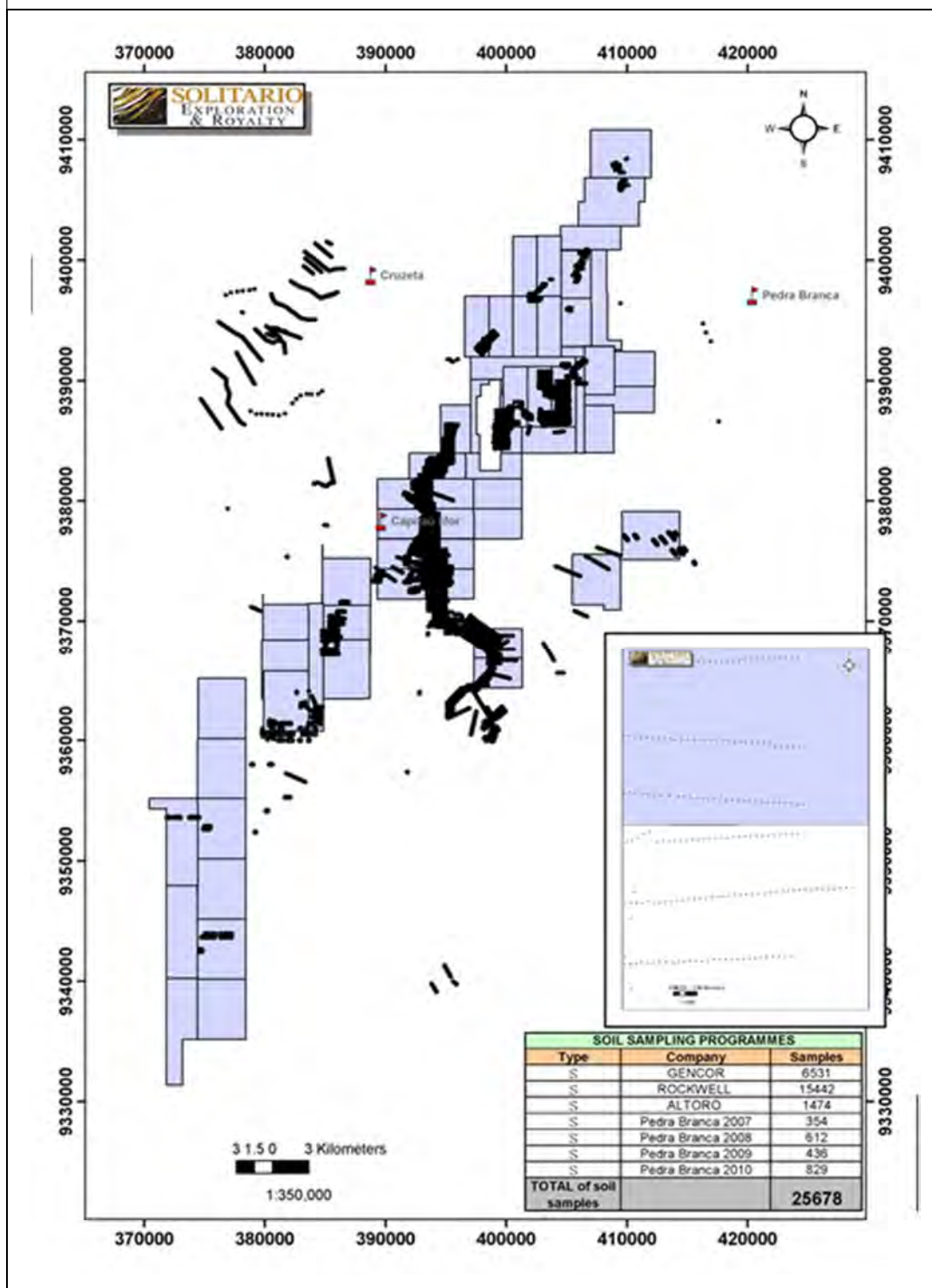


Figure 9.2.1_4

Map showing stream sediment sample locations at Pedra Branca

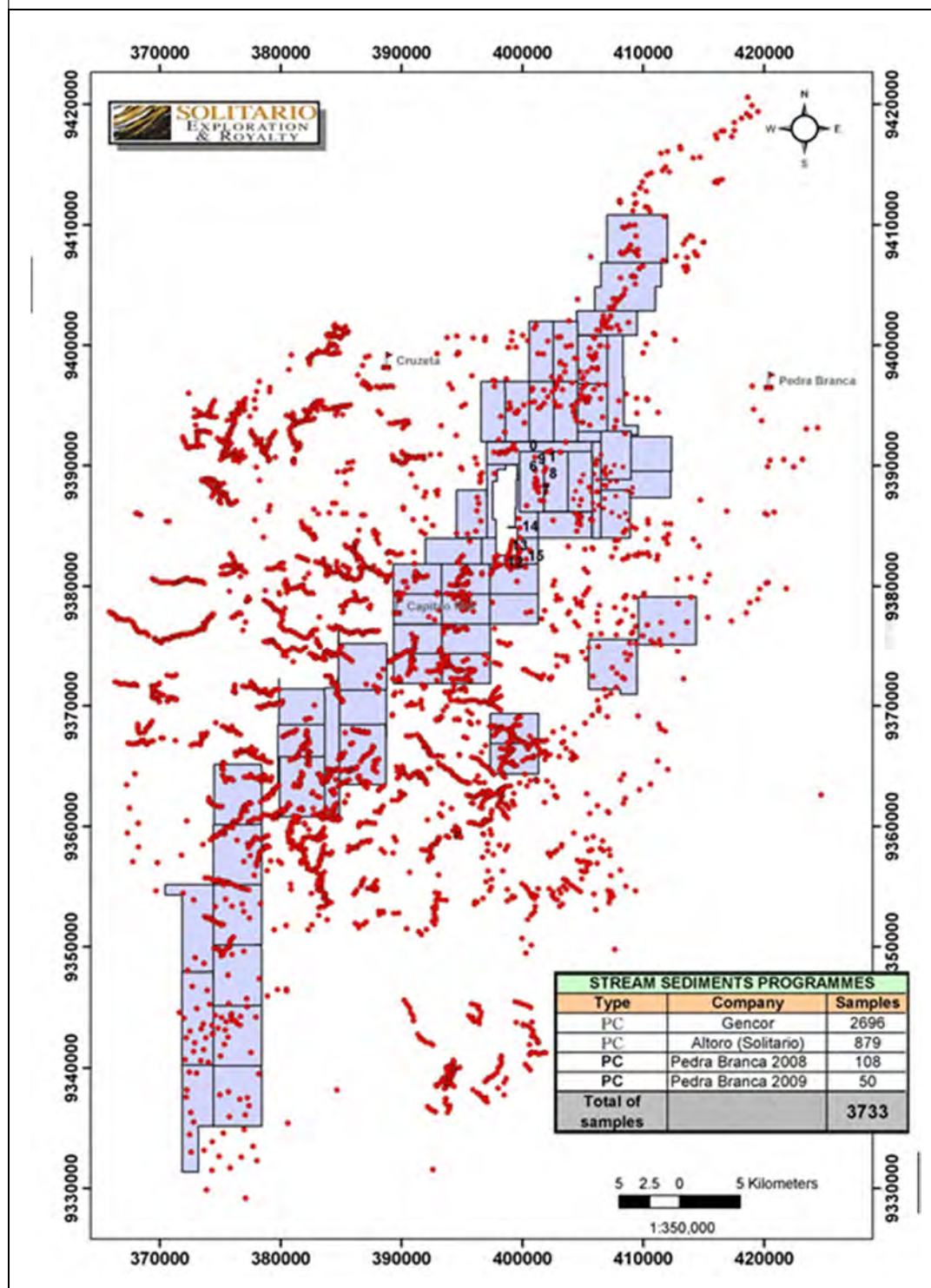
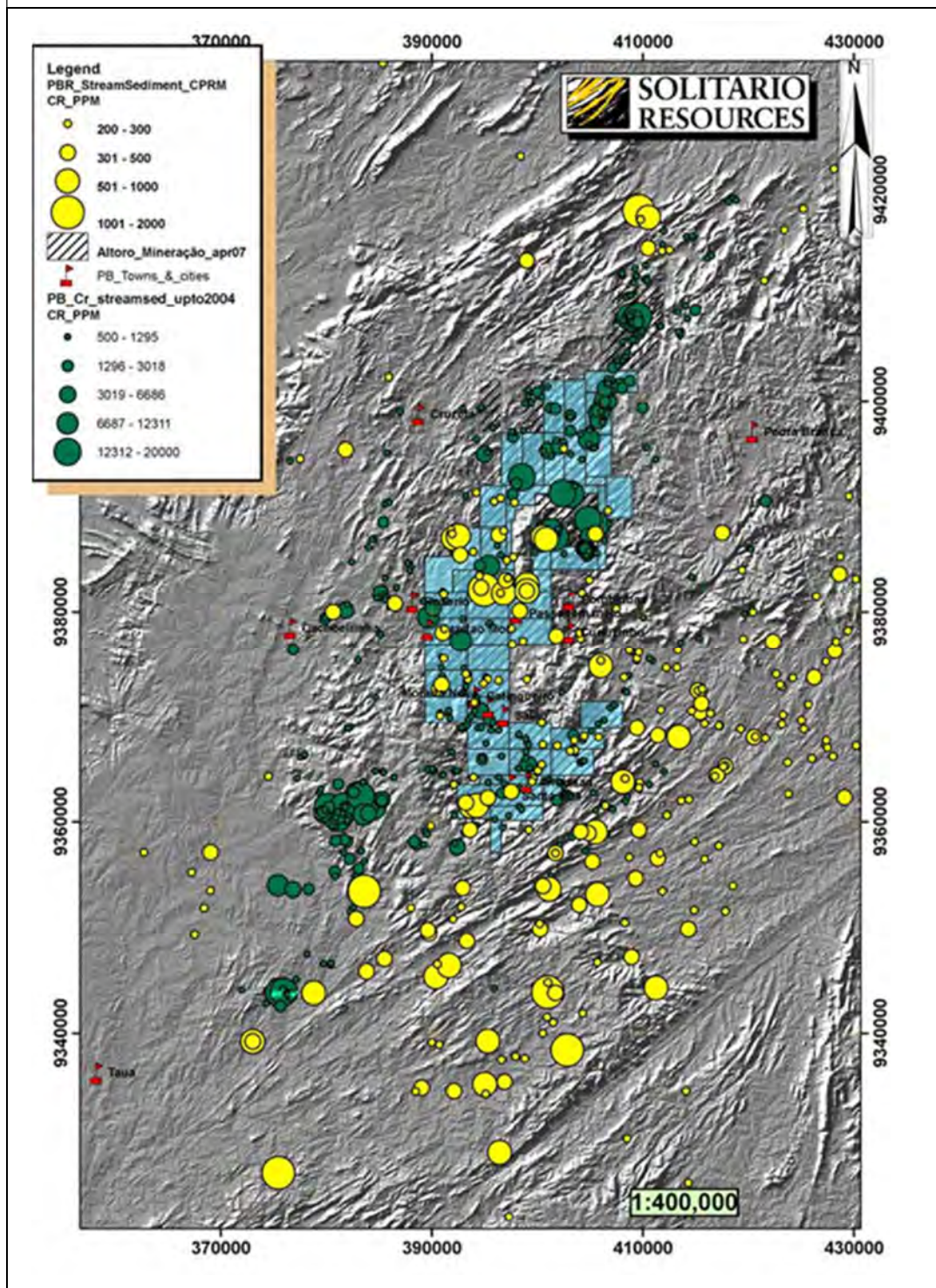


Figure 9.2.1_5

Cr and Pt in stream sediment samples at Pedra Branca



9.3 Geophysics

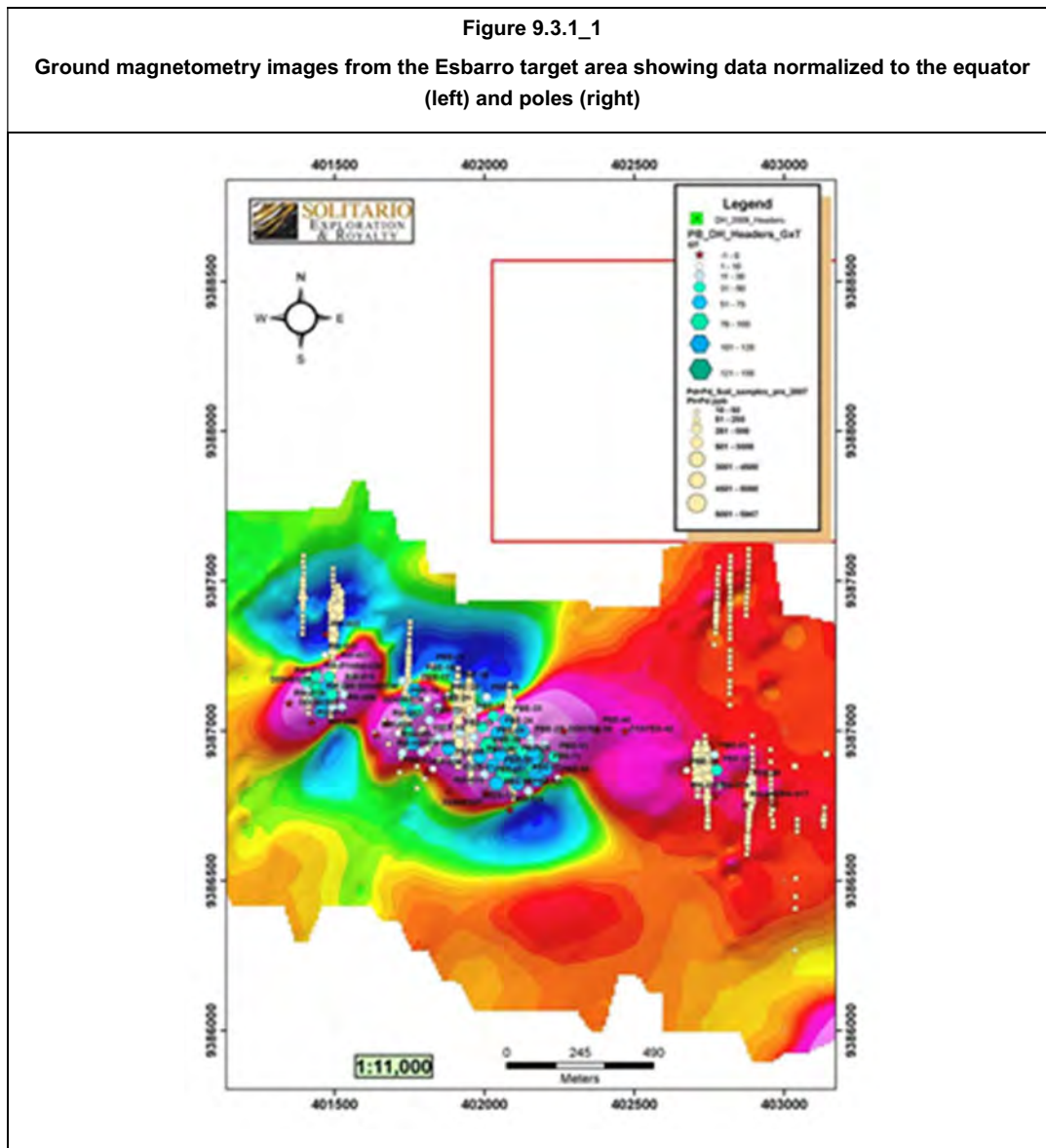
9.3.1 Ground Geophysics

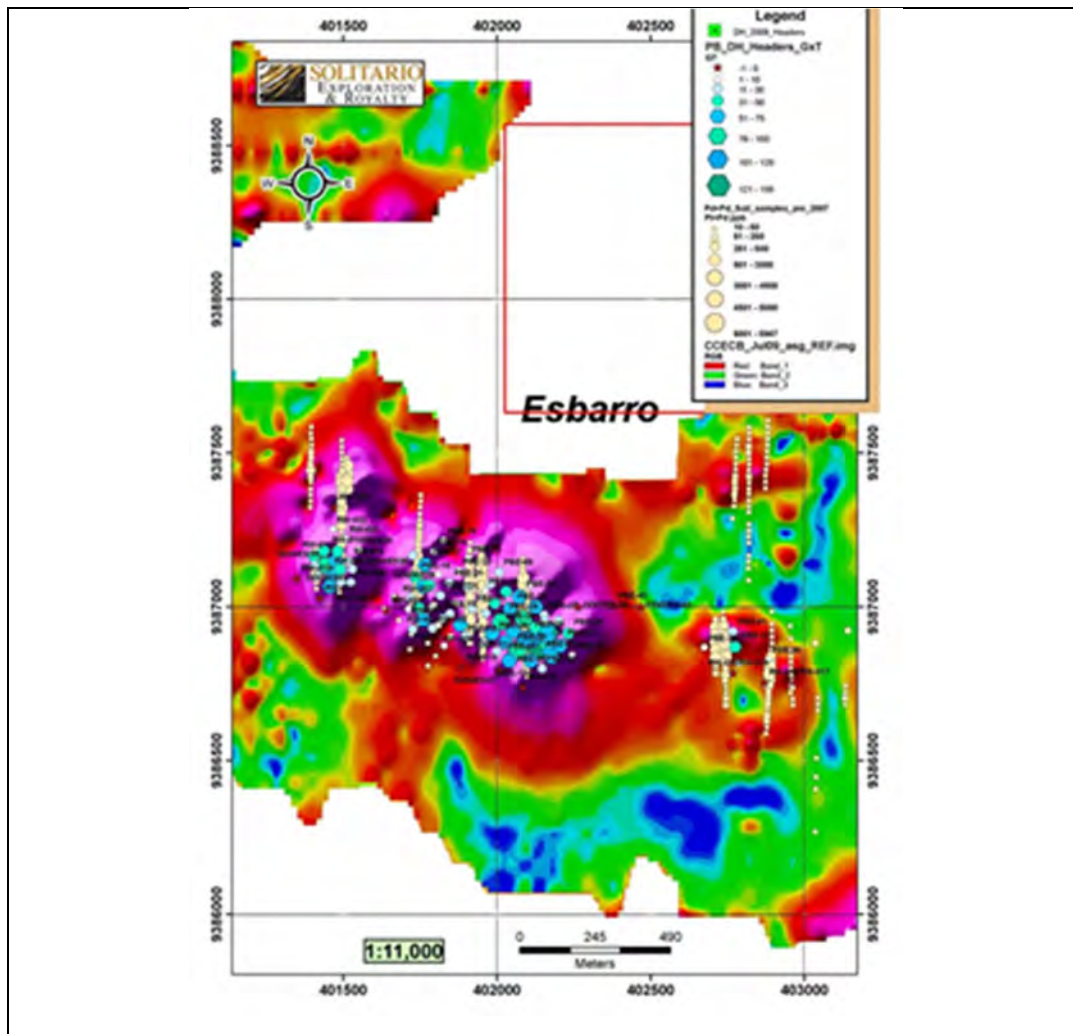
Ground magnetometry work was conducted by Altoro Ltd in the early 2000's over historic target areas and areas where exploration drilling had been focused. The purpose of this geophysics work was to determine the extent and geometry of targets.

The initial processing was done with data normalized to the equator. Since the project is situated very close to the equator this proved problematic in detecting anomalous ultramafic rocks which at times, demonstrate very small magnetic signature differences compared to country rock.

The data was reprocessed in 2008 and normalized to the poles. This reprocessed data and the resultant images were found to be a better fit to the actual body geometries and better guided exploration work on a local scale.

Refer to Figure 9.3.1_1 for ground geophysics coverage.





9.3.2 Government Survey

Jangada is in possession of an analytical signal image from a government regional airborne magnetic survey conduct in the area. Flight line spacing was 500m. The image quality was good and the coarse resolution did not allow the image to be used for purposes other than large scale regional interpretations.

9.3.3 Airborne Geophysics 2013

Survey

Extensive work has been carried out on known target areas to understand and delineate the separate, known deposits by previous operators of the Project. Extensive regional mapping and sampling campaigns across the Project area further led to the discovery of most outcropping, ultramafic occurrences. Limited ground magnetic surveys further assisted in delineating the buried extents of known deposits.

The TU unit has been shown to be a previously continuous sill that has been, to various degrees, dismembered by several phases of tectonic restructuring. It was not known to what degree certain portions of the original sill structure had been preserved in a continuous manner.

It was also presumed that any further discoveries or increased geological understanding would come from buried occurrences of the Troia unit apart from the known areas.

It was decided that the most effective, unused exploration tool would be a regional, airborne magnetic and radiometric survey to give insight to the structure and extents of the TU and to investigate the subsurface across the Project area.

The extent of the survey that we selected with due consideration for the current mineral resource areas was the most prospective areas from a structural perspective and also budget limitations. The final survey area included the resources of Curiu, Esbarro, Cedro and Trapia, the central preserved core of the mega-sigmoidal structure at the Project and further extends to a total of 80,000ha.

The survey was carried out by Prospectors Aerolevantamentos e Sistemas Ltda using a Piper Navajo Chieftan PA31-350 (Figure 9.3.3_1) fitted with 3 high resolution caesium magnetometers and a gamma spectrometer. A linear distance of 14,270km was flown in a N-S orientation, at a 50m line spacing. Flying height averaged 100m. Control lines were flown at 1000m in an E-W orientation.

Figure 9.3.3_1

Piper Navajo Chieftan PA31-350 used to perform the airborne magnetic and radiometric survey



Quality assurance work was done on the survey data by Anglo American Geophysics Department. The data was subsequently processed by the Anglo American Exploration team based in Goiania, Brazil who completed the modelling and 3D inversion which was then integrated at Pedra Branca with known geological information and geochemical data to generate exploration targets for follow up and drill testing.

Figure 9.3.3_2

Extent of the airborne magnetic and radiometric survey at Pedra Branca

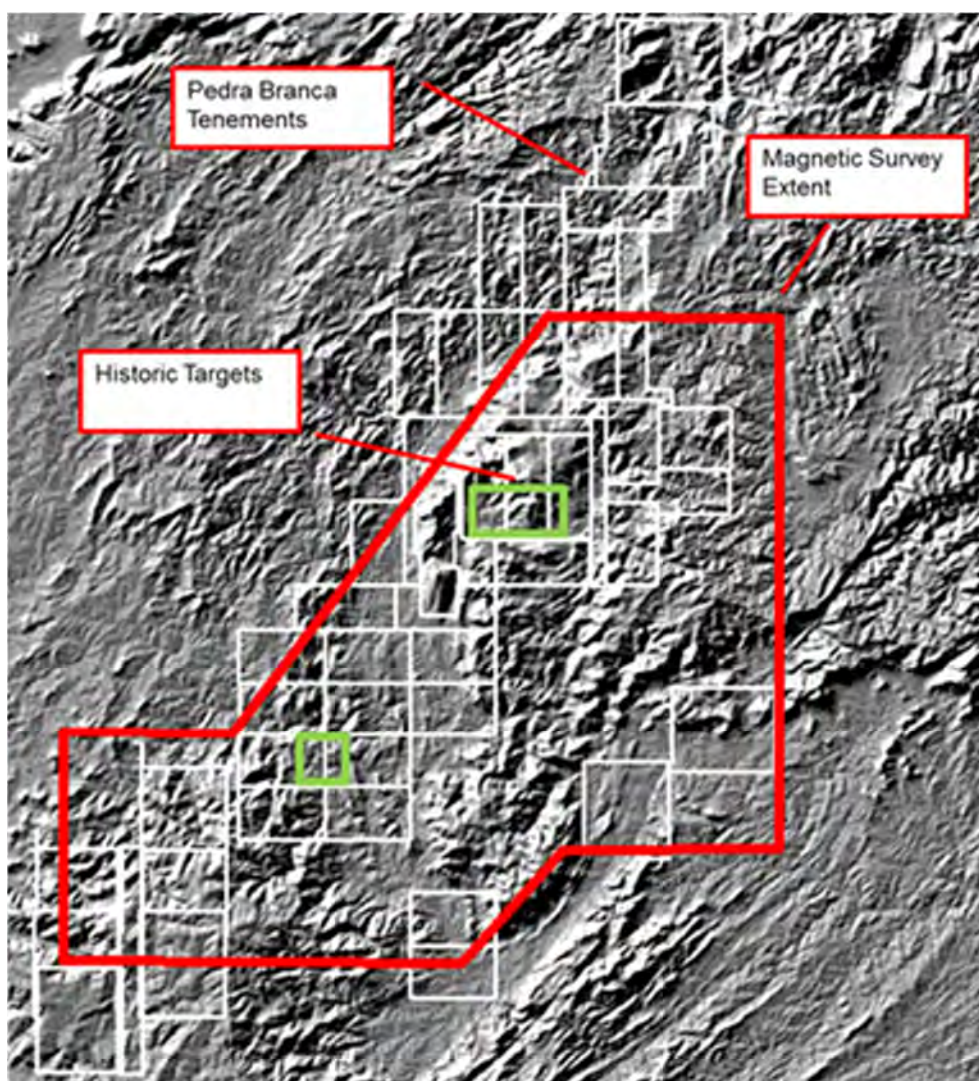


Figure 9.3.3_4

White markings showing prospective target areas identified from the airborne geophysical survey. The map also shows historic target areas and regional structural features over the magnetic analytic signal image from Pedra Branca

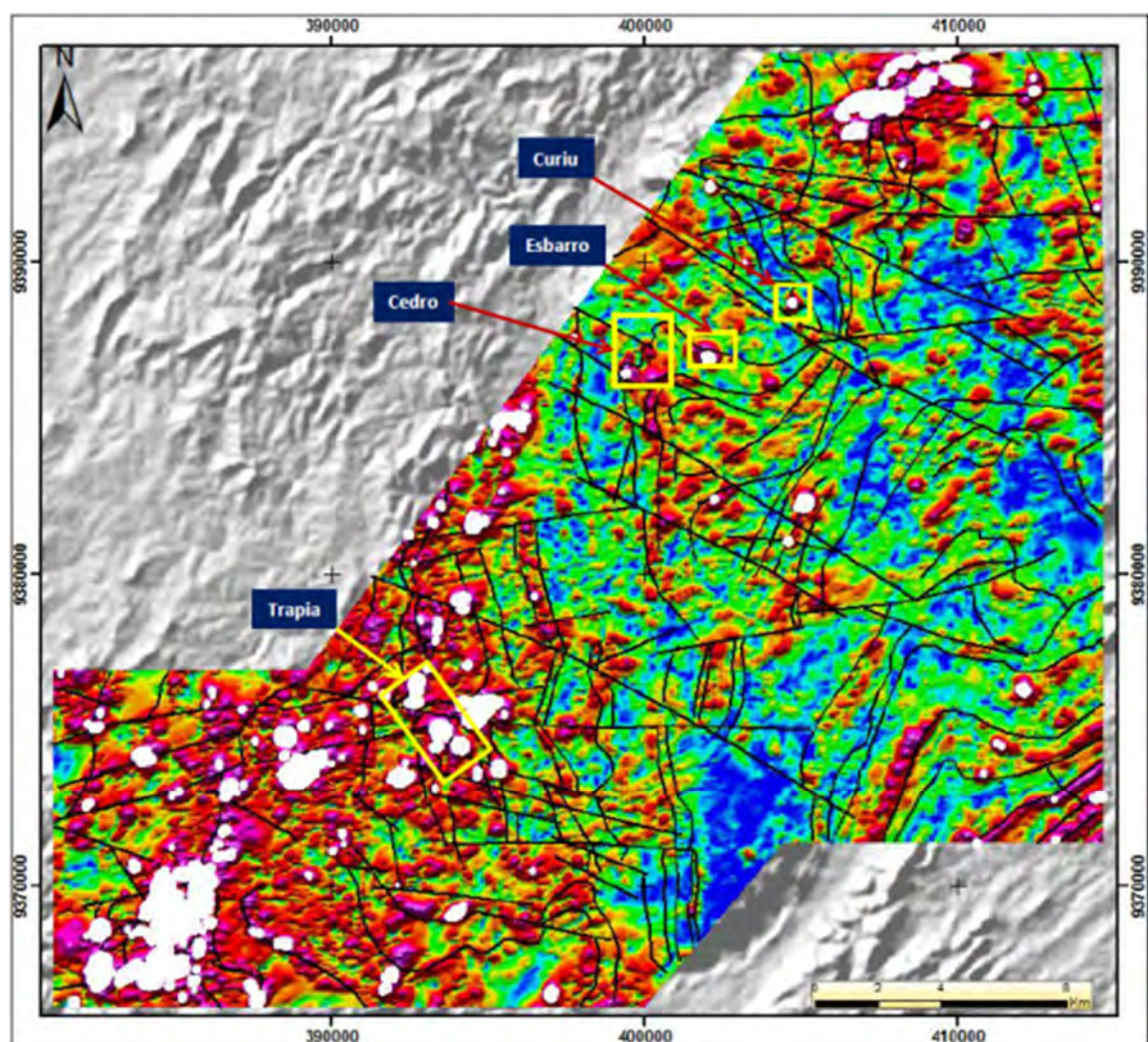


Figure 9.3.3_5

White markings showing prospective target areas identified from the airborne geophysical survey. The map also shows historic target areas and regional structural features over the ternary radiometric image from Pedra Branca

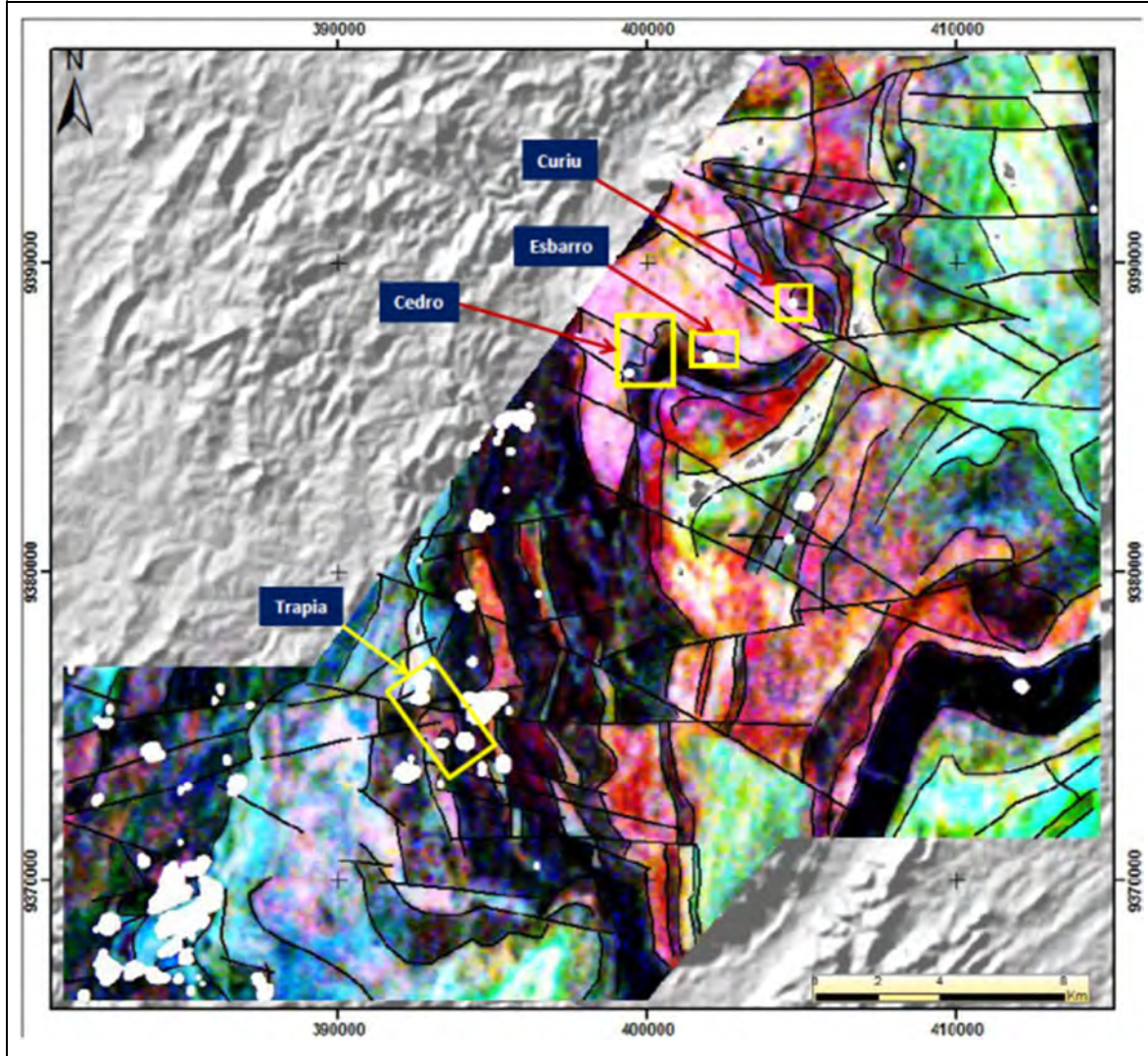
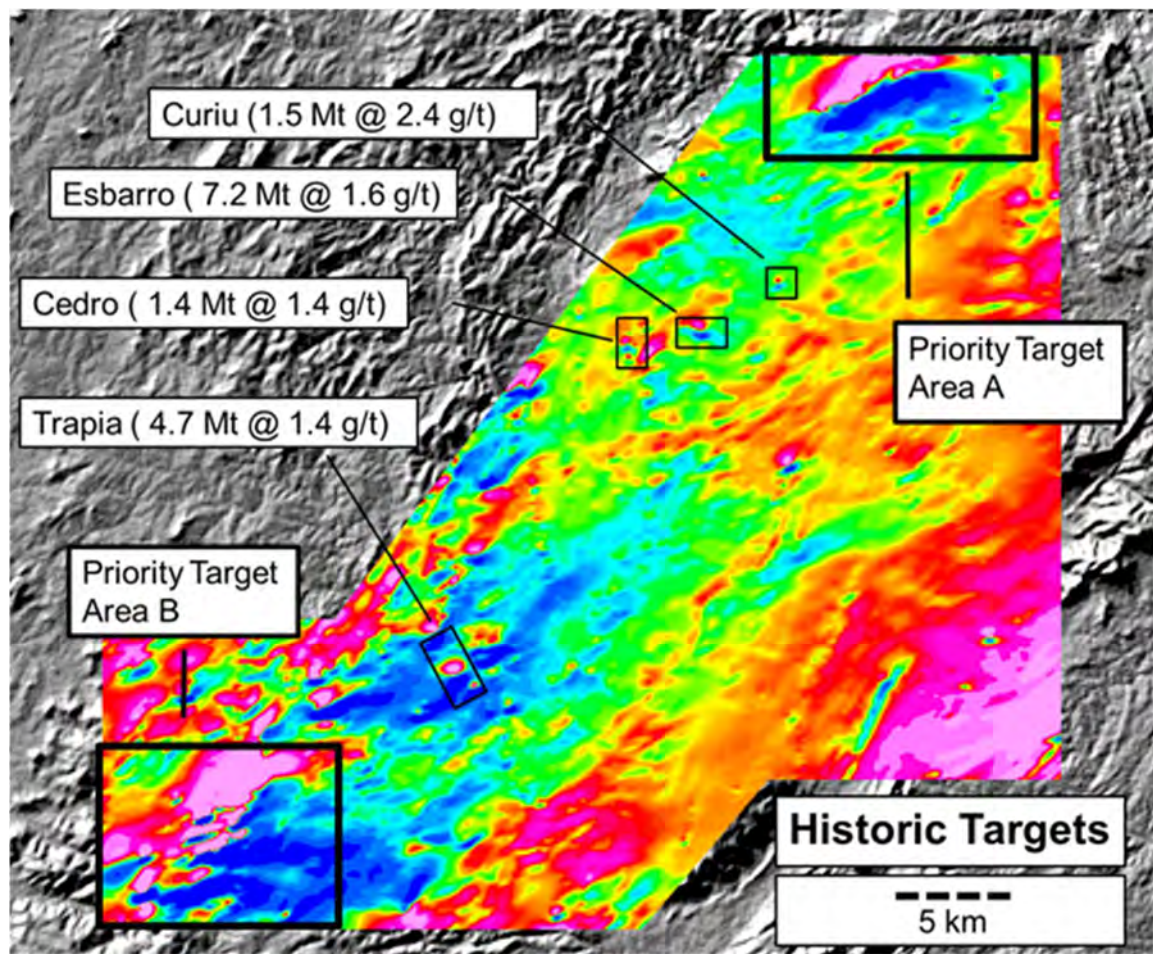


Figure 9.3.3_6

The new total field magnetic map showing priority target areas and historic areas with their mineral resource statements



9.4 Remote Sensing

9.4.1 ASTER Mineral Mapping

Anglo Platinum purchased two adjacent ASTER scenes over the Pedra Branca exploration area in Brazil (2006). The main objective of the project was to process the data and provide information to aid the regional exploration in the area.

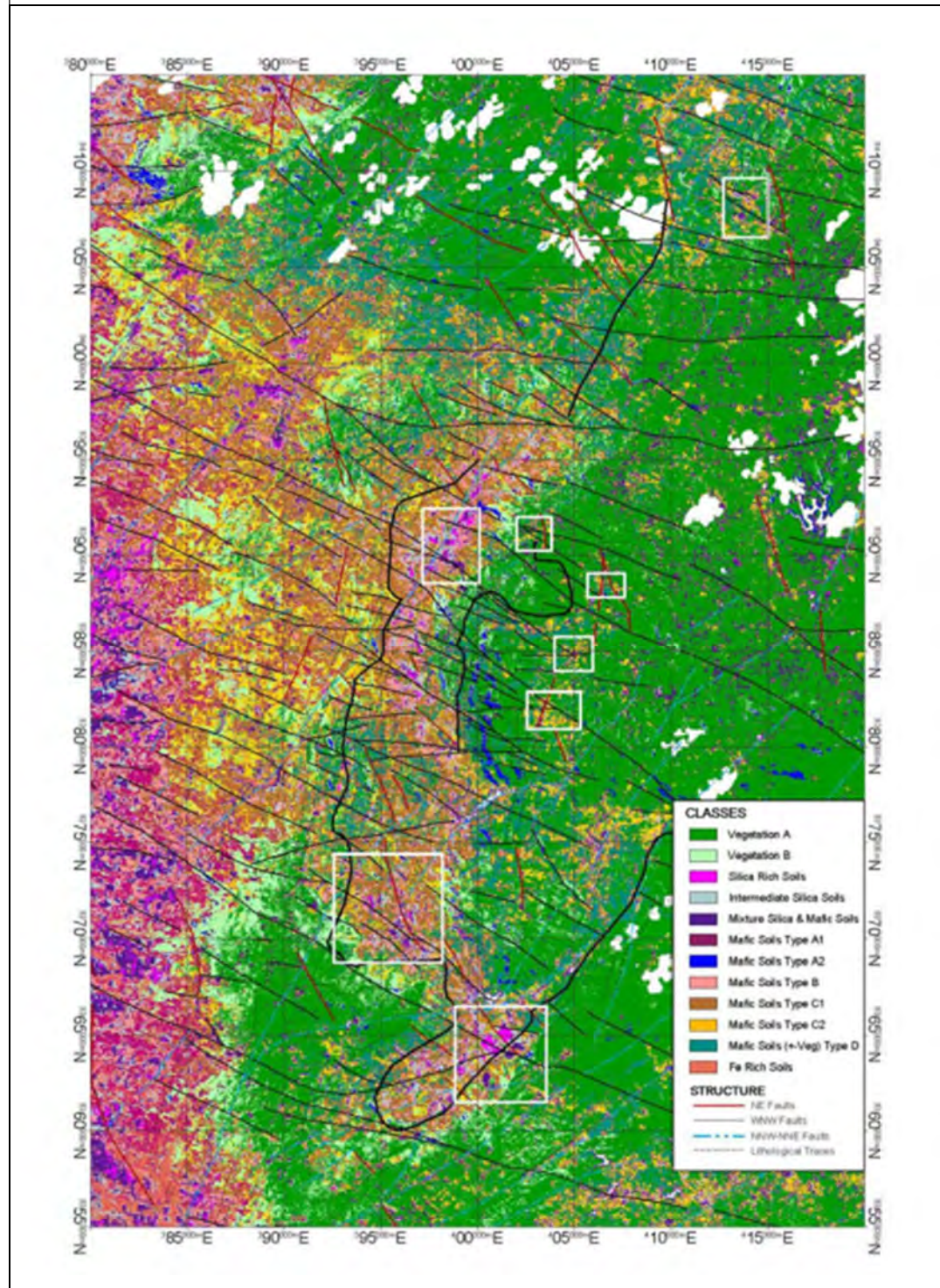
The system and data correction of ASTER Level 1A data was done using in-house developed routines. Enhanced imagery, mineral abundance maps (Figure 9.4.1_1), and litho-spectral and structural interpretation results were generated from the data by applying standard as well as in-house developed algorithms.

Integrated interpretation provided information into litho-structural domains of the Pedra Branca area. Three major structural trends were defined; these include WNW, NE and NNW-NNE trending faults. Major spectral domains associated with vegetation and Mafic and Ultramafic rocks

and soils were mapped. New areas of interest were proposed over the Pedra Branca exploration area.

Figure 9.4.1_1

Mineral map produced from ASTER images showing soil mineralogy and Pedra Branca target areas



The conclusions from the work done by Anglo were as follows.

Processing and integrated interpretation results presented in the contained sessions provide information into litho-structural domains of the Pedra Branca area. However, the results were generated exclusively from the image data acquired from space by ASTER sensor without any field or sample verification, and/or other data integration. The amount of mixing of vegetation and targeted soils/outcrops is higher over the eastern parts where vegetation is dense. The correlation between the classified image and abundance map assisted in the generation of integrated classification map. The results highlight the two major domains, one of the well exposed soils in the lower lying terrain to the west and the second one associated with a densely vegetated high lying terrain in the east. The two show differing spectral signatures as well as varying amounts of mixed vegetation that influenced class separation and identification.

It is thus important to keep in mind, vegetation and mixing, especially when analysing mineral abundance maps in the context of target generation. The results can however be used as an additional tool in integrated target generation combining several data sets such as geochemistry and geological maps.

Three major structural trends were interpreted from the ASTER enhanced imagery. These trends include extensive WNW trending faults, NE trending faults and NNE-NNW sets of faults. The intensity of fracturing is relatively high across the Pedro Branca with WNW trending faults displacing NNE-NNW and NE faults.

The prospects along the Trapia, Esbarro and Santo Amaro trends lie in the vicinity of the cross cutting linear structures. Spectral signatures of the prospects along the Esbarro trend show a mixture of Vegetation and Mafic Soil assemblages with Intermediate Silica Soils extracted over the Esbarro West prospect. The spectral domains over the prospects along the Santo Amaro and Trapia trends show similarities with the Mafic and Silica mixed assemblages.

The proposed Areas of Interest (AOI) are shown in figure 9.4.1_1. The selected AOIs lie along the cross-cutting faults. Three prospects in the West along the Trapia trend were mapped within the Silica and Intermediate Silica spectral domains. Mineral assemblage associated with these areas appears to be representative of Kaolinite +/- Mica mineral assemblage. Spectral signatures of the remaining AOI's along the Santo Amaro and Esbarro trends are associated with Mafic spectral domains, and Iron oxide occurrences. The area is dominated by a dense vegetation hence the mixing of the vegetation with the mapped Mafic Soils.

10 DRILLING

All the drilling campaigns were completed before Jangada's acquisition of the Project. The core from all drill holes is owned by Jangada and stored and available at its core yard in Capitão Mor, Ceara State, Brasil.

10.1 Diamond Drilling – Historic Works

Drilling was done by RTZ and Gencor in the 1980's, prior to Solitario's ownership of the mineral rights, all of this core was lost due to a motor vehicle accident prior to Solitario being involved on the project. In total, 318 drill holes have been completed at Pedra Branca (Figure 10.1_1).

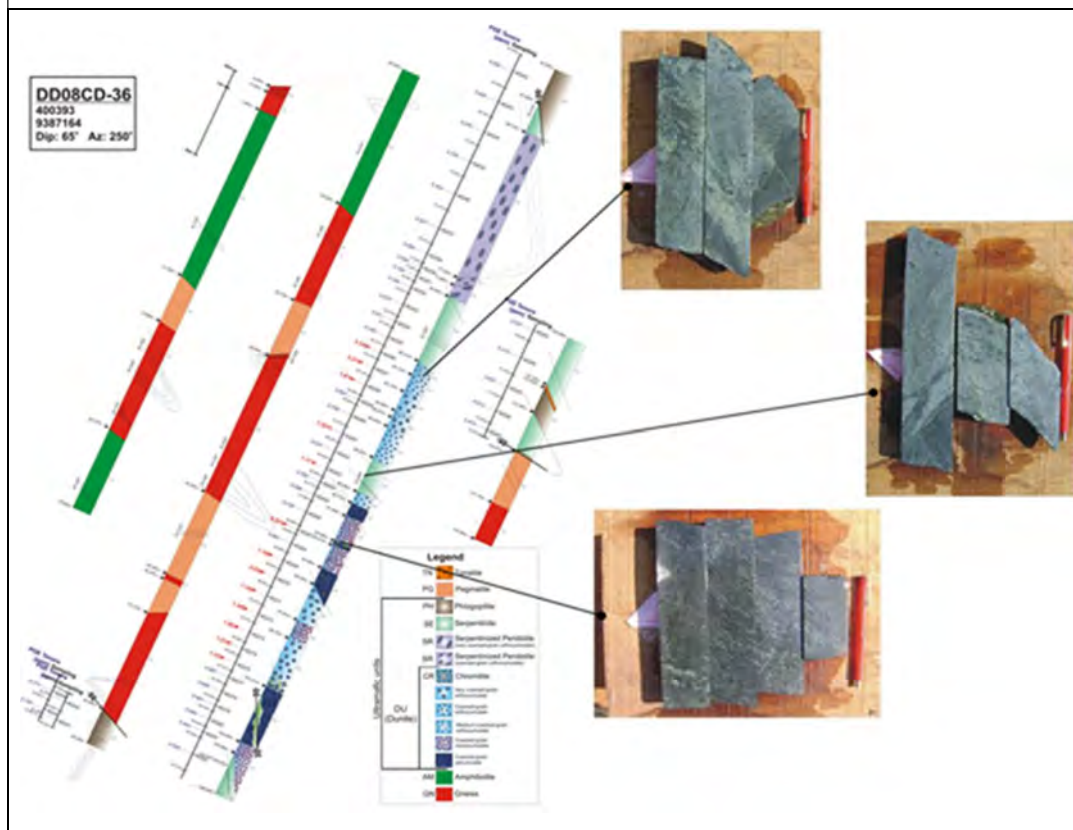
All drilling was done using a diamond drilling technique with a core size of either NQ or HQ.

In 2005, after two rounds of joint venture drilling, Anglo Plat commissioned a resource study completed by AngloGold Ashanti's Brazilian subsidiary that calculated resources at four of the Pedra Branca prospects. During the two years following that study no drill testing was completed. In 2007 a drilling program focused on targets outside of a structurally defined Core Area of the district that contained the calculated resources.

During 2008 and 2009, drilling was conducted primarily at one of the areas containing resources defined in the 2005 Resource Evaluation (Curiu) and one other area with previous drilling (Cedro). Cedro is made up of a group of six discrete mineralized zones. A small amount of meterage was also completed at the previously drilled Trapia Prospects.

Figure 10.1_1

An example of the litho-stratigraphy as seen in drill core at the Cedro target



10.2 Diamond Drilling – 2012 Campaign

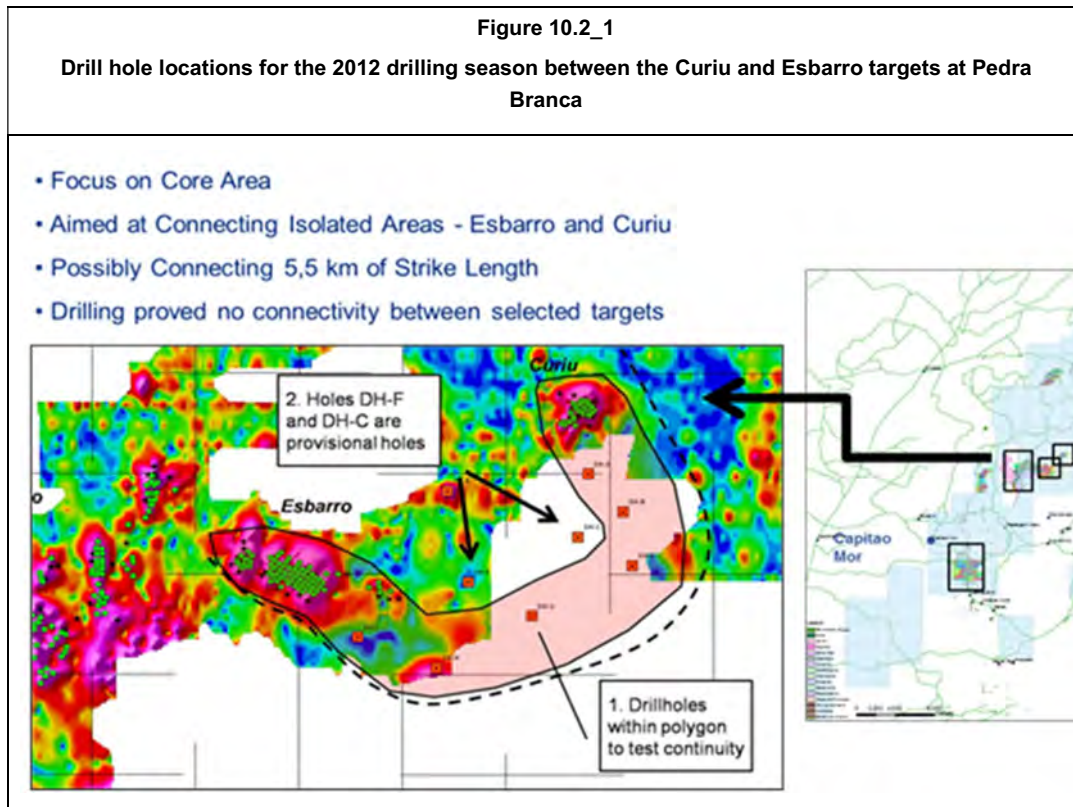
Preliminary drilling was conducted in 2012 by Anglo focusing on the possible continuity between Pedra Branca's largest (Esbarro) and the high grade (Curiu) deposits. Esbarro and Curiu are located along the Esbarro Structural Trend in the central preservation zone of the mega-sigmoidal structure at Pedra Branca.

Esbarro and Curiu are approximately 3.5km apart along the trend and proven continuity would unlock 5.5km of along strike.

Eight drill holes were laid out along the trend between the two deposits (Figure 10.2_1). Drill holes intersected country rock basement gneisses up to an average depth of 150m with

infrequent occurrences of ultramafic remnant intersections which included chlorite ± tremolite ± actinolite ± serpentine schists. Such intersections were commonly very thin and tectonically destroyed.

It was concluded from the drilling information that the Esbarro and Curiu ultramafic bodies are dismembered units of the same sill along an unrooted fold system. It is possible, in the light of the most recent geophysics study that smaller ultramafic bodies occur between Esbarro and Curiu but the 2012 drilling campaign confirmed that there is no continuous connectivity between the two bodies.



10.3 Relogging and Sampling Campaign 2012 – 2013

Diamond drilling had been conducted at the project since the 1980's. Anglo implemented logging and sampling standards immediately when it became involved with Pedra Branca in 2007. However, uncertainty remained around the quality of logging and sampling data of holes completed pre-2007. A particular issue that was identified was the lack of density data since density measurements had not been taken before 2007.

Anglo thus undertook to relog and sample all ultramafic intersections which were drilled before 2007. This also gave an opportunity to standardize all lithological coding across the Project. Strict standards were adhered to and the available half-cores were resampled as quarter-cores.

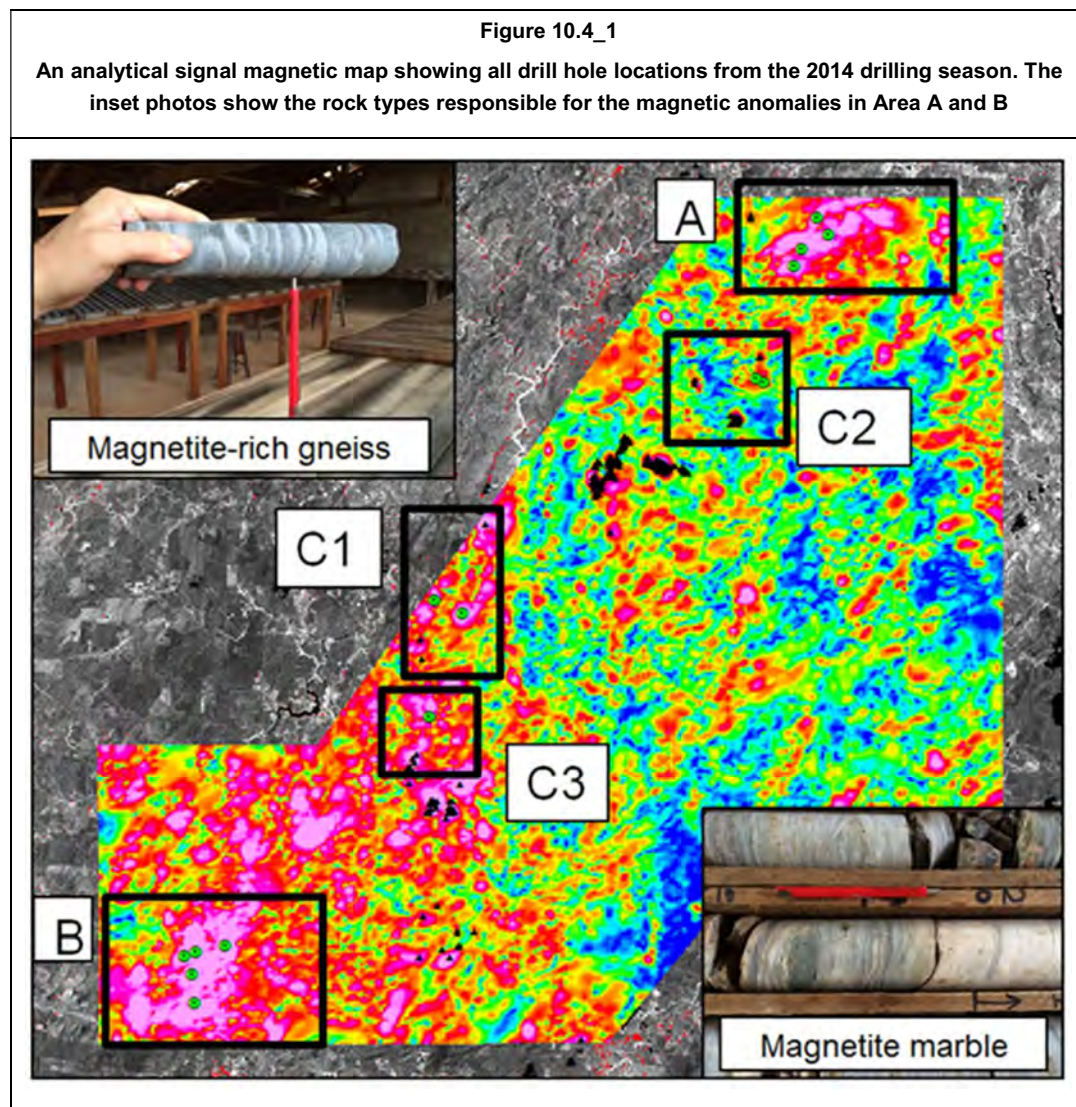
Of the 318 holes completed at the Project, 127 intersections were relogged and sampled. A high level comparison between old and resampled data did not demonstrate large discrepancies but fast, detailed analysis was not possible since ultramafic package thickness, mineralized

intersection widths and best-cut widths had been significantly redefined. For a full comparison, a new resource model and estimation would need to be conducted.

10.4 Diamond Drilling – Anglo’s 2014 Campaign

Initial drilling undertaken by Anglo was focused in the primary target areas as shown in Figure 10.4_1 below (Area A in the north and B in the south). Four and five holes were completed respectively drilled to an average depth of 300m.

Intersections from Area A in the north cut magnetite-rich gneissic units at magnetic core depth. In the south, drill holes intersected magnetite-rich, calc-silicate supracrustals near surface and magnetite-rich gneissic units (similar to area A) at depth.



In target areas C1, C2, and C3, country gneisses were intersected with thin slithers of tectonically destroyed ultramafic remnants (non-mineralized).

It was concluded that the false magnetic anomalies are attributable to late stage, secondary magnetite that has nucleated along foliation planes from a remobilizing, iron-rich fluid associated with region structural deformation in the area.

No mineralized ultramafic rocks were intersected

A total 3000m was completed through 14 recon holes.

10.5 Core Quality and Recovery

Generally, a core recovery of 90% is accepted by the site geologist. The appearance of the core is neat and well kept. All boreholes drilled on site are stored in a functional racking system with the exception of a small sample of boreholes that were drilled in the 1980's by Rio Tinto which are not present on site as the core was destroyed in a motor vehicle accident many years ago.

The original drill hole bulletins containing the interval recovery data are available at the Capitão Mor office for all boreholes as outlined above. GE21 checked a sample of 15% of the bulletins and confirmed the information was available.

Figure 10.5_1

Original drill hole recovery bulletin

DETERMINAÇÃO DA DENSIDADE													
Alvo	Furo	Código da rocha	ID da amostra	De	Até	Tamanho (cm)	Diâmetro do testemunho (cm)	Fração presente na caixa	Peso de amostra na balança (g)	Peso de amostra submersa (g)	Densidade Relativa	Peso de amostra úmida fora da água (g)	H ₂ O (%)
ESBARRO	07036518			0.50	1.04	24	40	miúdo	204	508	#DIV/0!	2.04	#DIV/0!
ESBARRO				1.04	1.30	26			949	606	#DIV/0!	2.55	#DIV/0!
ESBARRO				1.30	2.20	32			1.247	790	#DIV/0!	1.57	#DIV/0!
ESBARRO				2.20	23.40	30			683	344	#DIV/0!	6.81	#DIV/0!
ESBARRO				24.06	24.15	09			263	150	#DIV/0!	2.41	#DIV/0!
ESBARRO				24.10	24.45	15			453	264	#DIV/0!	4.73	#DIV/0!
ESBARRO				25.23	25.25	15			410	245	#DIV/0!	4.02	#DIV/0!
ESBARRO				27.20	27.30	10			333	203	#DIV/0!	3.31	#DIV/0!
ESBARRO				27.40	27.50	20			660	431	#DIV/0!	6.62	#DIV/0!
ESBARRO				28.40	28.41	11			349	254	#DIV/0!	3.81	#DIV/0!
ESBARRO				29.03	29.14	12			349	214	#DIV/0!	3.55	#DIV/0!
ESBARRO				29.23	29.30	07			183	111	#DIV/0!	1.84	#DIV/0!
ESBARRO				29.30	29.58	28			235	150	#DIV/0!	2.32	#DIV/0!
ESBARRO				29.58	29.59	31			936	622	#DIV/0!	1.002	#DIV/0!
ESBARRO				29.59	30.02	14			1.206	715	#DIV/0!	1.312	#DIV/0!
ESBARRO				30.02	30.07	13			671	438	#DIV/0!	2.72	#DIV/0!
ESBARRO				30.07	30.40	33			1.301	944	#DIV/0!	1.308	#DIV/0!
ESBARRO				30.40	30.50	40			1.553	1.047	#DIV/0!	1.553	#DIV/0!
ESBARRO				30.50	30.59	38			680	450	#DIV/0!	6.81	#DIV/0!
ESBARRO				30.59	31.33	35			1.396	922	#DIV/0!	1.399	#DIV/0!
ESBARRO				31.33	31.63	30			1.355	898	#DIV/0!	1.356	#DIV/0!
ESBARRO				31.63	31.88	25			1.164	713	#DIV/0!	1.165	#DIV/0!
ESBARRO				31.88	32.20	30			1.533	1.011	#DIV/0!	1.535	#DIV/0!
ESBARRO				32.20	32.55	25			1.045	622	#DIV/0!	1.046	#DIV/0!
ESBARRO				32.55	32.83	28			1.110	730	#DIV/0!	1.111	#DIV/0!
ESBARRO				32.83	33.05	22			993	621	#DIV/0!	9.93	#DIV/0!
ESBARRO				33.05	33.36	31			1.021	651	#DIV/0!	1.021	#DIV/0!
ESBARRO				33.36	33.59	23			1.045	692	#DIV/0!	1.045	#DIV/0!
ESBARRO				33.59	33.80	21			848	564	#DIV/0!	8.48	#DIV/0!
ESBARRO				33.80	34.05	22			1.219	794	#DIV/0!	1.220	#DIV/0!
ESBARRO				34.05	34.31	29			1.354	903	#DIV/0!	1.354	#DIV/0!
ESBARRO				34.31	34.57	20			811	530	#DIV/0!	8.11	#DIV/0!
ESBARRO				34.57	34.90	21			1.114	735	#DIV/0!	1.114	#DIV/0!
ESBARRO				34.90	35.09	19			802	544	#DIV/0!	8.02	#DIV/0!
ESBARRO				35.09	35.30	21			802	531	#DIV/0!	8.02	#DIV/0!
ESBARRO				35.30	35.46	16			650	423	#DIV/0!	6.50	#DIV/0!

10.6 Sampling Procedure

Sampling is conducted in the core yard at Capitão Mor. The core is split after logging using a conventional core splitter. The sample markings are determined based on the lithology. The maximum sample size varies depending on the lithology, but never less than 50cm and no more than 2m. The lithological boundaries are respected during the sampling process; no lithological contacts are crossed with the sampling. Only the cumulus portion of the intrusion is sampled continuously. The sample intervals and sample number are clearly marked on the core box.

After the samples have been split the half core is bagged into a plastic bag and a pre-printed label is inserted in the bag. Along with the label a sampling sheet is filled out briefly describing the sample. After a borehole has been logged, the samples are sent to the laboratory by truck.

10.7 Laboratory

Over the history of the project various laboratories have been used in order to analyse the samples. More recently, SGS Geosol is being used to analyse the samples. During the study there was no opportunity for GE21 to visit the laboratory although we note that SGS Geosol is ISO9001:2000 certified. The laboratory is situated in Belo Horizonte, which is approximately 2500km from the site, which poses a logistical difficulty in transport of the samples.

The samples are analysed using Ion Coupled Plasma Mass Spectrometry ("ICPMS"), all samples are analysed for 37 elements as well as Pt, Pd and Au. Pt, Pd and Au are done by fire assay, lead collection. No density measurements have been done on the samples currently. It was recommended to the site geologist to obtain a scale to conduct density measurements.

10.8 Quality Control (QAQC)

Sample Quality Control Procedures

The chemical analysis (assays) quality control procedures adopted at the Project included the use of:

- 109 CDN Platinum Group Ore Reference Standards from the CDN Resource Laboratories Ltd in Canada – certified reference material standard (1.2% of the samples);
- 61 blank samples (0.7% of the samples);
- 14 duplicate of drill core samples (0.15% of the samples);

The procedures mentioned above are described in detail below.

The quality control data were statistically evaluated using pairs of comparative analyses (duplicates) and analyses of reference material samples (standard samples). The objectives of this analysis were to determine the relative precision and the level of accuracy between various pairs of data, and the size of the relative error. The quality control data that were analysed included:

- Duplicate samples of Drill Cores and Slurries (Table 10.8_1).
- Standard and Blank samples (Table 10.8_2);
- The full QAQC analysis is presented in Appendix B.

Table 10.8_1 Duplicate Sample Analysis – Summary							
Reference Values		Analysed Results	Assessment of QAQC Results				
Variable	Precision Limit (%)	No. of Pairs Analysed	Average HRD	Median HRD	Average HARD	Median HARD	% within precision limits
Drill Core Duplicate – Auger							
Au	20	14	-3.85	0.001	3.85	0.001	92.9
Pt	20	14	-5.504	-0.041	9.67	5.67	78.6
Pd	20	14	-3.924	-1.918	8.06	5.40	85.7

Results of Duplicate analysis show the assay results are inside acceptance limits of precision.

Table 10.8_2 Standard and Blank Samples – QAQC Summary								
Reference Value				Chemical Analysis Results				QA/QC Result
Standard	Expected Results (ppm)	Min (ppm)	Max (ppm)	No. of Samples	Min (ppm)	Max (ppm)	Average (ppm)	% within accuracy limits
Variable: Au								
BLANK	0.001	0.001	0.010	61	0.001	3.210	0.066	86.9
CDN-PGMS-9	1.04	0.94	1.14	19	0.005	1.417	1.003	68.4
CDN-PGMS-13	1.41	1.3	1.52	18	0.978	1.497	1.305	55.56
CDN-PGMS-15	0.41	0.34	0.48	38	0.005	3.470	0.454	63.2
CDN-PGMS-21	3.42	3.01	3.83	34	0.005	3.908	3.071	79.4
Variable: Pd								
BLANK	0.001	0.001	0.010	61	0.001	1.795	0.042	95.08
CDN-PGMS-9	2.6	2.36	2.84	19	0.005	4.974	2.658	78.9
CDN-PGMS-13	4.51	4.26	4.76	18	2.328	4.978	4.146	50.0
CDN-PGMS-15	0.428	0.398	0.458	38	0.005	4.393	0.753	55.3
CDN-PGMS-21	2.00	1.82	2.18	34	0.455	3.705	2.094	58.8
Variable: Pt								
BLANK	0.003	0.000	0.010	61	0.003	0.286	0.012	95.1
CDN-PGMS-9	0.71	0.62	0.8	19	0.005	1.241	0.713	73.7
CDN-PGMS-13	1.25	1.17	1.33	18	0.671	1.358	1.163	61.1
CDN-PGMS-15	0.098	0.084	0.112	38	0.005	1.810	0.222	63.2
CDN-PGMS-21	0.293	0.267	0.319	34	0.099	2.132	0.581	67.6

Results of blank samples analysis show that assays are inside acceptance limits of accuracy and contamination of Au, Pd and Pt grades on sample preparation.

Results of standard samples analysis show moderate level of confidence on sample assays. This issue probably is from occasional sample exchanging on sample preparation or sample analysis and does not compromise the confidence on assay accuracy for drill hole samples. However, it's recommended a check on database and sample preparation records to verify those sample exchanges be made.

10.9 Data Verification

GE21 made one field visit to the project on 30 and 31 March 2017 with the aim of expanding its geological knowledge of the venture and to verify the procedures adopted in the surveying and exploratory drilling stages.


GE21 visited and verified the Diamond drilling markers (parts of the markers were removed by land owners and need to be reinstalled), Figure 10.9_1. The coordinates of the markers were collected using navigation GPS for subsequent comparison with the Project database. Any differences found were within the acceptable variation range, caused by a lack of precision in measuring methods.

Figure 10.9_1
Photo of drill hole marker visited in the field



GE21 visited the Jangada installations in the Capitão Mor village, where Jangada maintains its office and storage facility to house the sample reserves. Sample descriptions and sampling are also prepared there. The installations conditions and storage were considered generally by GE21 to be of good quality.

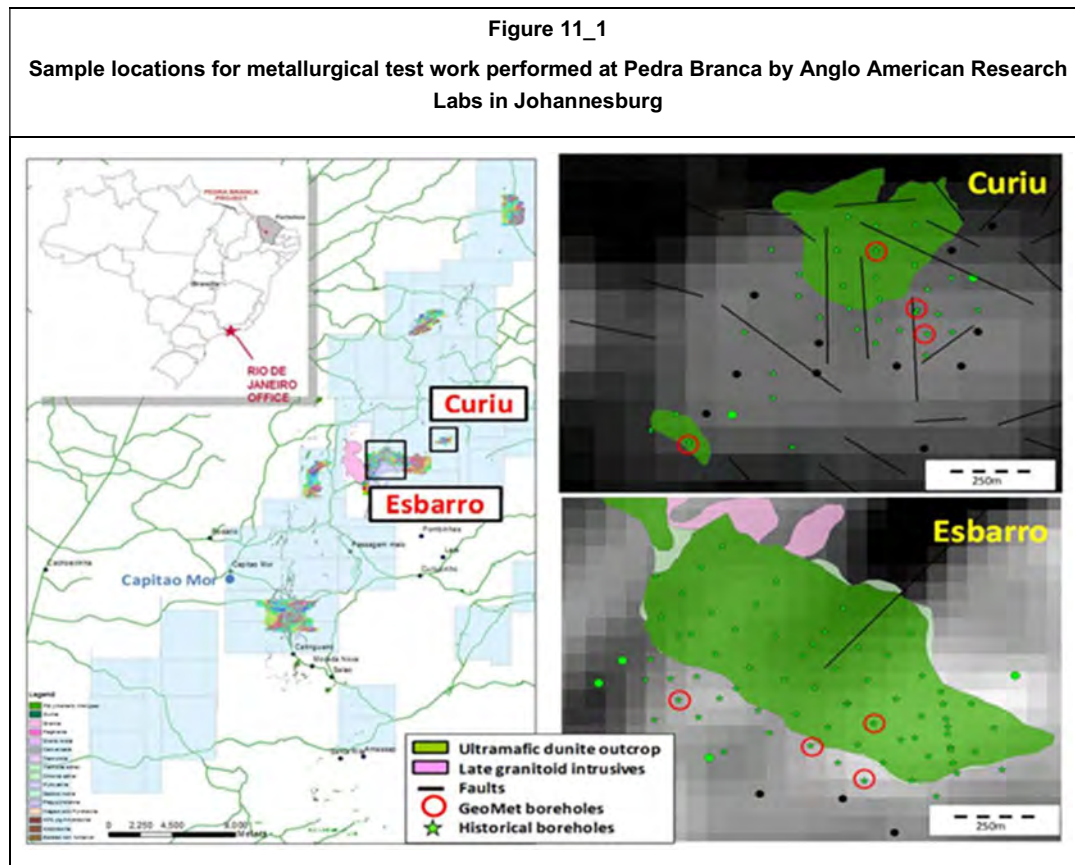
Figure 10.9_2
Photo of the drill hole description record.

 ALTORO MINERAÇÃO LTDA Summary LOG DD08CD-50 PEDRA BRANCA PROJECT, CEARA STATE, BRAZIL.							
43,95	46,22	SE	lepidoblastic	S1	25°	fine crystals of mag and chr dispersed	Serpentinite foliated and homogeneous. Presents calcite in fracture. S1= 125°/25°.
46,22	47,20	SE+Sulf	lepidoblastic	S1	30°-40°	none	Serpentinite foliated with strong percolation of sulphide (pyrrhotite>calcopirite). S1 = 125°/30°-40°.
47,20	47,69	SULF	massive	n.d	n.d	none	Massive sulphide with pyrrhotite prevailing on calcopirite.
47,69	48,15	SD +Sulf	cumulatic	S1	30°	few crystals intercumulus	Dunite serpentized and foliated with deformed cristals and strong percolation of sulphide. S1= 125°/30°.
48,15	48,42	SD	cumulatic	S1	30°	few crystals intercumulus	Dunite very serpentized and very foliated with deformed cristals. S1= 125°/30°.
48,42	49,00	SULF	massive	n.d	n.d	none	Massive sulphide with pyrrhotite prevailing on calcopirite.
49,00	49,50	SE	lepidoblastic	S1	30°	fine crystals of mag and chr dispersed	Serpentinite foliated and homogeneous. S1= 125°/30°.
49,50	51,32	SD	cumulatic	S1	25°	few crystals intercumulus	Dunite very serpentized and very foliated with deformed cristals. S1= 125°/25°.
51,32	51,70	SE	lepidoblastic	S1	25°	fine crystals of mag and chr dispersed	Serpentinite foliated and homogeneous. S1= 125°/25°.
51,70	52,38	SD	cumulatic	S1	25°	few crystals intercumulus	Dunite very serpentized and very foliated with deformed cristals. S1= 125°/25°.
52,38	53,43	SE	lepidoblastic	S1	25°	fine crystals of mag and chr dispersed	Serpentinite foliated and homogeneous. S1= 125°/25°.
53,43	54,17	PH	lepidoblastic	S1	25°	none	Phlogopite schist in shear zone. S1 = 125°/25°.
54,17	54,61	GR	medium grain; phaneritic	n.d	n.d	none	Granite vein, homogeneous.
54,61	55,00	PH	lepidoblastic	S1	25°	none	Phlogopite schist in shear zone. S1 = 125°/25°.
55,00	58,31	SE	lepidoblastic	S1	30°	fine crystals of mag and chr dispersed	Serpentinite foliated and homogeneous with phlogopite percoled. S1= 125°/30°.
58,31	58,70	PH	lepidoblastic	S1	35°	none	Phlogopite schist in shear zone. S1 = 125°/35°.
58,70	63,00	PG	medium grain; pegmatoidal	n.d	n.d	none	composed predominantly by plagioclase, quartz and great plates of muscovite. Locally with garnet.

ALTORO MINERAÇÃO (Pedra Branca do Brasil)
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11 GEOMETALLURGICAL TEST WORK CAMPAIGN 2013

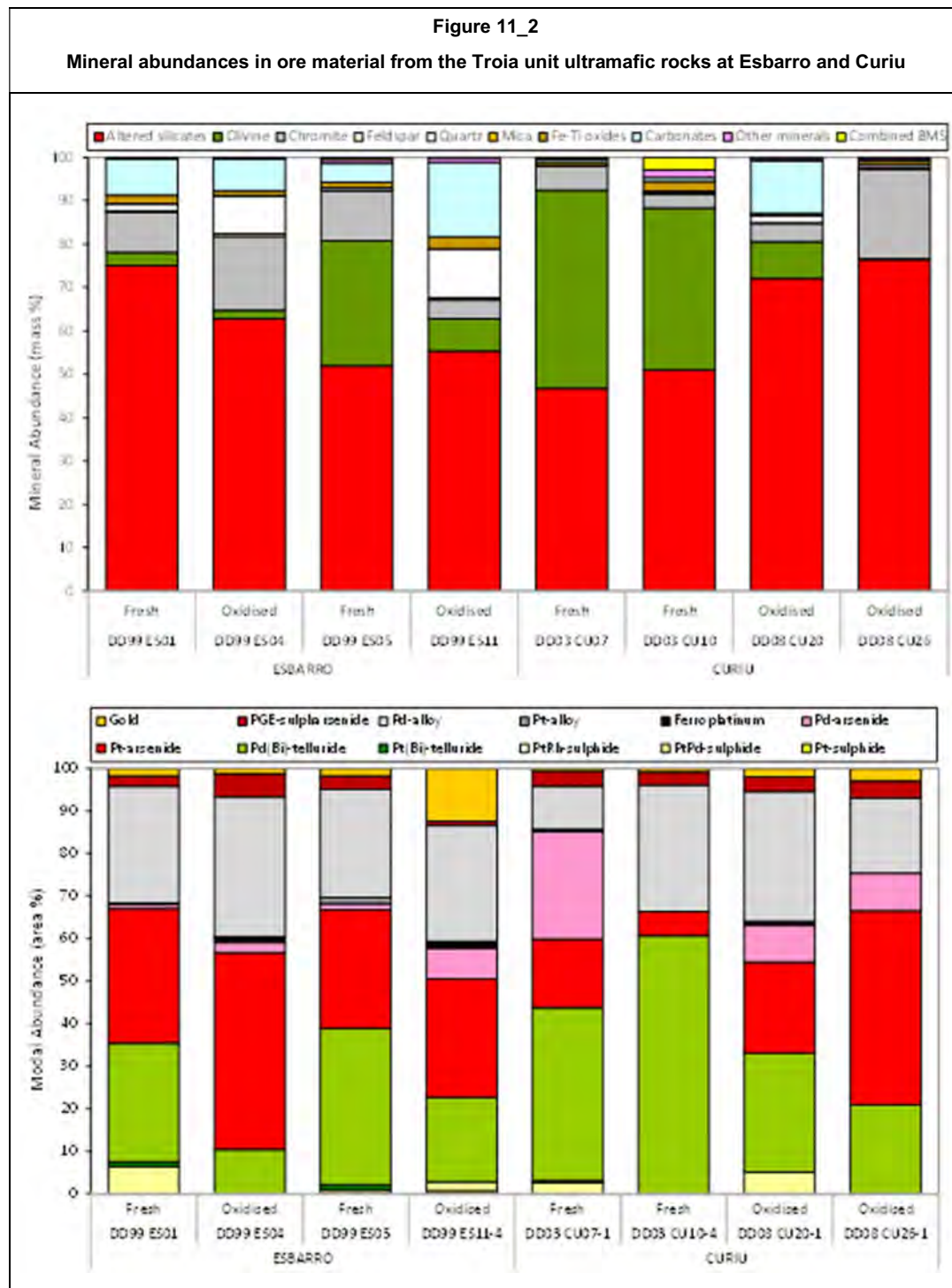
Eight reef intersections over a proposed mining cut of 3.83 to 8.30m at a depth of 9 to 65m below the surface were received for geometallurgical characterisation from the Esbarro and Curiu target areas at the Project. The host rock is a layered ultramafic dunite intrusion of 30 to 100m thick, with most of the PGM+Au grade concentrated by chromite-rich bands. Four of these intersections are slightly to highly oxidised at a depth of 9 to 13m below surface.



The milled flotation feeds contain up to 20% chromite and 3% Base Metal Sulphide (“BMS”), with most of the olivine having been altered to chlorite, amphibole and talc. Most of the BMS in the oxidised feeds is partially to almost completely altered, with pyrite and pyrrhotite being the most susceptible and chalcopryrite the most resistant. PGM arsenides, Pd(Bi) tellurides and Pd alloys are the principal and coarsest liberated PGM types, whereas pentlandite and lesser chalcopryrite are the coarsest and most common liberated PGM bearing BMS. Pyrite and pyrrhotite are the prevailing minor BMS, and mainly occur in composite middling and locked particles together with pentlandite and chalcopryrite. Most of the PGM bearing BMS middlings and locks are hosted by altered silicates, olivine and oxides.

Although DD08 CU26 has a PGM+Au grade of 7.5g/t, and the PGM are reasonably well-liberated, final recoveries are limited to 74% Pt and only 49% Pd due to the mildly oxidised but highly altered nature of the matrix and a fair platinum and poor palladium flotation response. DD03 CU10 has a grade of 3.9g/t PGM+Au, but yields final recoveries of 73% Pt and only 40% Pd at a poor platinum and very poor palladium response due to inadequate PGM liberation from the highly altered matrix. Poor final recoveries of 22 to 53% Pt and 13 to 41% Pd are obtained from the six

remaining feeds at head grades of 1.5 to 4.9g/t 4E due to poor PGM liberation from the highly altered and occasionally highly oxidised matrix.



Overall, the feeds have a low Pt/Pd ratio which compares well with the PGM assemblage. Oxide and fresh ore recoveries are in line with recoveries from operations mining similar mineral assemblages in shallow open pit mines, particularly those operations that mine within the oxide horizon of the western and eastern limbs of the Bushveld Complex in South Africa.

Significantly better flotation results could possibly be achieved by an optimised bench-scale approach for Pedra Branca ores, with particular reference to grind and the reagent suite.

12 MINERAL RESOURCE ESTIMATION

12.1 Introduction

GE21 executed the geological modelling, the grade estimation and the classification of the mineral resources of the Pedra Branca Project (Curiu, Esbarro, Trapia and Cedro targets). In doing so, the following set of factors was taken into consideration: the quantity and spacing of the available data, the interpretation of the mineralization controls, the type of mineralization, and the quality of the data that was utilized.

The Effective Date of this report was established as at 30 March 2017, which was when the last material information with respect to the estimate was received.

The modelling and the estimate were developed with Gemcom Surpac 6.1.4 software. The project's database was based on UTM zone 24 south, SIRGAS2000.

12.2 Drilling Data Base

The drilling database was received in MS-Excel format for the target areas, in separate files. They were compiled in a MS-Access database. Table 12.2_1 summarizes the drill hole databases used for the mineral resource estimate.

Table 12.2_1 Pedra Branca Drill Hole Database Summary			
Drilling Method	Total of Drill Holes	Total length	Samples with Chemical results
Diamond Drilling	351	25726 m	9349

GE21 carried out an electronic validation of the databases with Gemcom Surpac software. No errors, as gaps or overlapping data, or other material inconsistencies were found.

12.3 Geological Modelling

GE21 received, from Jangada, datasets for the four targets, including the wireframe geological models built in previous works. GE21 decided to generate a new geological model to avoid any issues from the previous model.

GE21 interpreted 77 vertical drill hole sections using the information recorded in database fields for Cedro, Curiu, Esbarro and Trapia targets. The boundary of the mineralization zones was interpreted considering the cut-off limit of 0.3g/t PGM (Pt + Pd + Au grades). "Snap to point" tool was applied in section interpretations.

A 3D wireframe mineralization zone model was modelled for four targets. Figures 12.3_1 to 12.3_4 show the plan view of this 3D mineralization zone model.

Figure 12.3_1
Cedro Mineralization Zone Model

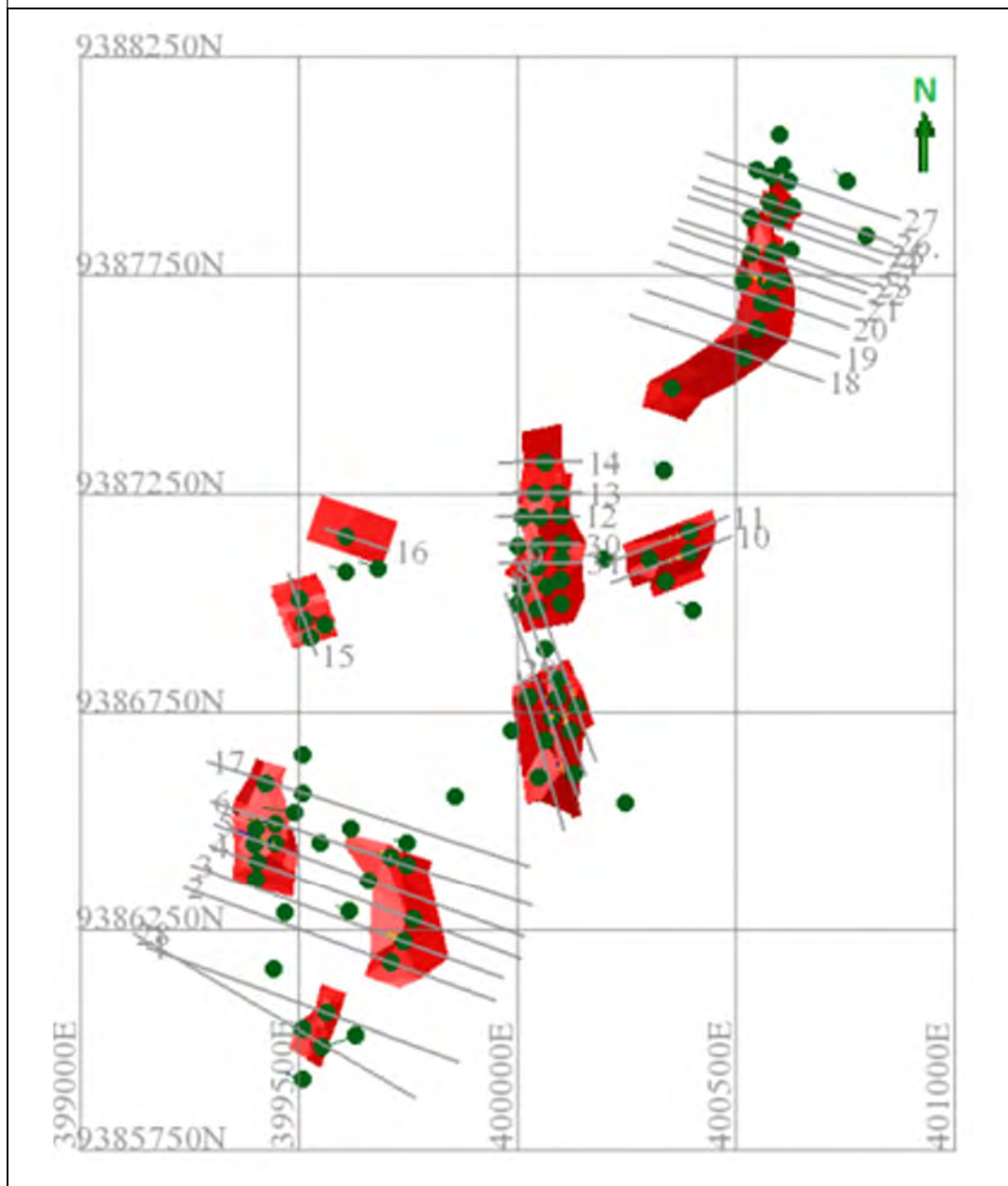


Figure 12.3_2

Esbarro Mineralization Zone Model

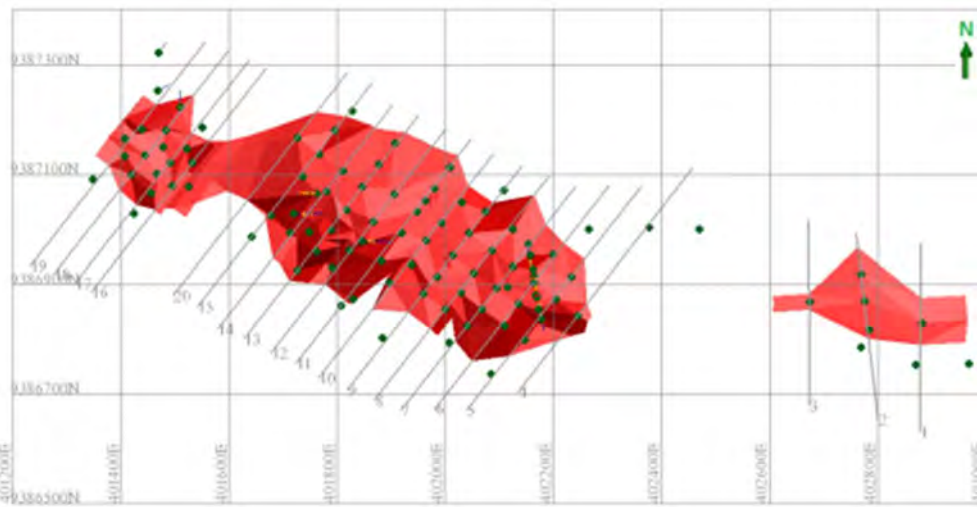


Figure 12.3_3

Curiu Mineralization Zone Model

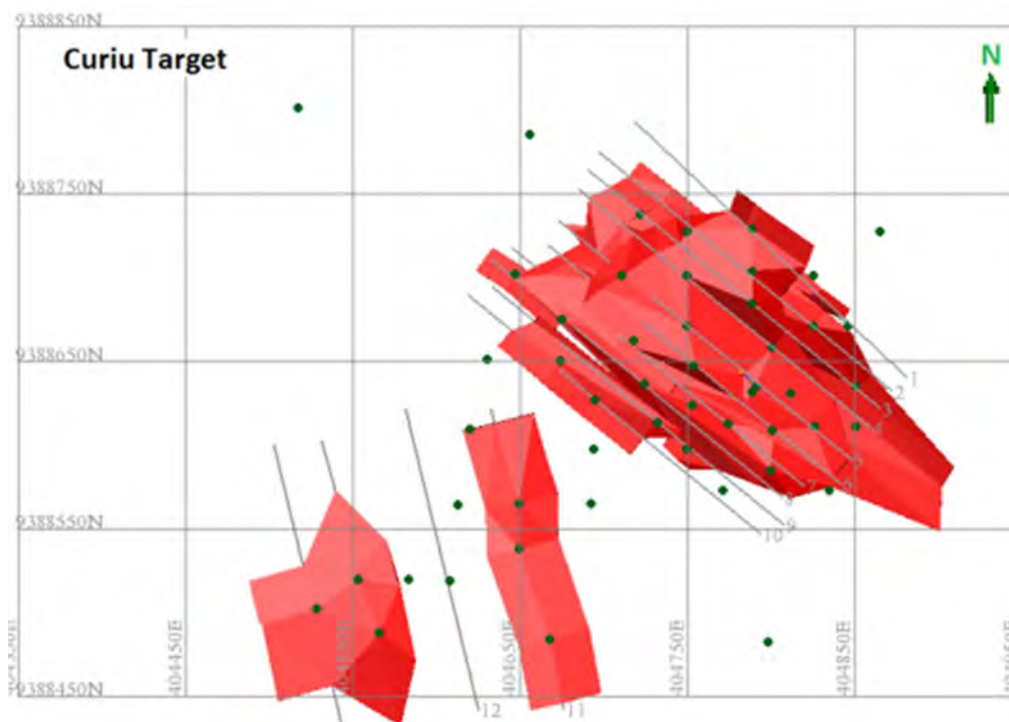
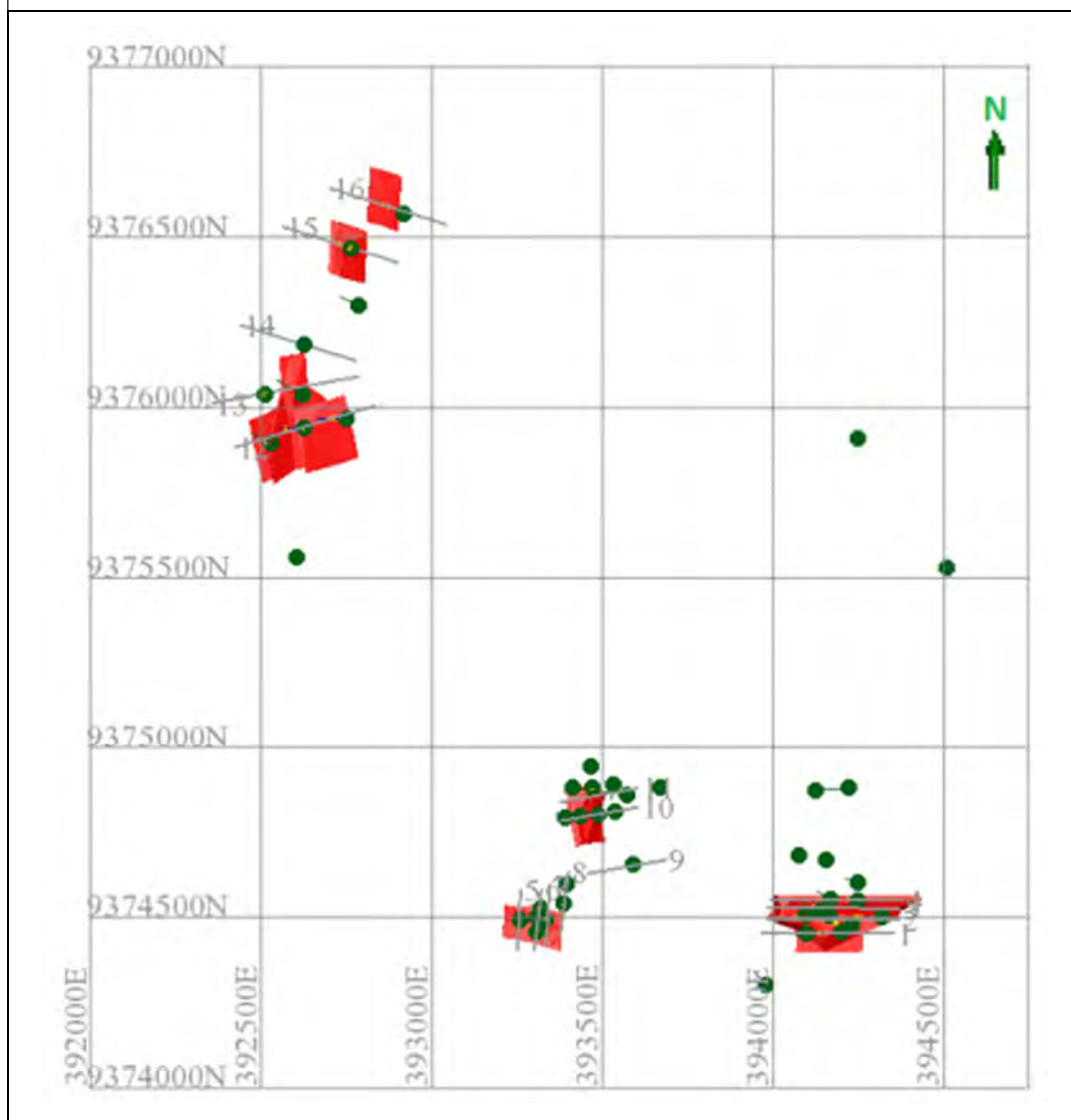


Figure 12.3_4
Trapia Mineralization Zone Model



12.4 Block Modelling

Four 3D block models were constructed for resource estimation purposes for Cedro, Curiu, Esbarro and Trapia targets (Table 12.4_1).

User block size was based on drilling grid spacing. Block size was calculated to be a quarter of drilling grid size (half of the distance of drill holes in each direction and two sample lengths).

GE21 applied sub-blocks (minimum block size) to improve the adherence between 3D wireframe models and block models. Sub-blocks sizes are one quarter of user block size.

Table 12.4_1
Pedra Branca Project
Block Model Summary

Cedro			
Item	Y	X	Z
Minimum Coordinates	9385600	398990	200
Maximum Coordinates	9388380	401150	550
User Block Size	20	10	2
Minimum Block Size	5	2.5	0.5
Rotation (°)	0	0	0
Curiu			
Item	Y	X	Z
Minimum Coordinates	9388190	404230	450
Maximum Coordinates	9388950	405090	650
User Block Size	20	10	2
Minimum Block Size	5	2.5	0.5
Rotation (°)	0	0	0
Esbarro			
Item	Y	X	Z
Minimum Coordinates	9386490	401070	350
Maximum Coordinates	9387530	403230	650
User Block Size	5	10	1
Minimum Block Size	2.5	5	0.5
Rotation (°)	0	0	0
Trapia			
Item	Y	X	Z
Minimum Coordinates	9373800	392300	200
Maximum Coordinates	9376900	394800	550
User Block Size	20	10	2
Minimum Block Size	5	2.5	0.5
Rotation (°)	0	0	0

A visual validation of the adherence between 3D wireframe models and block models was performed. Figure 12.4_1 shows Esbarro target visual validation. There were no issues in block model adherence by this validation.

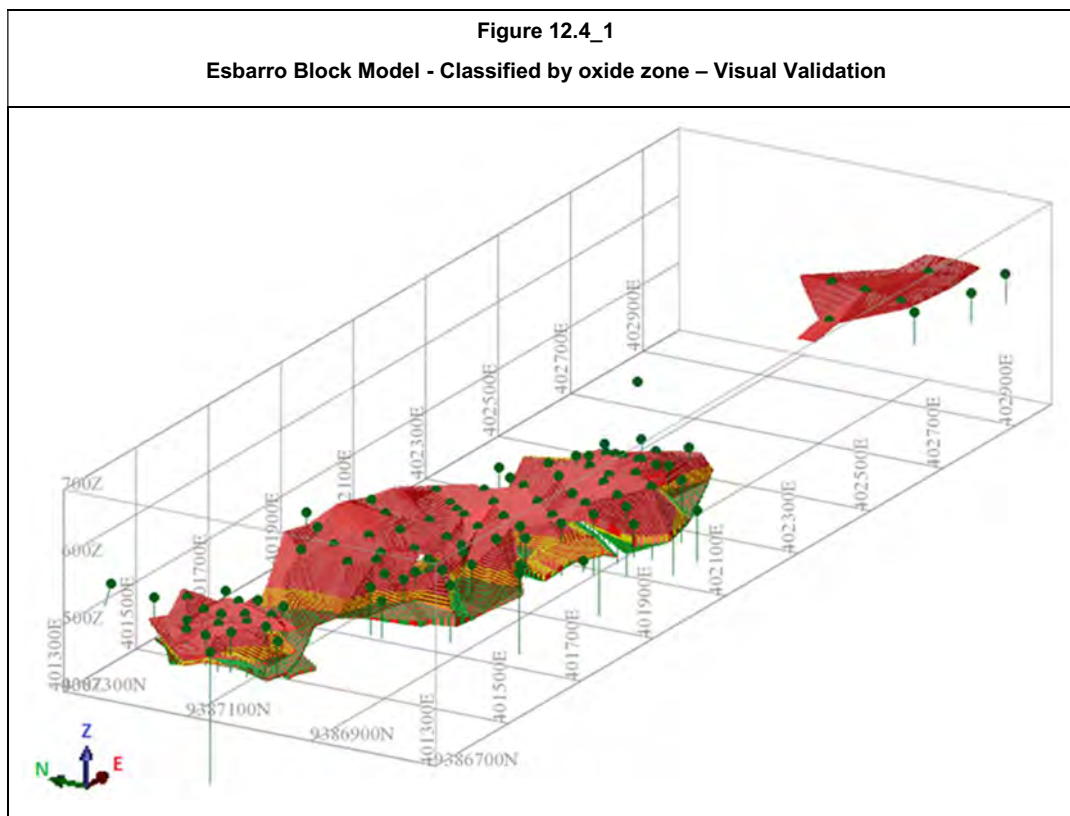


Table 12.4_2 presents block model attribute summary.

The visual and volumetric comparison between the geological wireframes and the block model shows a good fit for modelled units, with volumetric ratio (wireframe volume/block model volume) values inside the acceptable limit of variation (97% to 103%). Table 12.4_3 presents the volumetric validation of the adherence between 3D wireframe models. GE21 did not detect any issues on volumetric validation.

Table 12.4_2 Block Model Attributes		
Attribute Name	Type	Description
au	Float	Au grade g/t
au_equiv	Float	Equivalent gold g/t
au_nn	Float	Nearest Neighbourhood Au grade g/t
au_pass	Integer	Step of Au estimate
classif	Integer	1=measured; 2=indicated; 3=inferred
dens	Float	Density (g/cm ³)
lensn	Integer	Lens id
liten	Integer	0=waste, 1= ox, 2=tran, 3=sulf
pd	Float	Pd grade g/t
pd_nn	Float	Nearest Neighbourhood Pd grade g/t
pd_pass	Integer	Step of Pd estimate
pgeg	Float	Pd + Pt + Au
pt	Float	Pt grade g/t
pt_nn	Float	Nearest Neighbourhood Pt grade g/t
pt_pass	Integer	Step of Pt estimate

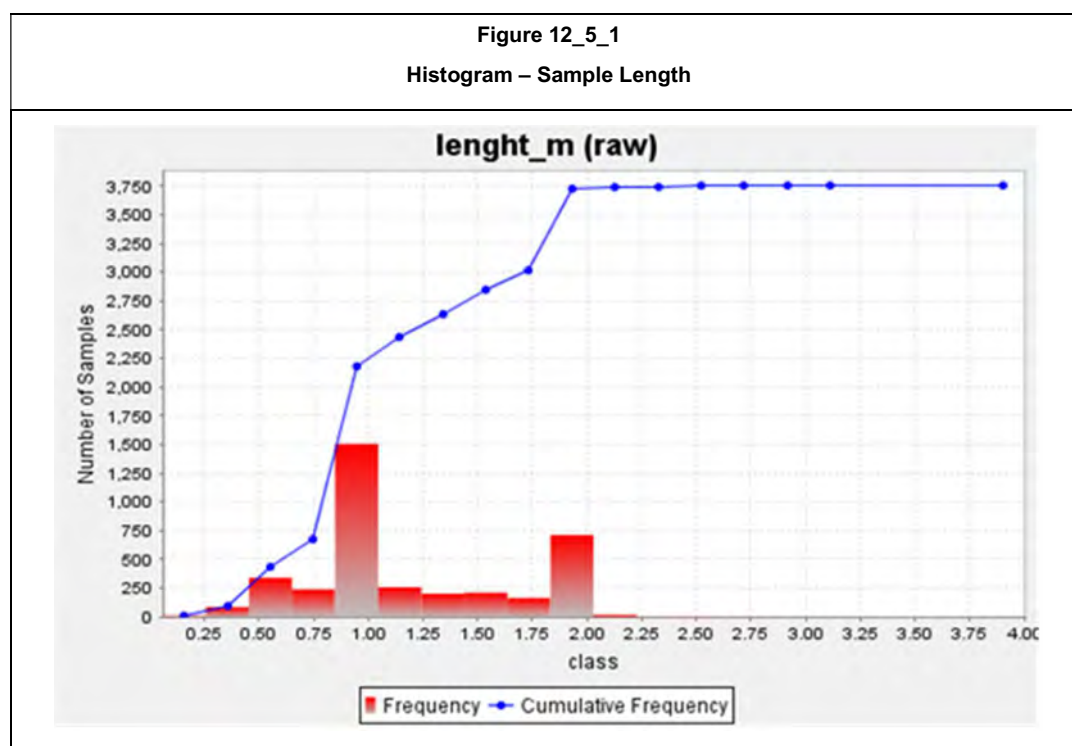
Table 12.4_3 Volumetric Validation: Wireframes x Block Model			
Target	Block Volume (Mm ³)	Wireframe Volume (Mm ³)	Volumetric Comparison
Cedro	3.88	3.98	97%
Curiu	0.59	0.59	100%
Esbarro	4.30	4.33	99%
Trapia	2.83	2.84	100%

12.5 Compositing

In compositing to an appropriate regular downhole length, the aim is:

- To achieve uniform sample support;
- To reduce the impact of random variability; and
- To minimize the effect of averaging samples of a skewed distribution.

After examining the raw sample lengths of sampled intervals (Figure 12.5_1) composites were generated using 1m nominal length. Compositing was applied to the mineralized intervals inside the 3D wireframe model.



12.6 Statistical Analysis

Descriptive and distribution statistics (EDA) have been compiled based upon the composite sample support (nominal lengths) inside the mineralization zone. Oxide and transition zones were analysed together in EDA. Geovariances Isatis and Minitab software were used to produce statistical analysis.

The statistical examinations and the grade characteristics of the mineralized intervals for each target were organized in Table 12.6_1. The analysis indicated to apply cut limits to variable distribution as outliers treatment for the variographic analysis. Limits applied in these conditions are present in Table 12.6_1.

Table 12.6_1											
Basic Statistical Analysis Summary											
Statistics										Outliers Treatment Limits	
Target / Zone	Variable (g/t)	Count	Minimum	Maximum	Mean	Median	Std. Dev.	Variance	Variat. Coef.	Lower	Upper
Cedro_ox_tran	Au	463	0	0.65	0.03	0.01	0.07	0.01	2.77	0.01	1.0
	Pd	463	0.02	10.96	0.77	0.39	1.26	1.59	1.63	0.1	8.0
	Pt	463	0.01	9.55	0.41	0.23	0.76	0.57	1.85	0.1	3.0
Cedro_sulf	Au	415	0	0.49	0.03	0.01	0.05	0	2	0.009	0.4
	Pd	415	0	2.23	0.41	0.32	0.3	0.09	0.73	0.06	4.0
	Pt	415	0	1.12	0.24	0.2	0.17	0.03	0.69	0.06	1.0
Curiu_ox_tran	Au	346	0	1.3	0.08	0.03	0.13	0.02	1.67	0.009	1.0
	Pd	346	0	9.8	1.33	0.61	1.68	2.84	1.26	0.006	10.0
	Pt	346	0	14.59	1.18	0.51	1.66	2.76	1.41	0.06	10.0
Curiu_sulf	Au	88	0	0.77	0.14	0.08	0.18	0.03	1.22	0.009	0.7
	Pd	88	0	3.64	0.35	0.08	0.67	0.45	1.91	0.006	2.5
	Pt	88	0.01	3.03	0.47	0.3	0.49	0.24	1.05	-	10.0
Esbarro_ox_tran	Au	614	0	0.48	0.03	0.01	0.04	0	1.76	0.006	0.3
	Pd	614	0	14.41	0.79	0.42	1.12	1.25	1.42	0.01	10.0
	Pt	614	0	11.45	0.42	0.23	0.71	0.5	1.69	0.04	6.0
Esbarro_sulf	Au	352	0	2.96	0.03	0	0.18	0.03	6.06	0.006	0.4
	Pd	352	0	6.91	0.75	0.4	0.97	0.95	1.3	0.04	6.0
	Pt	352	0	3.28	0.34	0.22	0.39	0.15	1.15	0.04	10.0
Trapia_ox_tran	Au	81	0	0.29	0.04	0.02	0.05	0	1.37	0.006	0.3
	Pd	81	0	21.68	0.8	0.35	2.44	5.97	3.04	0.0056	4.0
	Pt	81	0.03	3.66	0.45	0.27	0.58	0.34	1.29	0.04	2.0
Trapia_sulf	Au	441	0	1.04	0.09	0.02	0.16	0.03	1.79	0.006	1.0
	Pd	441	0	9.97	0.54	0.32	0.9	0.8	1.67	0.006	5.0
	Pt	441	0.01	4.82	0.5	0.33	0.59	0.35	1.2	0.06	4.0

Figure 12.6_1 and Figure 12.6_2 exemplifies EDA for Pd and Pt on Esbarro sulphide zone. Appendix C presents a complete statistical analysis.

Figure 12.6_1

EDA – Pd (g/t) Esbarro – Sulphide zone

Target:	Esbarro
Zone:	Sulphide
Variable:	Pd

N° of Samples:	352
Minimum:	0.00
Maximum:	6.91
N° Classes (Sturges):	9
Interval (Sturges):	0.73

Quantiles	
2.5%:	0.09
5.0%:	0.16
25.0%:	0.23
Median:	0.40
75.0%:	0.84
95.0%:	1.18
97.5%:	2.54

Mean:	0.75
Variance:	0.95
Std Deviation:	0.97
Coef. of Variation:	129%
Range interquartil:	0.61

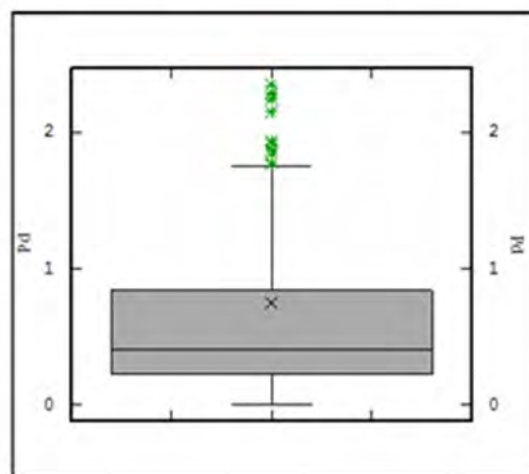
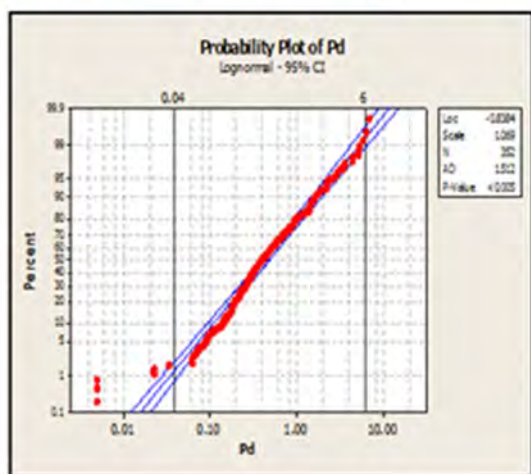
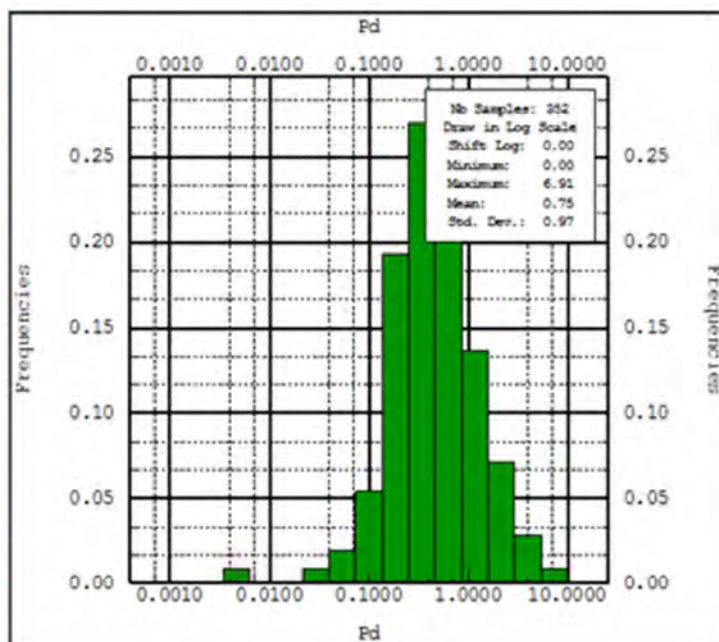
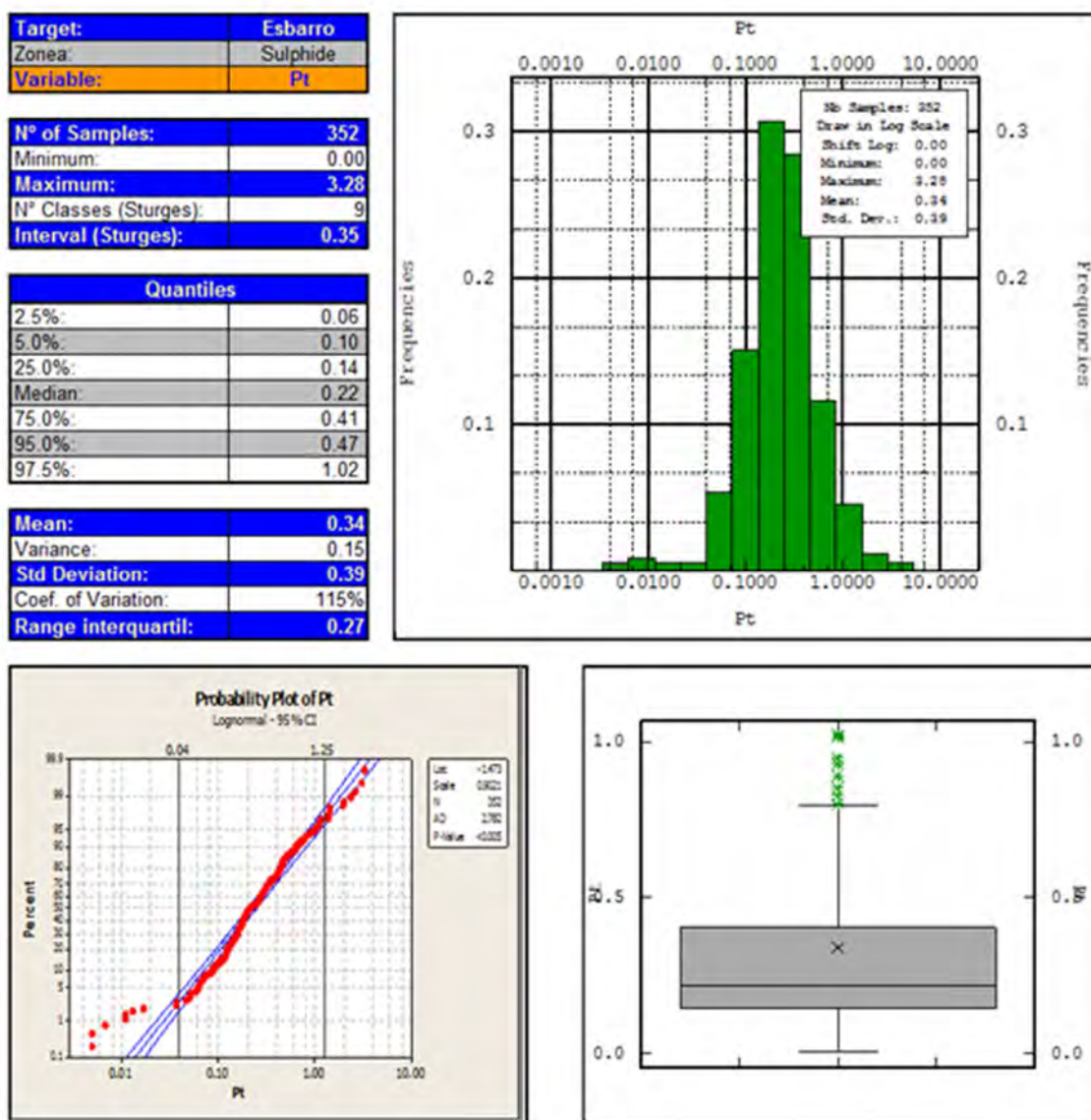


Figure 12.6_2

EDA – Pt (g/t) Esbarro – Sulphide zone



12.7 Geostatistical Structural Analysis

Variography is used to describe the spatial variability or correlation of an attribute recognized as a regionalized variable. The spatial variability is traditionally measured by means of a variogram, which is generated by determining the averaged squared difference of data points at a nominated distance or lag (h). The averaged squared difference (Variogram or $\gamma(h)$) for each lag distance is plotted on bivariate plot where the X-axis is the lag distance and Y-axis represent the average squared differences $\gamma(h)$ for the nominated lag distance. In this document, the term “variogram” is used as a generic word to designate the function characterizing the variability of variables versus the distance between two samples. The traditional measures have been applied for the estimation studies completed for mineralized intervals of Pedra Branca Project.

The Geovariances Isatis software has been employed to generate and model the Variography. The rotation is reported as input for grade estimation, with Y (rotation around Y axis), X (rotation around X) and Z (rotation around Z axis) also being referred to as the major, semi major and minor axes.

12.7.1 Variography Discussion

The downhole experimental variograms were calculated to establish the structures for composite grades using Geovariances Isatis software. Anisotropic variogram maps were constructed for Cedro and Esbarro Targets but not constructed for other targets because of a lack of data on them. Omni-directional horizontal variograms were calculated for the purpose of determination of major axis variability for all targets and variables (Pt, Pd and Au in g/t). For Curio and Trapia targets the variogram models were composed by omni-directional variogram and anisotropic ranges sub-parallel oriented to mineralization zone. This adjustment was validated by visual analysis on Geovariances Isatis software.

Table 12.7.1_1 summarizes the variographic analysis. Examples of Variographic analysis are presented on Figure 12.7.1_1 and Figure 12.7.1_2. Appendix D presents a complete Variogram analysis.

Table 12.7.1_1 Variogram Models Summary											
Variable	Unit	C0	C1	A1	C2	A2	Azimuth	Plunge	Dip	Major/Semi-Major Ratio	Major/Minor Ratio
Cedro Target											
Au	Oxi-Tran	0.00065	0.00265	60		0	180	3	-4	1	8
Pd		0.25	1.25	70	0	0	180	3	-4	1	7
Pt		0.04	0.065	45	0	0	180	3	-4	1	4.5
Au	Sulf	0.0016	0.0029	60	0	0	180	25	0	1	10
Pd		0.023	0.0807	50		0	180	25	0	2	8.3
Pt		0.004	0.028	40	0	0	180	25	0	2	7.3
Curiu Target											
Au	Oxi_Tran	0.005	0.027	60	0	0	125	0	-16	1	20
Pd		0.99	1.9	60	0	0	125	0	-16	1	12
Pt		0.6	2.5	60	0	0	125	0	-16	1	10
Au	Sulf	0.06	0.013	60	0	0	125	0	-16	1	5
Pd		0.28	0.31	60	0	0	125	0	-16	1	12
Pt		0.18	0.08	60	0	0	125	0	-16	1	20
Esbarro Target											
Au	Ox - Tran	0.0003	0.0029	60		0	289	2	-2	1	20
Pd		0.3	0.95	70	0	0	289	2	-2	1	10
Pt		0.02	0.03	40	0.009	80	289	2	-2	1	8
Au	Sulf	0.05	0.06	40	0	0	270	1	-3	1	8
Pd		0.25	0.52	80	0		270	1	-3	1	10
Pt		0.05	0.12	40	0	0	270	1	-3	1	8
Trapia Target											
Au	Oxi - Tran	0.00069	0.0021	60	0	0	173	21	0	1	5
Pd		1.6	5	60	0	0	173	21	0	1	6
Pt		0.055	0.28	60	0	0	173	21	0	1	5
Au	Sulf	0.005	0.027	60	0	0	173	21	0	1	5
Pd		0.06	0.31	60	0	0	173	21	0	1	6
Pt		0.05	0.2	60	0	0	173	21	0	1	6

Figure 12.7.1_1

Variography – Esbarro – Pt – Oxide + Transition Zones

Target	Esbarro
Material:	Ox- Tran
Variable:	Pt

Variogram Structures		
Model	Spherical	
Structure	Sill	Range
Nugget	0.02	-
1	0.03	40
2	0.01	80

Elipsoid Orientation	
Bearing	289
Plunge	2
Dip	-2
Major/Semi-major	1.0
Major/Minor	8.0

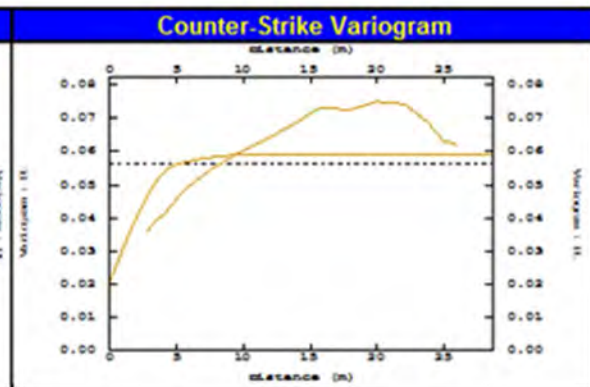
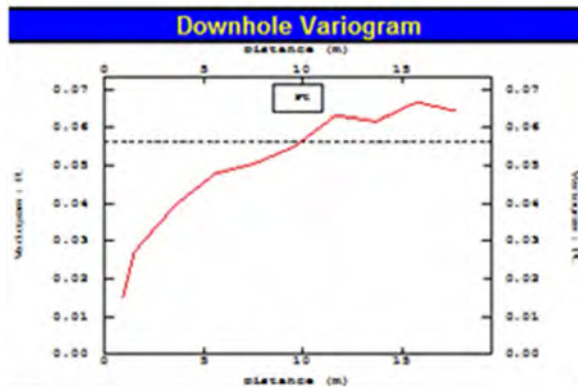
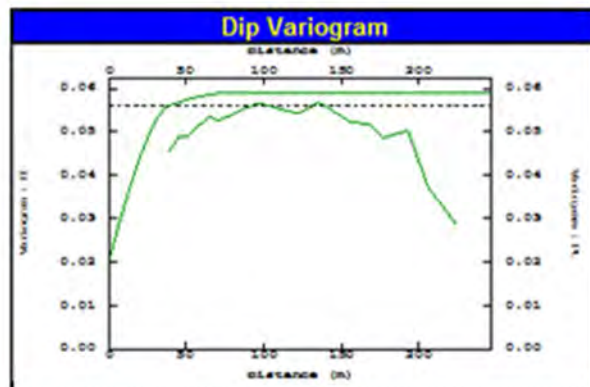
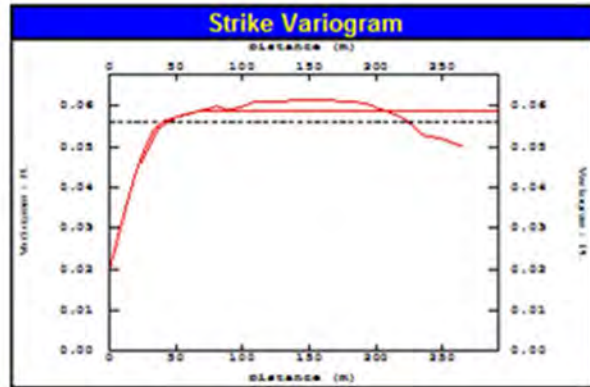
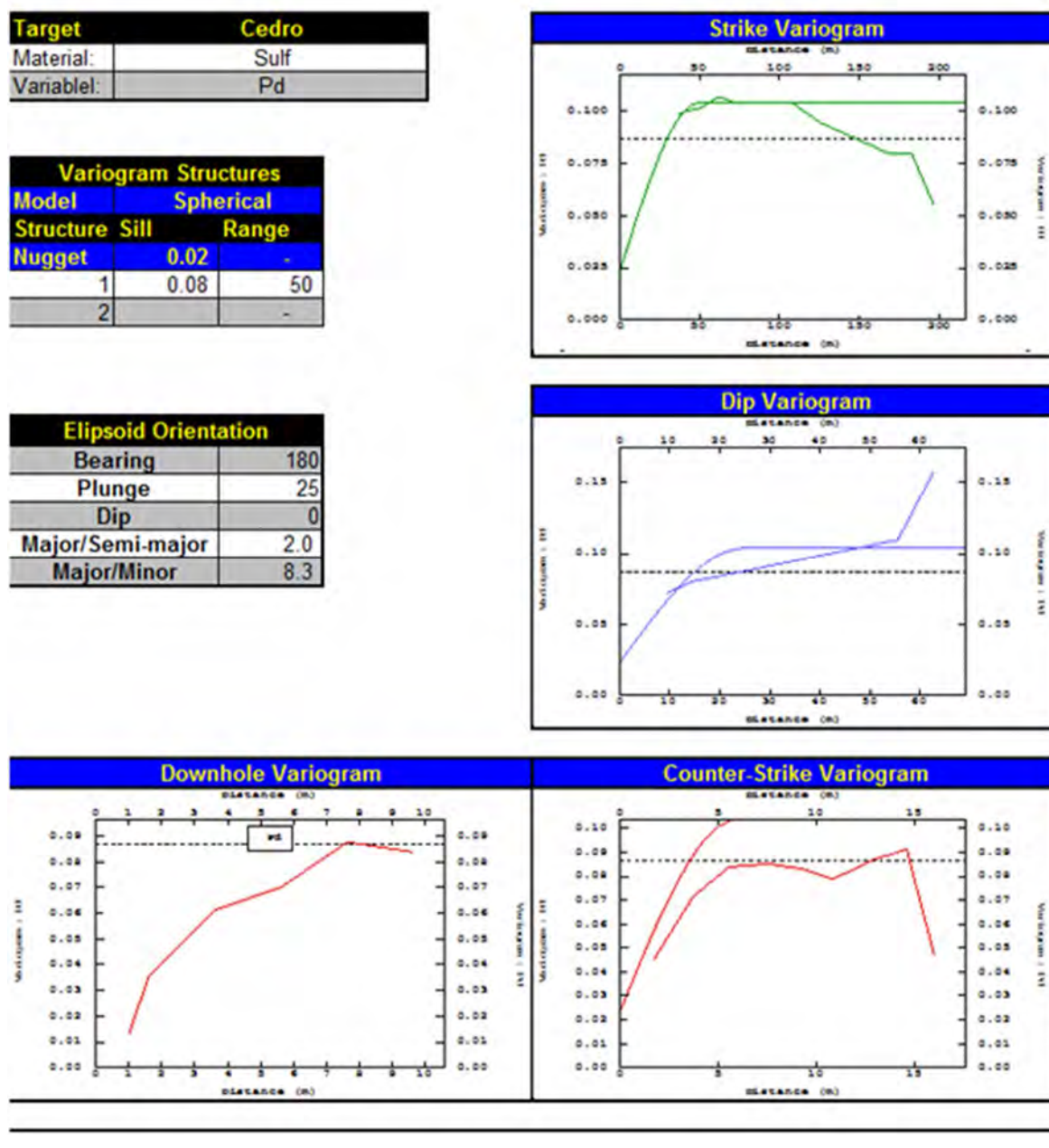


Figure 12.7.1_2

Variography – Cedro – Pd – Sulphide Zone



12.8 Grade Estimation

The Ordinary Kriging (“OK”) method was used to estimate Pd (g/t), Pt (g/t) and Au (g/t) variables. The method was used to estimate the same variables in target block models. OK is one of the most common geostatistical methods for grade estimation. In this interpolation technique, the contributing composited samples are identified through a search applied from the centre of each block. The weights are determined to minimize the variance error, considering the spatial

localization of the selected composites and the modelled variogram. The grade of the weighted composited sample is combined to generate the estimation of the block grade and the variance.

Typical ordinary kriging assumptions

- The typical assumptions for the practical application of ordinary kriging are:
- Intrinsic stationarity or wide sense stationarity of the field
- Enough observations to estimate the variogram.

The mathematical condition for applicability of ordinary kriging is:

- The mean $E[Z(x)] = \mu$ is unknown but constant
- The variogram $\gamma(x,y) = E[(Z(x) - Z(y))^2]$ of $Z(x)$ is known.

Ordinary Kriging equation

The kriging weights of ordinary kriging full fill the unbiasedness condition

$$\sum_{i=1}^n \lambda_i = 1$$

and are given by the ordinary kriging equation system:

$$\begin{pmatrix} \lambda_1 \\ \vdots \\ \lambda_n \\ \mu \end{pmatrix} = \begin{pmatrix} \gamma(x_1, x_1) & \cdots & \gamma(x_1, x_n) & 1 \\ \vdots & \ddots & \vdots & \vdots \\ \gamma(x_n, x_1) & \cdots & \gamma(x_n, x_n) & 1 \\ 1 & \cdots & 1 & 0 \end{pmatrix}^{-1} \begin{pmatrix} \gamma(x_1, x^*) \\ \vdots \\ \gamma(x_n, x^*) \\ 1 \end{pmatrix}$$

the additional parameter μ is a Lagrange multiplier used in the minimization of the kriging error $\sigma_k^2(x)$ to honour the unbiasedness condition.

Ordinary kriging interpolation

The interpolation by ordinary kriging is given by:

$$\hat{Z}(x^*) = \begin{pmatrix} \lambda_1 \\ \vdots \\ \lambda_n \end{pmatrix}' \begin{pmatrix} Z(x_1) \\ \vdots \\ Z(x_n) \end{pmatrix}$$

Ordinary kriging error:

$$\text{var}(\hat{Z}(x^*) - Z(x^*)) = \begin{pmatrix} \lambda_1 \\ \vdots \\ \lambda_n \\ \mu \end{pmatrix}' \begin{pmatrix} \gamma(x_1, x^*) \\ \vdots \\ \gamma(x_n, x^*) \\ 1 \end{pmatrix}$$

Properties of kriging - (Cressie 1993, Chiles & Delfiner 1999, Wackernagel 1995)

- The kriging estimation is unbiased: $E[\hat{Z}(x_i)] = E[Z(x_i)]$;
- The kriging estimation honours the actual observed value $\hat{Z}(x_i) = Z(x_i)$;

- The kriging estimation $\hat{Z}(x)$ is the best linear unbiased estimator of $Z(x)$ if the assumptions hold. However (e.g. Cressie 1993);
- As with any method: If the assumptions do not hold, kriging might be bad;
- There might be better nonlinear and/or biased methods;
- No properties are guaranteed, when the wrong variogram is used. However typically still a 'good' interpolation is achieved;
- Best is not necessarily good: e.g. In case of no spatial dependence the kriging interpolation is only as good as the arithmetic mean;
- Kriging provides σ_k^2 as a measure of precision. However, this measure relies on the correctness of the variogram.

12.8.1 Search Neighbourhood and Estimation Strategy

The established Kriging plan, for all attributes, considered three estimation steps, as presented in Table 12.8.1_1.

Table 12.8.1_1 Ordinary Kriging Strategy				
Step	Search Radius	Minimum Number of Samples	Maximum Number of Samples	Maximum Number of Drill holes per Drill hole
Cedro Target - Variables: Au (g/t), Pd (g/t), Pt (g/t)				
Searching Parameters: Bearing=180; Plunge=3; Dip=-4; Major/Semi-Major Ratio= 1; Major/Minor Ratio=6				
1	25	3	8	2
2	60	3	8	2
3	120	3	8	2
4	>120	1	8	2
Curiu Target - Variables: Au (g/t), Pd (g/t), Pt (g/t)				
Searching Parameters: Bearing=125; Plunge=0; Dip=-16; Major/Semi-Major Ratio= 1; Major/Minor Ratio=10				
1	25	3	8	2
2	60	3	8	2
3	120	3	8	2
4	>120	1	8	2
Esbarro Target - Variables: Au (g/t), Pd (g/t), Pt (g/t)				
Searching Parameters: Bearing=270; Plunge=1; Dip=-3; Major/Semi-Major Ratio= 1; Major/Minor Ratio=10				
1	25	3	8	2
2	60	3	8	2
3	120	3	8	2
4	>120	1	8	2
Trapia Target - Variables: Au (g/t), Pd (g/t), Pt (g/t)				
Searching Parameters: Bearing=173; Plunge=21; Dip=0; Major/Semi-Major Ratio= 1; Major/Minor Ratio=6				
1	25	3	8	2
2	60	3	8	2
3	120	3	8	2
4	>120	1	8	2

12.8.2 Validation

Resource Validation - NN-Check

Validation for estimated grade was carried out with a comparative Nearest Neighbouring estimation (NN). This validation consists of a comparative statistical analysis over global results for Au (g/t), Pd (g/t) and Pt (g/t) variables to the mineralized intervals. Examples of this validation are in Figure 12.8.2_1 and Figure 12.8.2_2.

The comparative analysis of estimation variable with the Nearest Neighbouring results showed different grade distributions. The relative smoothing in the kriging results are compatible with the kriging technique and is acceptable based on the resources classification and the data density and distribution.

A complete group of analyses for NN-Check validation for OK estimate is presented in Appendix E.

Resource Validation Swath Plot

Local validation by the Swath Plot method was carried out with the verification of local bias from comparative graphs for resource estimation variable (OK) and NN-Check, considering X, Y, or Z coordinates. Figure 12.8.2_3 to Figure 12.8.2_5 show swath plot analysis results for Cedro Target.

A complete group of analyses for Swath Plot validation for the estimate is presented in Appendix F.

The comparative analysis of estimate variables with the Nearest Neighbouring results show the relative smoothing in the kriging results that are compatible with the kriging technique and is acceptable based on the resources classification and the data density and distribution. Small biases on depth end or in corners of block models are common and they originate from the effect of the small volume of blocks in boundary portions of mineralization zones and differences in estimation techniques (Kriging or IDW/ Nearest Neighbouring).

Validations show that grade estimate confidence level is inside acceptance limits for resource classification.

Figure 12.8.2_1

Comparative Statistic – NN-Check – Esbarro – Pd (g/t)

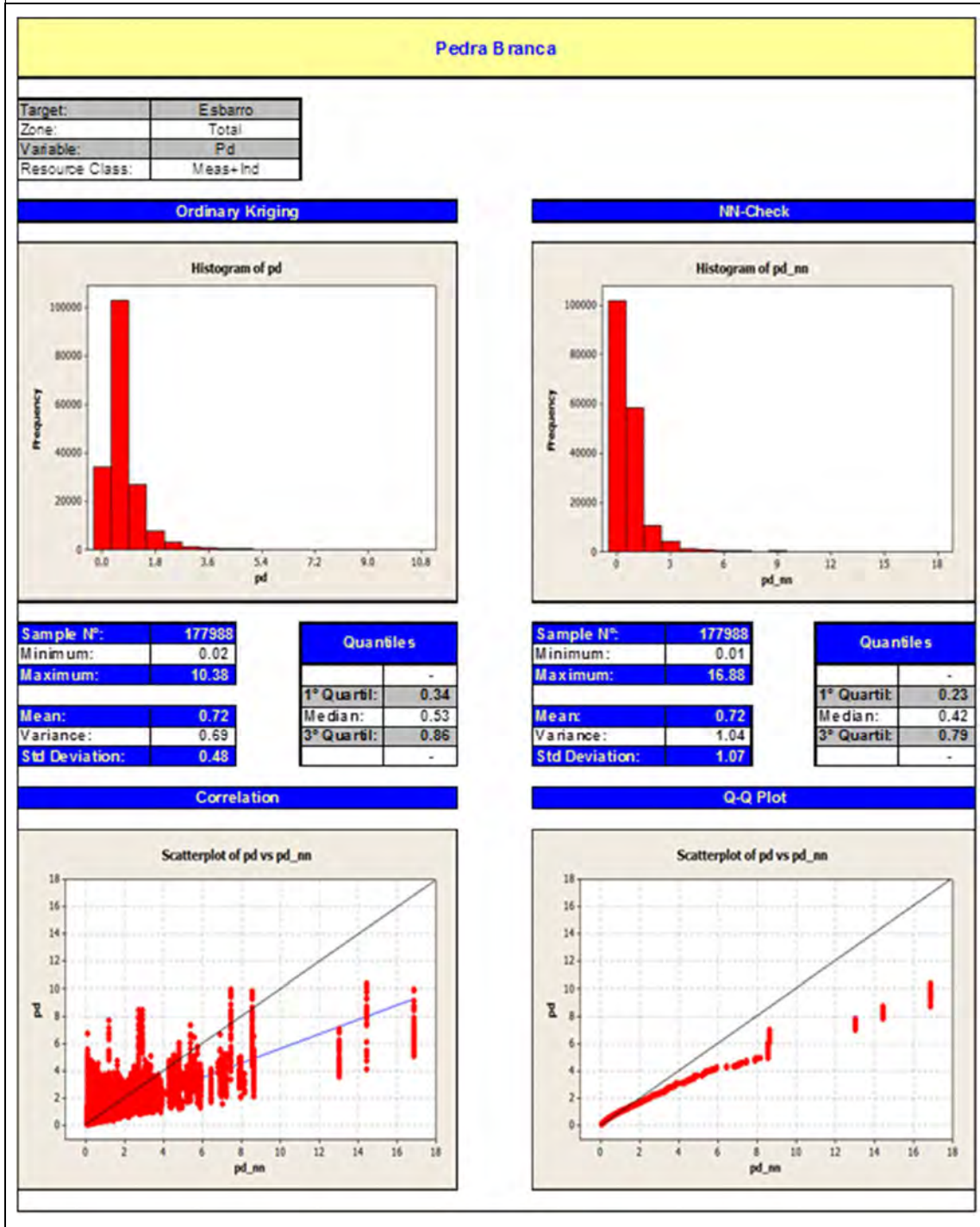


Figure 12.8.2_2

Comparative Statistic – NN-Check – Cedro – Pt (g/t)

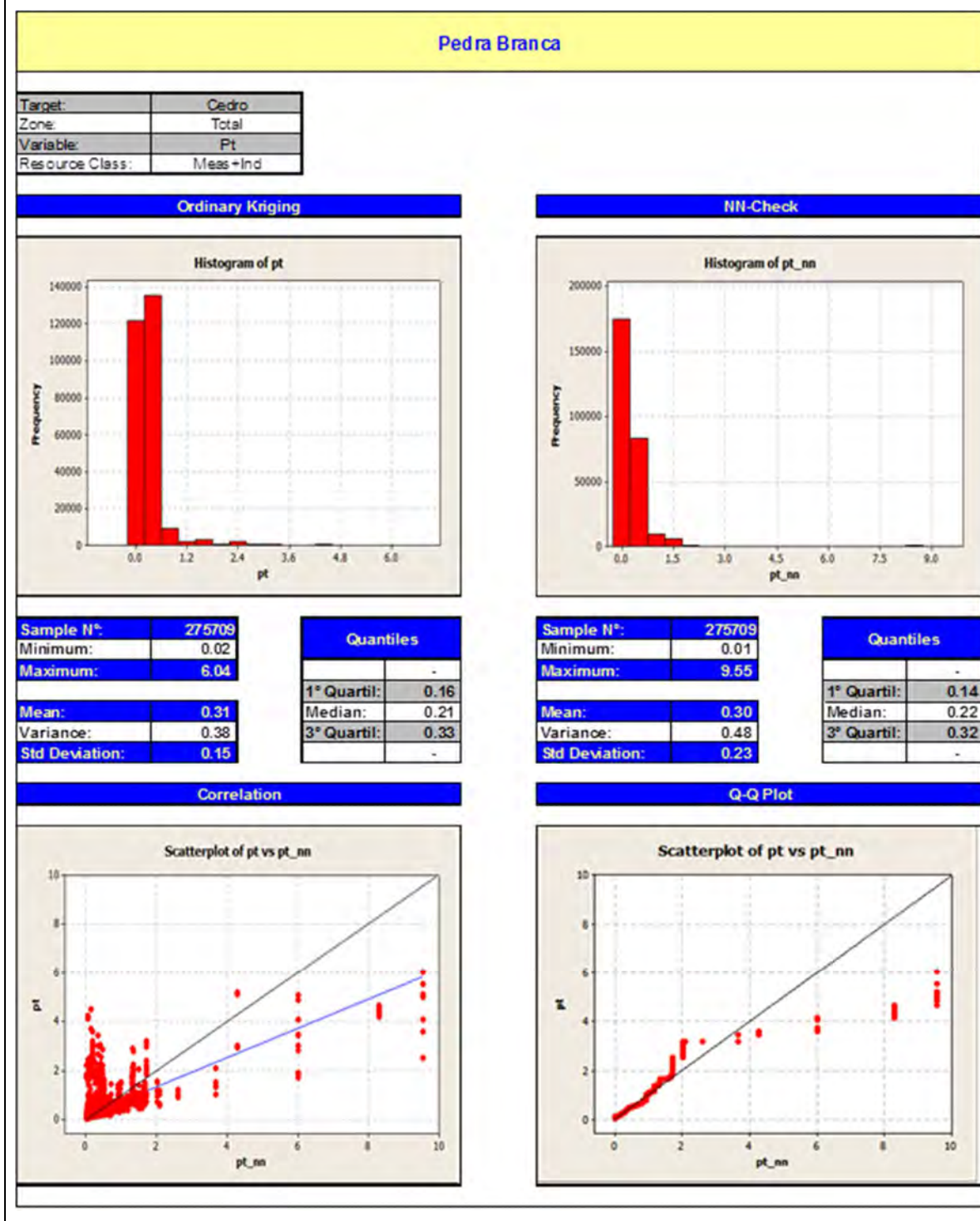


Figure 12.8.2_3
Swath Plot – East Coordinate (X) – Cedro

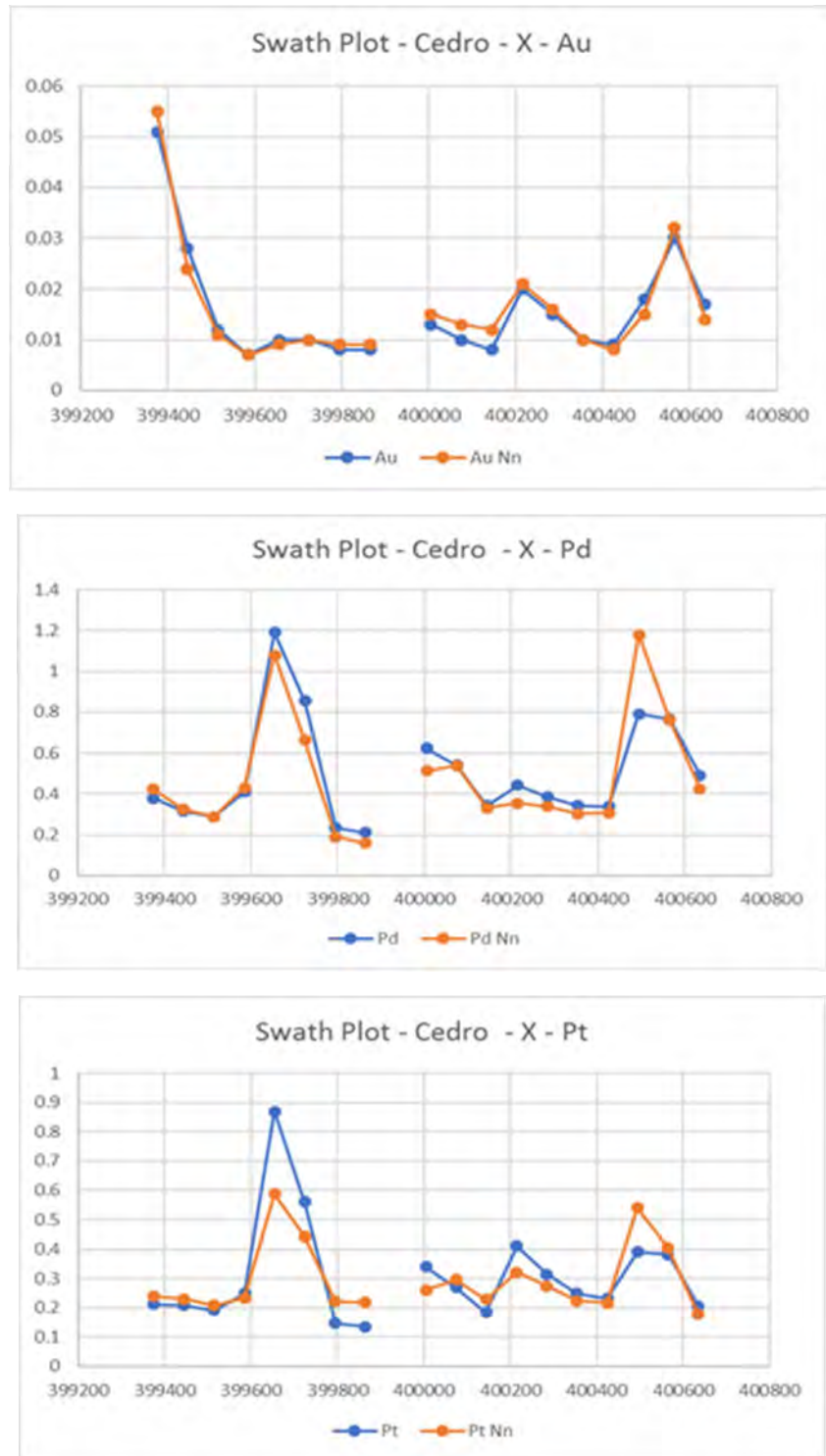


Figure 12.8.2_4
Swath Plot – North Coordinate (Y) – Cedro

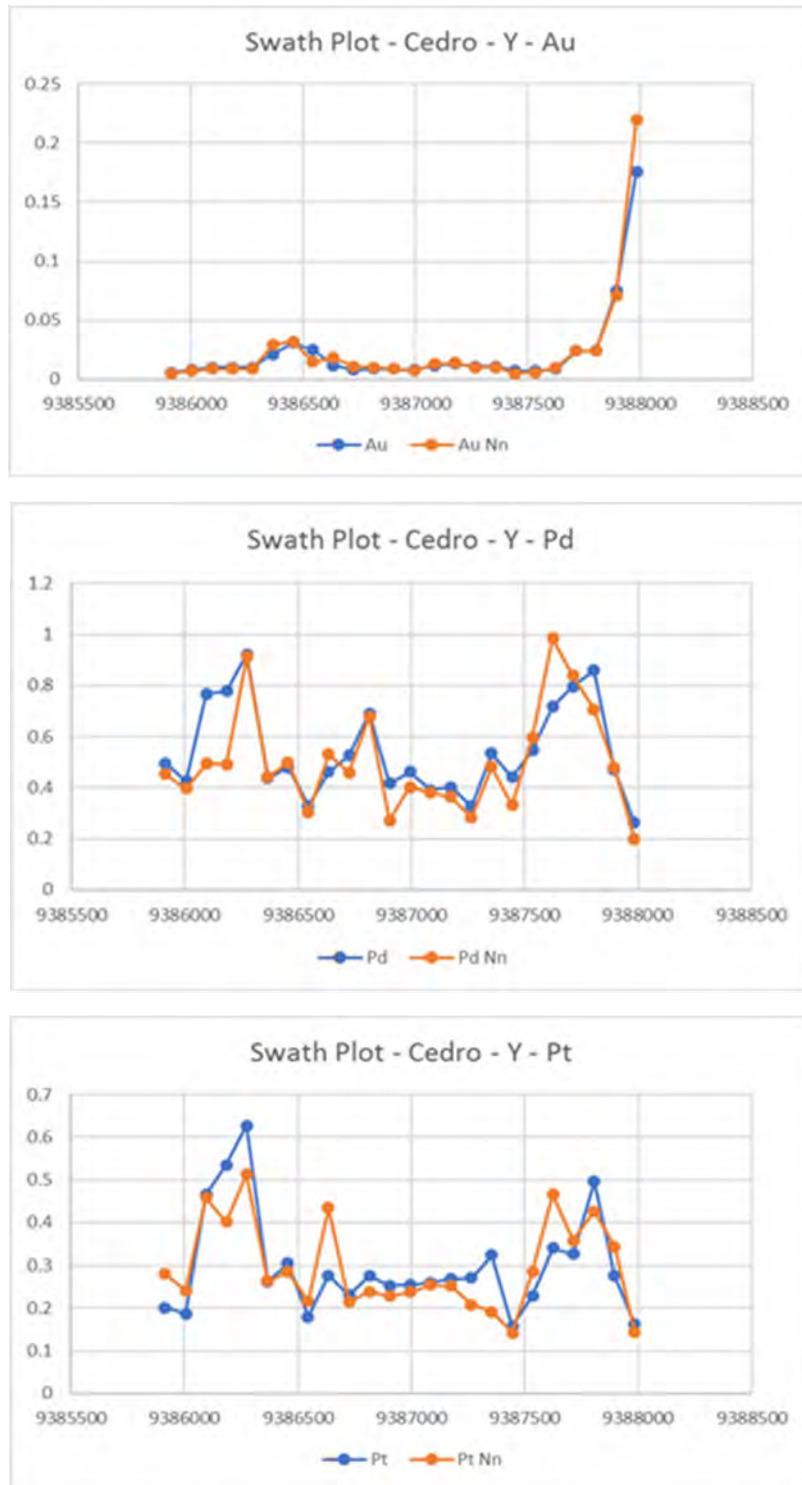
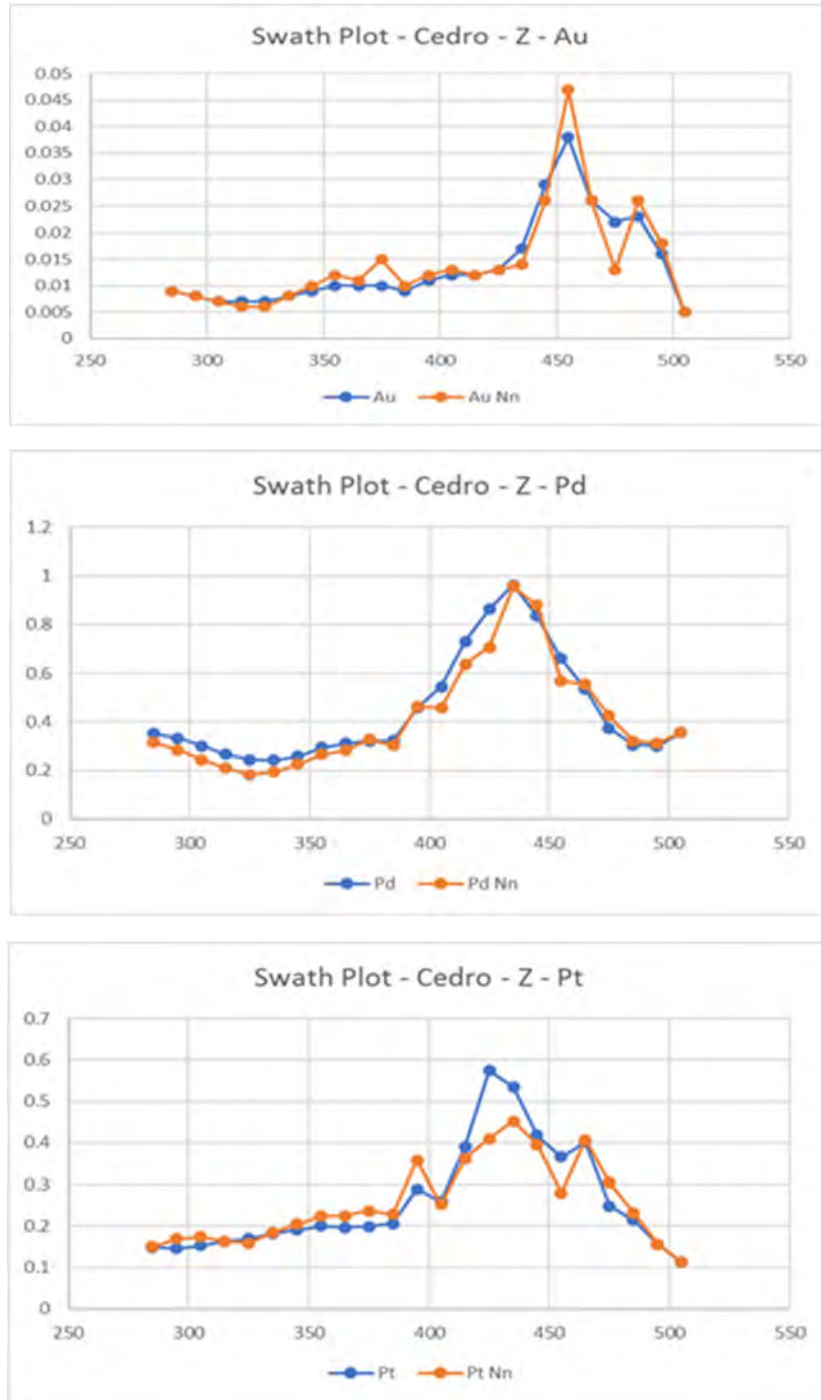


Figure 12.8.2_5
Swath Plot – Elevation (Z) – Cedro



12.9 Mineral Resource Reporting

12.9.1 Mineral Resource Classification

The Pedra Branca Project mineralization zones are classified as Measured, Indicated and Inferred Mineral Resource based on the assessment of the input data, geological interpretation and quality of grade estimation. Based on the JORC Code (2012). The key criteria assessed as part of the Resource classification are set out in Table 12.9.2_1.

Table 12.9.2_1 Confidence Level of Key Criteria		
Items	Discussion	Confidence
Drilling Techniques	Drill holes were completed by Rotative Diamond drilling method and are industry standard approach.	High
Logging	Standard nomenclature and apparent good quality	High
Sub-sampling Techniques and Sample Preparation	Sampling was planned on a variable length nominal interval from 1m to 2m. The field preparation and the lab preparation are industry standard.	Moderate to High
Quality of Assay Data	The parameters from the quality control analysis of the reference samples from exploration are inside the acceptance limits. Standard, blank and duplicate quantity of samples are less than industry standards.	Moderate
Drill hole Surveying	Diamond drill holes have no downhole survey data. There are few drill holes with total lengths greater than 100m (18%).	Moderate
Location of Sampling Points	The field samples and the drill hole collars were collected using total station topographic survey.	High
Data Density and Distribution	The drill spacing is not close enough to enable robust variography analysis results.	Moderate
Database Integrity	The drill hole database was presented without significant errors and inconsistencies in a Microsoft Access (mdb) format.	High
Geological Interpretation	There is a semi-detailed geological map to guide the modelling of the mineralization zones. The defined horizons are considered to be reasonably robust. Oxide/sulphide zones were based on indirect information and not drill hole logging.	Moderate
Density – Specific Gravity	The density data has adherent test results. There are no additional studies of spatial variability of density data	Moderate to High
Estimation and Modelling Techniques	Although the low robustness of the variograms, Ordinary Kriging (OK) method has been used to obtain estimates of Au, Pd and Pt	High

12.9.2 Density

The density applied in the block model was defined by the IDW (inverse distance weighting) estimate of values obtained by the experimental specific gravity test with litho types in drill core samples. Altogether, 2026 density determinations tests were carried out on all rotative drill holes. Sample data from drill hole database was estimated by IDW separately on each oxide zones (oxide, transition and sulphide).

12.9.3 Cut Off Grade Analysis

A cut-off grade of 0.3 g/t equivalent Au was applied based on a “reasonable expectation of eventual economical extraction”, to support a statement of the resource based on positive economic performance, using equivalent gold content prices and general costs based on similar gold projects in Brazil. Calculations for the cut-off grade are presented below. Table 12.9.3_1 presents the summary parameters applied on this calculation.

$$\text{Cut Off Grade} = \text{Costs/DGV}$$

$$\text{Costs} = \text{Processing Costs} + \text{Mining Costs} + \text{G\&A}$$

$$= 12.54 \text{ US\$/t}$$

$$\text{DGV} = \text{Deposit Grade Value} = \text{equivalent gold content price (applying mass recovery)}$$

$$= \text{Average gold price for last 5 years} / \text{oz. mass in grams}$$

$$= 1300 \text{ US\$/oz.} / 31.1035 = 41.8 \text{ US\$/g}$$

$$\text{Cut Off Grade} = 12.54 \text{ US\$/t} / 41.8 \text{ US\$/g}$$

$$= 0.30 \text{ g/t Au (equivalent gold grade)}$$

The above values are approximate and based on parameters for similar gold ore deposit mining projects currently in operation in Brazil. This Project, based on the available exploration drilling data, demonstrates the potential for the implementation of a mining operation.

Table 12.9.3_1 Cut Off Analysis Parameters		
Variable	Value	Unit
Gold Price	1300	US\$/oz.
Processing Costs	6.0	US\$/t
Mining Costs	5.04	US\$/t
G&A	1.5	US\$/t
Cut Off Grade	0.30	g/t

12.9.4 Resource Classification

Figure 12.9.4_5 to Figure 12.9.4_8 present pit surfaces and block model classified by mineral resource class.

Figure 12.9.4_5
Resource Classification – Block Model – Cedro

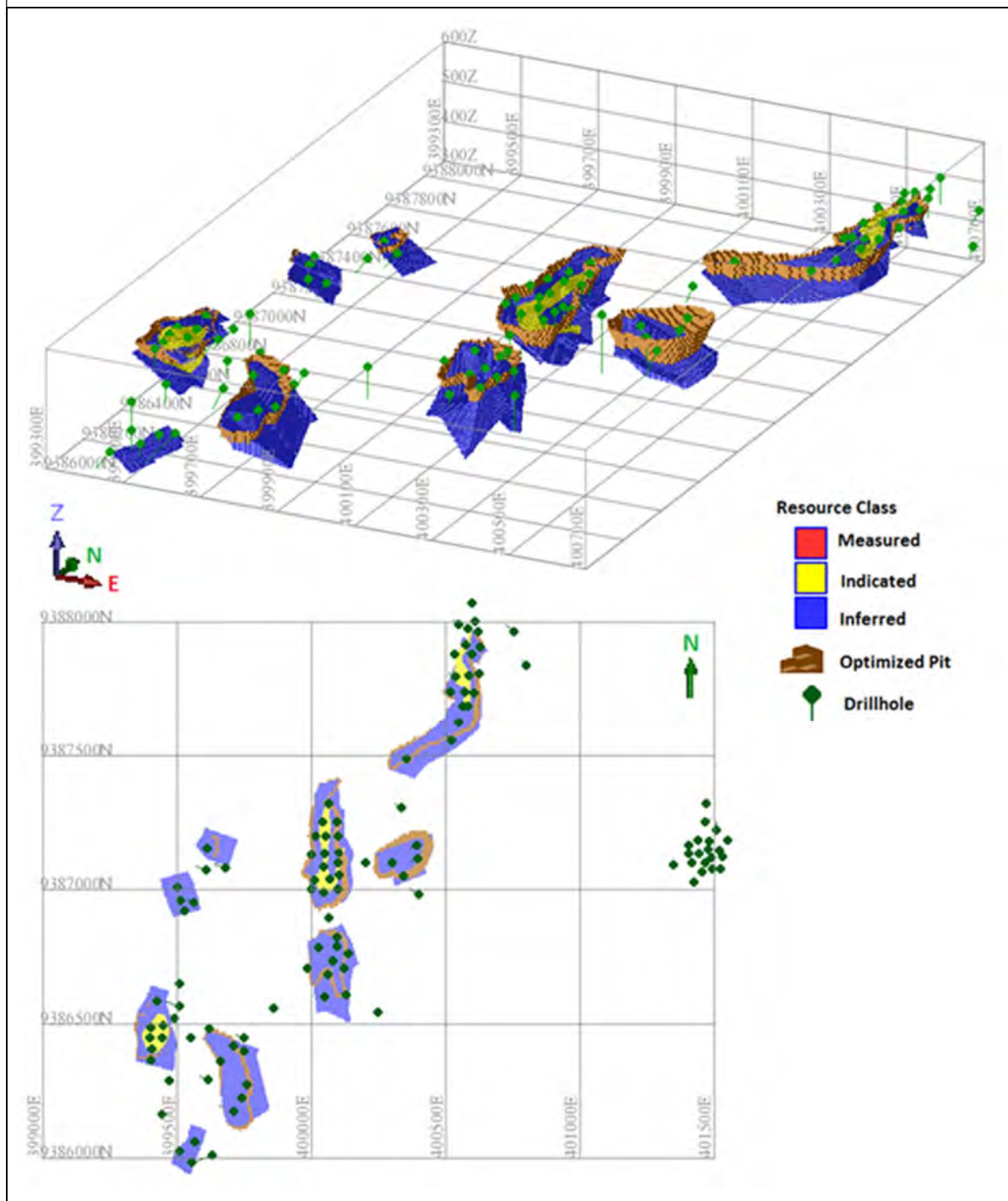


Figure 12.9.4_6
Resource Classification – Block Model – Curiu

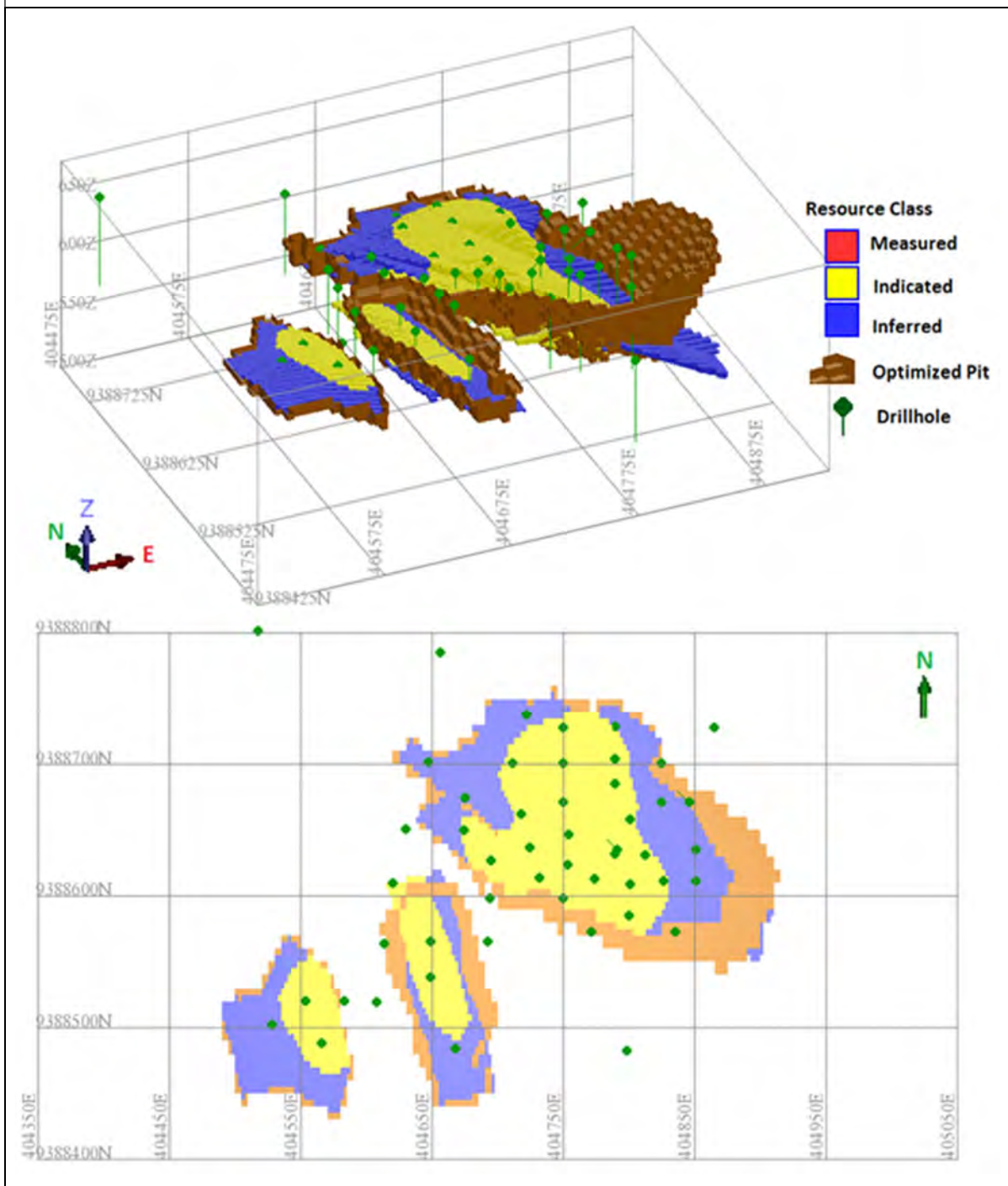


Figure 12.9.4_7
Resource Classification – Block Model – Esbarro

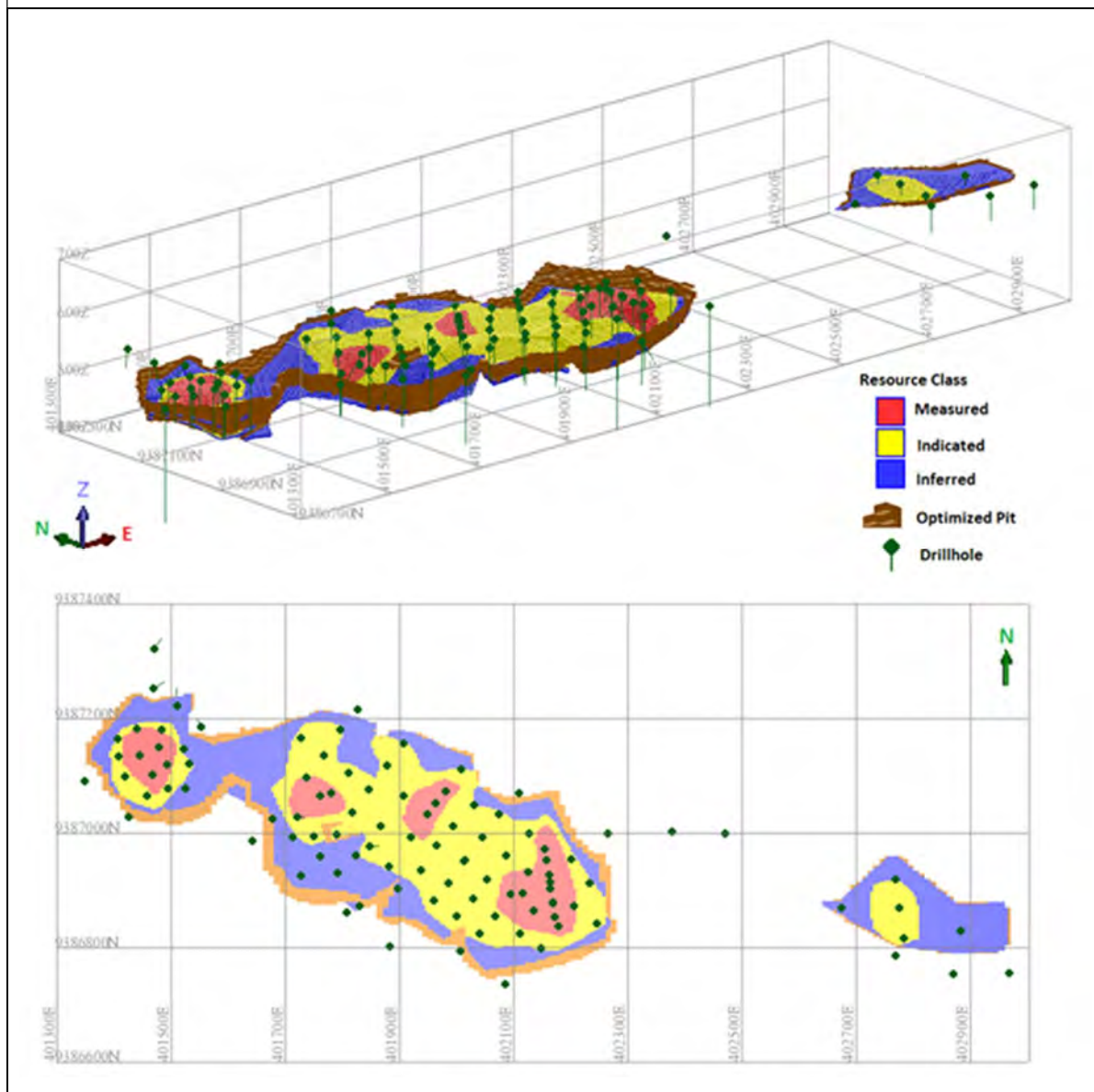
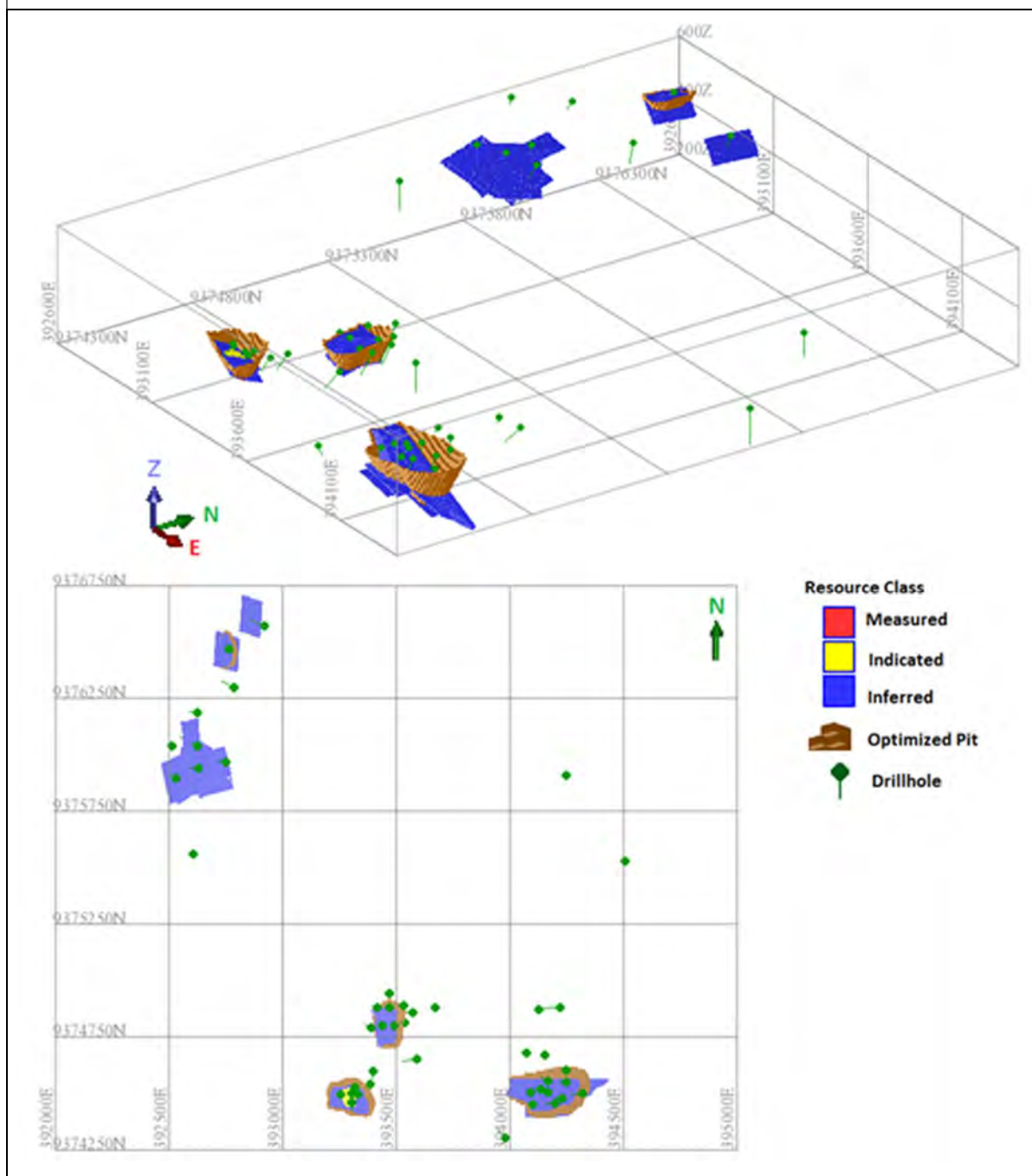


Figure 12.9.4_8

Resource Classification – Block Model – Trapia



12.9.5 Grade Tonnage Report

Table 12.9.5_1 to 12.9.5_5 present the mineral resources with lower cut-off 0.3g/t grade of equivalent gold applied.

The total aggregated Mineral Resource with lower cut-off 0.3g/t grade of equivalent gold applied is 23.1Mt at 1.28g/t PGM and 952.4Koz PGM.

Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.

Table 12.9.5_1 Pedra Branca Project Grade Tonnage Table – 30 Mar 2017 Pedra Branca Deposit – Cedro Target: Mineral Resource - Effective Date: 30th March 2017. Block Model: 20m X 10m X 2m (5m X 2.5m X 0.5m) Considered Equivalent Gold Cut-Off Grade: 0.30 g/t										
Zone	Classification	Tones (kt)	PGM (g/t)	Pd (g/t)	Pt (g/t)	Au (g/t)	PGM (koz)	Pd (koz)	Pt (koz)	Au (koz)
Oxide	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	485	1.268	0.812	0.431	0.024	19.8	12.7	6.7	0.4
	Inferred	1583	2.166	1.345	0.805	0.016	110.2	68.4	41.0	0.8
	Sub Total	2068	1.955	1.22	0.717	0.018	130.0	81.1	47.7	1.2
Transition	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	164	1.059	0.697	0.333	0.029	5.6	3.7	1.8	0.2
	Inferred	1129	1.052	0.671	0.367	0.014	38.2	24.4	13.3	0.5
	Sub Total	1293	1.053	0.675	0.362	0.016	43.8	28.1	15.1	0.7
Sulphide	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	682	0.722	0.434	0.259	0.029	15.8	9.5	5.7	0.6
	Inferred	1761	0.682	0.401	0.266	0.016	38.6	22.7	15.1	0.9
	Sub Total	2442	0.693	0.41	0.264	0.019	54.4	32.2	20.7	1.5
Grand Total		5803	1.223	0.758	0.447	0.018	228.2	141.4	83.4	3.4

* PGM Calculation: PD + Pt +Au

Table 12.9.5_2 Pedra Branca Project Grade Tonnage Table – 30 Mar 2017. Pedra Branca Deposit – Curiu Target: Mineral Resource - Effective Date: 30th March 2017. Block Model: 20m X 10m X 2m (5m X 2.5m X 0.5m) Considered Equivalent Gold Cut-Off Grade: 0.30 g/t										
Zone	Classification	Tones (kt)	PGM (g/t)	Pd (g/t)	Pt (g/t)	Au (g/t)	PGM (koz)	Pd (koz)	Pt (koz)	Au (koz)
Oxide	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	587	2.964	1.57	1.308	0.085	55.9	29.6	24.7	1.6
	Inferred	216	2.505	1.408	1.048	0.05	17.4	9.8	7.3	0.3
	Sub Total	803	2.841	1.527	1.238	0.076	73.3	39.4	31.9	2.0
Transition	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	239	1.603	0.725	0.802	0.075	12.3	5.6	6.2	0.6
	Inferred	39	2.223	1.19	0.951	0.082	2.8	1.5	1.2	0.1
	Sub Total	278	1.689	0.79	0.823	0.076	15.1	7.1	7.4	0.7
Sulphide	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	255	0.886	0.314	0.458	0.114	7.3	2.6	3.8	0.9
	Inferred	142	0.927	0.244	0.445	0.237	4.2	1.1	2.0	1.1
	Sub Total	397	0.9	0.289	0.453	0.158	11.5	3.7	5.8	2.0
Grand Total		1478	2.103	1.056	0.949	0.098	99.9	50.2	45.1	4.7

* PGM Calculation: PD + Pt +Au

Table 12.9.5_3 Pedra Branca Project Grade Tonnage Table – 30 Mar 2017. Pedra Branca Deposit - Esbarro Target: Mineral Resource - Effective Date: 30th March 2017. Block Model: 5m X 10m X 1m (2.5m X 5m X 0.5m) Considered Equivalent Gold Cut-Off Grade: 0.30 g/t										
Zone	Classification	Tones (kt)	PGM (g/t)	Pd (g/t)	Pt (g/t)	Au (g/t)	PGM (koz)	Pd (koz)	Pt (koz)	Au (koz)
Oxide	Measured	1339	1.23	0.802	0.398	0.03	52.9	34.5	17.1	1.3
	Indicated	2764	1.306	0.817	0.457	0.033	116.1	72.6	40.6	2.9
	Inferred	1012	1.155	0.647	0.49	0.018	37.6	21.0	15.9	0.6
	Sub Total	5115	1.256	0.779	0.448	0.029	206.5	128.1	73.7	4.8
Transition	Measured	698	1.255	0.831	0.404	0.02	28.2	18.6	9.1	0.4
	Indicated	1133	1.28	0.876	0.379	0.025	46.6	31.9	13.8	0.9
	Inferred	499	1.287	0.891	0.37	0.026	20.7	14.3	5.9	0.4
	Sub Total	2330	1.274	0.866	0.385	0.024	95.4	64.9	28.8	1.8
Sulphide	Measured	949	1.481	0.973	0.487	0.022	45.2	29.7	14.9	0.7
	Indicated	1322	1.112	0.727	0.363	0.023	47.3	30.9	15.4	1.0
	Inferred	895	0.837	0.507	0.271	0.059	24.1	14.6	7.8	1.7
	Sub Total	3166	1.145	0.739	0.374	0.033	116.5	75.2	38.1	3.4
Grand Total		10610	1.227	0.786	0.412	0.029	418.6	268.1	140.5	9.9

* PGM Calculation: PD + Pt +Au

Table 12.9.5_4 Pedra Branca Project Grade Tonnage Table – 30 Mar 2017. Pedra Branca Deposit – Trapia Target: Mineral Resource - Effective Date: 30th March 2017. Block Model: 20m X 10m X 2m (5m X 2.5m X 0.5m) Considered Equivalent Gold Cut-Off Grade: 0.30 g/t										
Zone	Classification	Tones (kt)	PGM (g/t)	Pd (g/t)	Pt (g/t)	Au (g/t)	PGM (koz)	Pd (koz)	Pt (koz)	Au (koz)
Oxide	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	0	0	0	0	0	0.0	0.0	0.0	0.0
	Inferred	826	2.232	1.251	0.961	0.02	59.3	33.2	25.5	0.5
	Sub Total	826	2.232	1.251	0.961	0.02	59.3	33.2	25.5	0.5
Transition	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	0	0	0	0	0	0.0	0.0	0.0	0.0
	Inferred	515	0.919	0.538	0.338	0.043	15.2	8.9	5.6	0.7
	Sub Total	515	0.919	0.538	0.338	0.043	15.2	8.9	5.6	0.7
Sulphide	Measured	0	0	0	0	0	0.0	0.0	0.0	0.0
	Indicated	327	1.256	0.42	0.763	0.072	13.2	4.4	8.0	0.8
	Inferred	3579	1.026	0.506	0.426	0.095	118.1	58.2	49.0	10.9
	Sub Total	3906	1.045	0.499	0.454	0.093	131.2	62.7	57.0	11.7
Grand Total		5247	1.22	0.621	0.523	0.076	205.8	104.7	88.2	12.8

* PGM Calculation: PD + Pt +Au

<p align="center">Table 12.9.5_5 Pedra Branca Project Grade Tonnage Table – 30 Mar 2017. Pedra Branca Deposit: Total Aggregated Mineral Resource - Effective Date: 30th March 2017. Block Model: 20m X 10m X 2m (5m X 2.5m X 0.5m) Considered Equivalent Gold Cut-Off Grade: 0.30 g/t</p>										
Zone	Classification	Tones (kt)	PGM (g/t)	Pd (g/t)	Pt (g/t)	Au (g/t)	PGM (koz)	Pd (koz)	Pt (koz)	Au (koz)
Oxide	Measured	1339	1.230	0.802	0.398	0.030	52.9	34.5	17.1	1.3
	Indicated	3836	1.555	0.932	0.584	0.040	191.8	114.9	72.0	4.9
	Inferred	3636	1.920	1.133	0.767	0.019	224.4	132.5	89.7	2.3
	Sub Total	8811	1.656	0.995	0.631	0.030	469.1	281.8	178.8	8.5
Transition	Measured	698	1.255	0.831	0.404	0.020	28.2	18.6	9.1	0.4
	Indicated	1536	1.307	0.833	0.440	0.033	64.5	41.2	21.7	1.6
	Inferred	2182	1.095	0.699	0.371	0.025	76.8	49.0	26.0	1.7
	Sub Total	4416	1.194	0.767	0.400	0.027	169.5	108.9	56.8	3.9
Sulphide	Measured	949	1.481	0.973	0.487	0.022	45.2	29.7	14.9	0.7
	Indicated	2586	1.005	0.570	0.396	0.040	83.6	47.4	32.9	3.3
	Inferred	6376	0.902	0.471	0.360	0.071	185.0	96.6	73.9	14.6
	Sub Total	9911	0.984	0.545	0.382	0.058	313.7	173.8	121.6	18.5
Grand Total		23138	1.280	0.759	0.480	0.041	952.4	564.5	357.2	30.7

* PGM Calculation: PD + Pt +Au

13 CONCLUSIONS AND RECOMMENDATIONS

13.1 Conclusions

In preparing this Report, GE21 reviewed geological reports and maps, miscellaneous technical papers, company letters and memoranda, and public and private information as listed at the end of this Report. We have made the following conclusions from our work and the preparation of this report:

- The Troia Unit at the Pedra Branca project shows significant and continuous Platinum Group Metal mineralization.
- The geological genetic model and mineralization style is well defined and understood.
- The Project has sufficient quality geological data to model and estimate mineral resources compliant with the JORC code of 2012. This includes data relating to drilling quality, quantity and spacing, data capturing and sampling methods, quality control, and density data. These have been reviewed and found to be in good standing.
- The Pedra Branca Project contains a JORC (2012) compliant resource of 23.138 million tonnes at 1.28 g/t containing 952,400 ounces of platinum + palladium + gold, classified in Measured, Indicated and Inferred Resources.
- There is a reasonable expectation of eventual economic extraction. GE21 has considered current and similar project operating costs in Brazil and expected

Process metallurgy recoveries from test results conducted on the Pedra Branca ore.

- In the context of all information reviewed and observations during the site visit, no environmental issues have been identified at the Project.
- We conclude that there are no material resource issues preventing the Company from advancing the Project toward the intended goal of economic extraction.

<p align="center">Table 13_1 Pedra Branca Project Grade Tonnage Table – 30th Mar 2017. Pedra Branca Deposit: Total Aggregated Mineral Resource - Effective Date: 30th March 2017. Block Model: 20m X 10m X 2m (5m X 2.5m X 0.5m) Considered Equivalent Gold Cut-Off Grade: 0.30 g/t</p>										
Zone	Classification	Tones (kt)	PGM (g/t)	Pd (g/t)	Pt (g/t)	Au (g/t)	PGM (koz)	Pd (koz)	Pt (koz)	Au (koz)
Oxide	Measured	1339	1.230	0.802	0.398	0.030	52.9	34.5	17.1	1.3
	Indicated	3836	1.555	0.932	0.584	0.040	191.8	114.9	72.0	4.9
	Inferred	3636	1.920	1.133	0.767	0.019	224.4	132.5	89.7	2.3
	Sub Total	8811	1.656	0.995	0.631	0.030	469.1	281.8	178.8	8.5
Transition	Measured	698	1.255	0.831	0.404	0.020	28.2	18.6	9.1	0.4
	Indicated	1536	1.307	0.833	0.440	0.033	64.5	41.2	21.7	1.6
	Inferred	2182	1.095	0.699	0.371	0.025	76.8	49.0	26.0	1.7
	Sub Total	4416	1.194	0.767	0.400	0.027	169.5	108.9	56.8	3.9
Sulphide	Measured	949	1.481	0.973	0.487	0.022	45.2	29.7	14.9	0.7
	Indicated	2586	1.005	0.570	0.396	0.040	83.6	47.4	32.9	3.3
	Inferred	6376	0.902	0.471	0.360	0.071	185.0	96.6	73.9	14.6
	Sub Total	9911	0.984	0.545	0.382	0.058	313.7	173.8	121.6	18.5
Grand Total		23138	1.280	0.759	0.480	0.041	952.4	564.5	357.2	30.7

* PGM Calculation: Pd + Pt +Au

13.2 Recommendations

Based on the current project results, GE21 recommends:

- Database samples validation by Jangada with check-assay: analyse 5% of the pulp and rejects from the lab at another certificated laboratory;
- In the future drilling and exploration programs Jangada maintain the procedures and methodology, including QAQC definitions, used by Anglo American;
- Carry out a field campaign to test other anomalies defined by previous exploration programmes;
- For Pedra Branca to progress towards its goal of near-term production, the following path is recommended in terms of required work:
 - Pedra Branca will require additional exploration drilling to upgrade its current mining targets. This will entail increasing the current drill spacing to allow sufficient confidence in the ore bodies to be built up, and so transferring much of the Inferred resources into Measured and Indicated.

Furthermore, before pilot mining can commence, such a drilling program should also allow for the conversion of resources to reserves;

- Pre-production firming up of expected process recoveries will be essential to any further study work at Pedra Branca.
- Once an exploration program has been completed, Pedra Branca will be sufficiently advanced in the quantity and quality of data. The Project will require a detailed scoping study as the next logical step on the path to production. Such a document would also be necessary for any mining and environmental authorizations still required from the government;

To complete the above exploration programme GE21 suggests a budget of up to USD650,000 divided by:

- Infill drilling - Having considered the amount of work already completed on the target bodies, we recommend an additional USD470,000 to complete such an exploration program;
- Process: It is recommended that a provision of USD60,000 be made for test work;
- Pedra Branca's project scale will require the provision of USD70,000 for the completion of the scoping study;
- Legal costs for the final permitting are expected to be in the order of USD50,000.

Additional to that, GE21 recommends that Jangada makes provision of a total of up to USD650,000 to secure pilot production at one of its current deposits that are held under "sobrestamento" mining license.

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Appendix A

Certificate of Competent Person

Certificate of Competent Person – Bernardo H C Viana

As the primary author of the report entitled “Independent Technical Report, Pedra Branca Project, Brazil” dated March 30th 2017 of Pedra Branca (the “Project”), I hereby state:

1. My name is Bernardo Horta de Cerqueira Viana and I have been employed since 2002 as a Consulting Geologist and Partner with the firm of GE21 Consultoria Mineral Ltda, of Av Afonso Pena, 3924, Conjunto 207, Mangabeiras- CEP 30.130-009. My residential address is number 98, Iracy Manata Street, Apartment 903, Buritis, Belo Horizonte, MG - Brazil.
2. I am a practicing Geologist with 16 years of Mining Industry experience. I am a member of the Australian Institute of Geoscientists (“AIG”).
3. I am a professional geologist with more than 16 years of relevant experience in iron ore exploration and mining, involving numerous iron ore properties in South America.
4. I am a graduate of Federal University of Minas Gerais, Belo Horizonte, Brazil and hold a Bachelor of Science Degree in Geology (2001) and Master Business Administration in Project Management (2009).
5. I have practiced my profession continuously since 2001.
6. I am a “competent person” as that term is defined in JORC Code (the “Instrument”).
7. I have visited the Pedra Branca Project.
8. I prepared and am responsible for all sections of this report.
9. I have not had any prior involvement with the Pedra Branca property or project.
10. I am independent of Jangada Mines Plc
11. I do not have nor do I expect to receive a direct or indirect interest in the Pedra Branca Project of Jangada, and I do not beneficially own, directly or indirectly, any securities of Pedra Branca Iron Mineração Ltda. or any associate or affiliate of such company.
12. As of the date hereof, to the best of my knowledge, information and belief, the study contains all scientific and technical information that is required to be disclosed to make the study not misleading.

Belo Horizonte, Brazil, February 20th, 2017.



Bernardo H. C. Viana
MAIG #3709

This is a scanned signature held on file by Company. The person and signatory consents to its use only for the purpose of this document.

Bernardo Horta de Cerqueira Viana
BSc. (Geologist, MBA), MAIG #3709.



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Annual Membership Certificate 2016/2017

The Council of the Australian Institute of Geoscientists hereby certifies that

Mr Bernardo Horta De Cerqueira Viana MAIG

(# 3709)

is a current, financial member of the Institute, as stipulated in the Articles of Association,
has agreed to be bound by the Institute's Code of Ethics, and holds the membership level of
Member.

Mike Erceg
President

Anne Tomlinson
Councillor for Membership

Current to 30th June 2017

Joining date: 13th February 2008

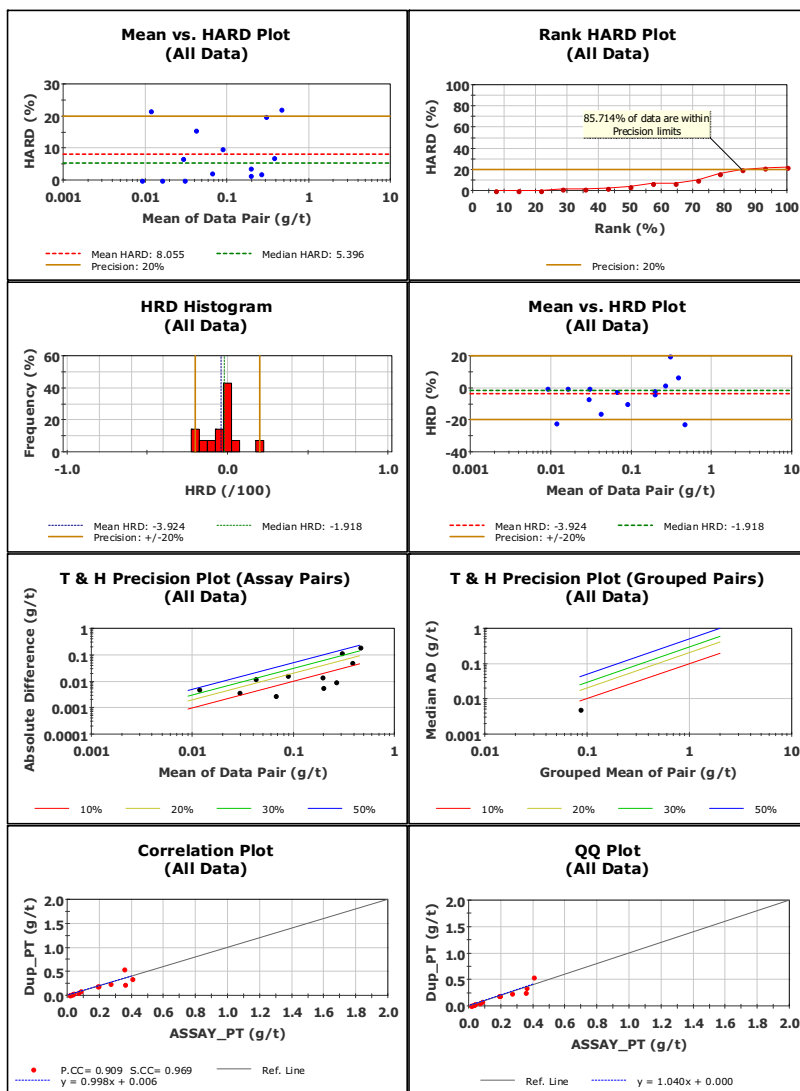
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Appendix B

QAQC

Pt Duplicates (All Data)

	ASSAY_PT	Dup_PT	Units		Result
No. Pairs:	14	14		Pearson CC:	0.909
Minimum:	0.009	0.009	g/t	Spearman CC:	0.969
Maximum:	0.401	0.555	g/t	Mean HARD:	8.055
Mean:	0.144	0.150	g/t	Median HARD:	5.396
Median:	0.072	0.082	g/t	Mean HRD:	-3.924
Std. Deviation:	0.140	0.154	g/t	Median HRD:	-1.918
Coefficient of Variation:	0.972	1.024			



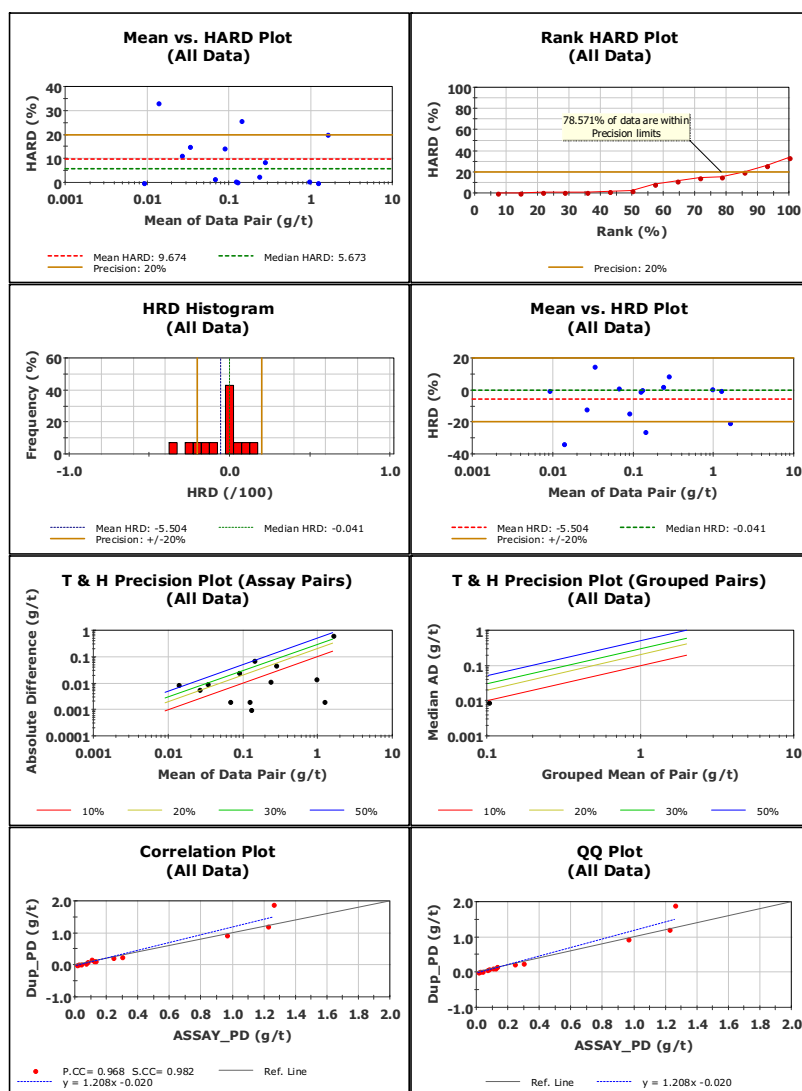
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Page 1

Pd Duplicates (All Data)

	ASSAY_PD	Dup_PD	Units		Result
No. Pairs:	14	14		Pearson CC:	0.968
Minimum:	0.009	0.009	g/t	Spearman CC:	0.982
Maximum:	1.260	1.898	g/t	Mean HARD:	9.674
Mean:	0.325	0.373	g/t	Median HARD:	5.673
Median:	0.112	0.124	g/t	Mean HRD:	-5.504
Std. Deviation:	0.441	0.551	g/t	Median HRD:	-0.041
Coefficient of Variation:	1.357	1.477			



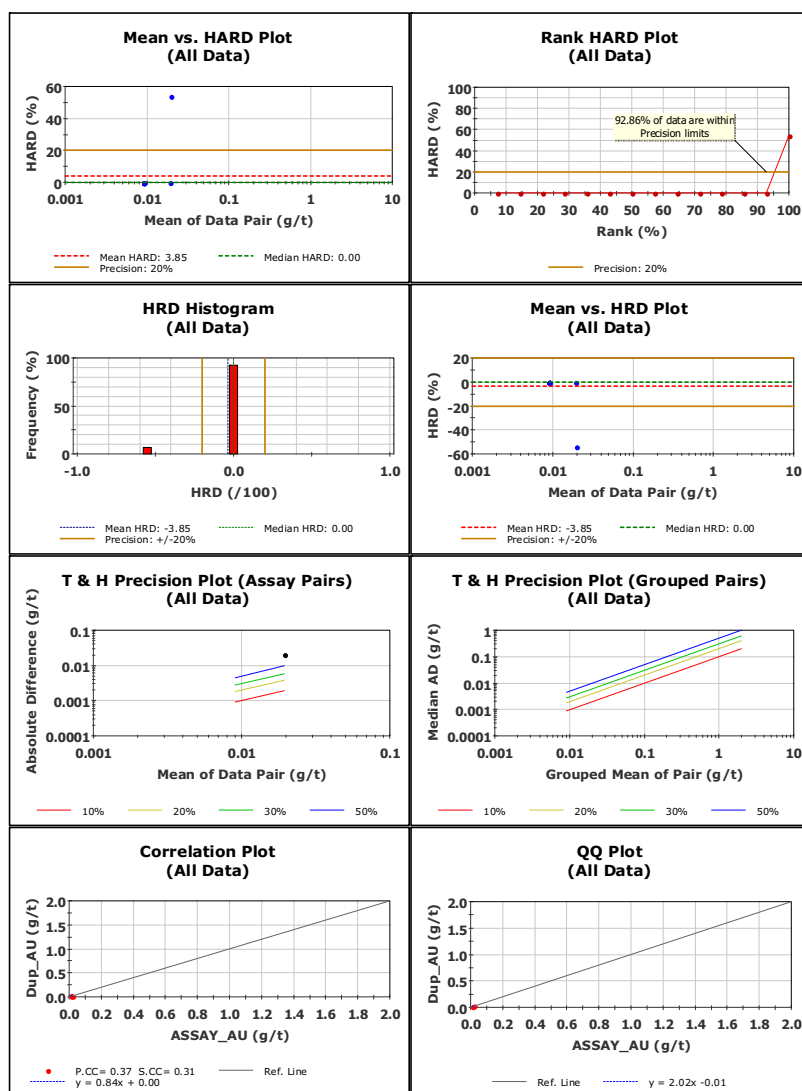
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Page 1

Au Duplicates (All Data)

	ASSAY_AU	Dup_AU	Units		Result
No. Pairs:	14	14		Pearson CC:	0.37
Minimum:	0.01	0.01	g/t	Spearman CC:	0.31
Maximum:	0.02	0.03	g/t	Mean HARD:	3.85
Mean:	0.01	0.01	g/t	Median HARD:	0.00
Median:	0.01	0.01	g/t	Mean HRD:	-3.85
Std. Deviation:	0.00	0.01	g/t	Median HRD:	0.00
Coefficient of Variation:	0.27	0.52			



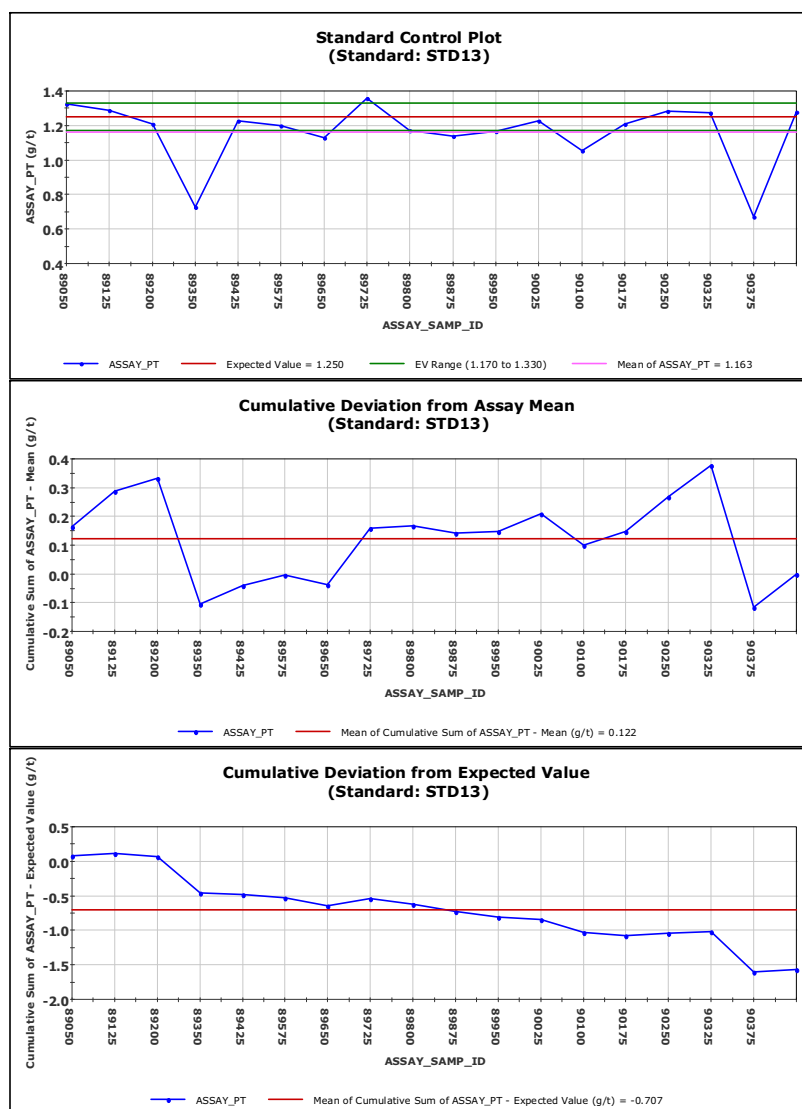
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Pt Standards (Standard: STD13)

Standard:	STD13	No of Analyses:	18
Element:	ASSAY_PT	Minimum:	0.671
Units:	g/t	Maximum:	1.358
Detection Limit:	-	Mean:	1.163
Expected Value (EV):	1.250	Std Deviation:	0.179
E.V. Range:	1.170 to 1.330	% in Tolerance	61.111 %
		% Bias	-6.987 %
		% RSD	15.433 %



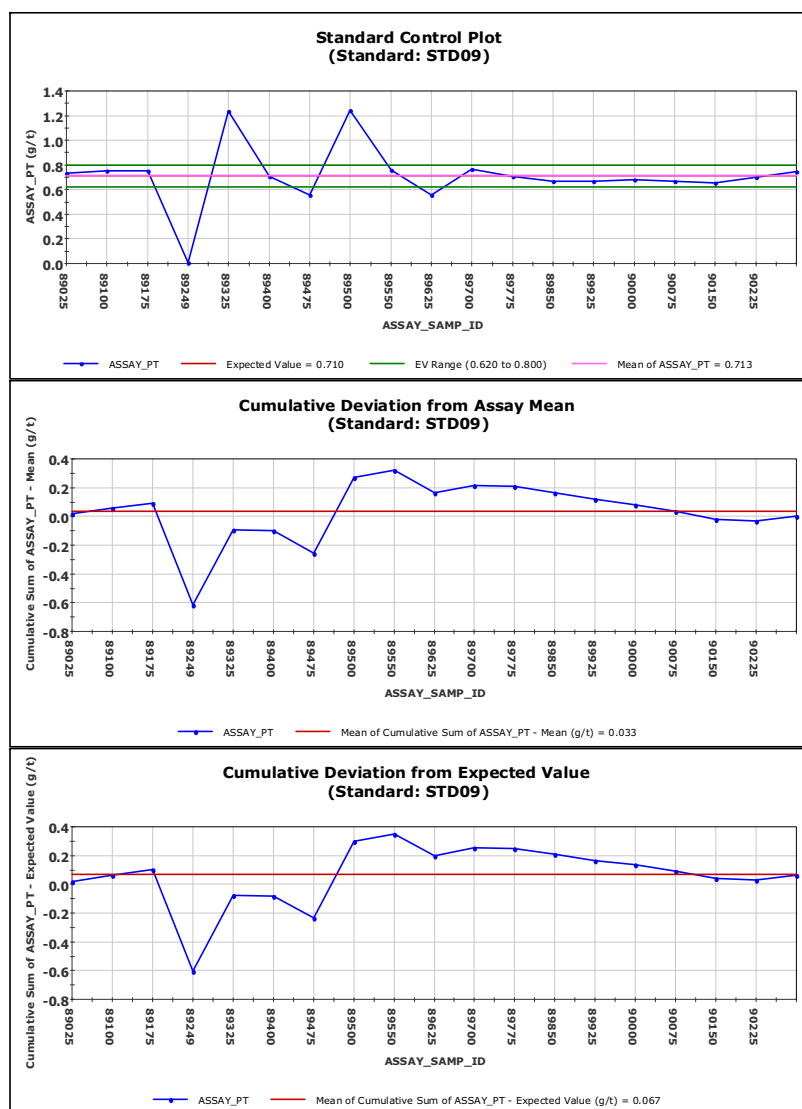
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Pt Standards (Standard: STD09)

Standard:	STD09	No of Analyses:	19
Element:	ASSAY_PT	Minimum:	0.005
Units:	g/t	Maximum:	1.241
Detection Limit:	-	Mean:	0.713
Expected Value (EV):	0.710	Std Deviation:	0.243
E.V. Range:	0.620 to 0.800	% in Tolerance	73.684 %
		% Bias	0.482 %
		% RSD	34.062 %



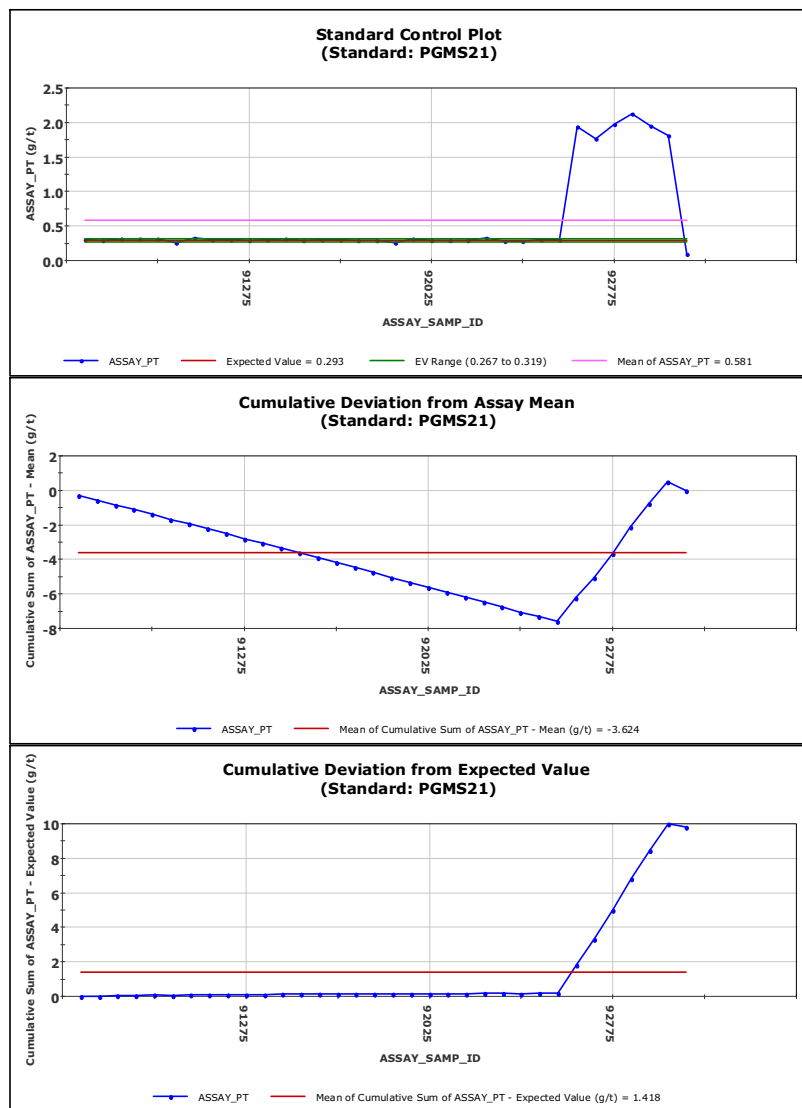
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Pt Standards (Standard: PGMS21)

Standard:	PGMS21	No of Analyses:	34
Element:	ASSAY_PT	Minimum:	0.099
Units:	g/t	Maximum:	2.132
Detection Limit:	-	Mean:	0.581
Expected Value (EV):	0.293	Std Deviation:	0.626
E.V. Range:	0.267 to 0.319	% in Tolerance	67.647 %
		% Bias	98.324 %
		% RSD	107.761 %



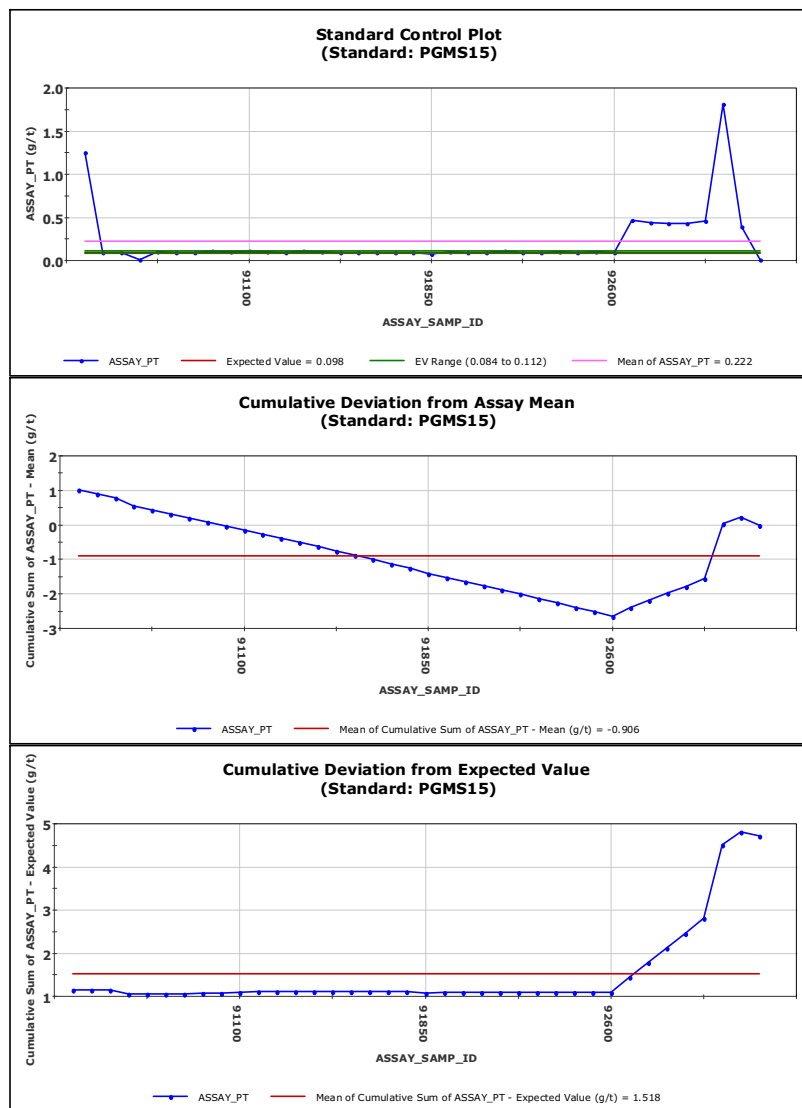
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Pt Standards (Standard: PGMS15)

Standard:	PGMS15	No of Analyses:	38
Element:	ASSAY_PT	Minimum:	0.005
Units:	g/t	Maximum:	1.810
Detection Limit:	-	Mean:	0.222
Expected Value (EV):	0.098	Std Deviation:	0.339
E.V. Range:	0.084 to 0.112	% in Tolerance	63.158 %
		% Bias	126.826 %
		% RSD	152.633 %



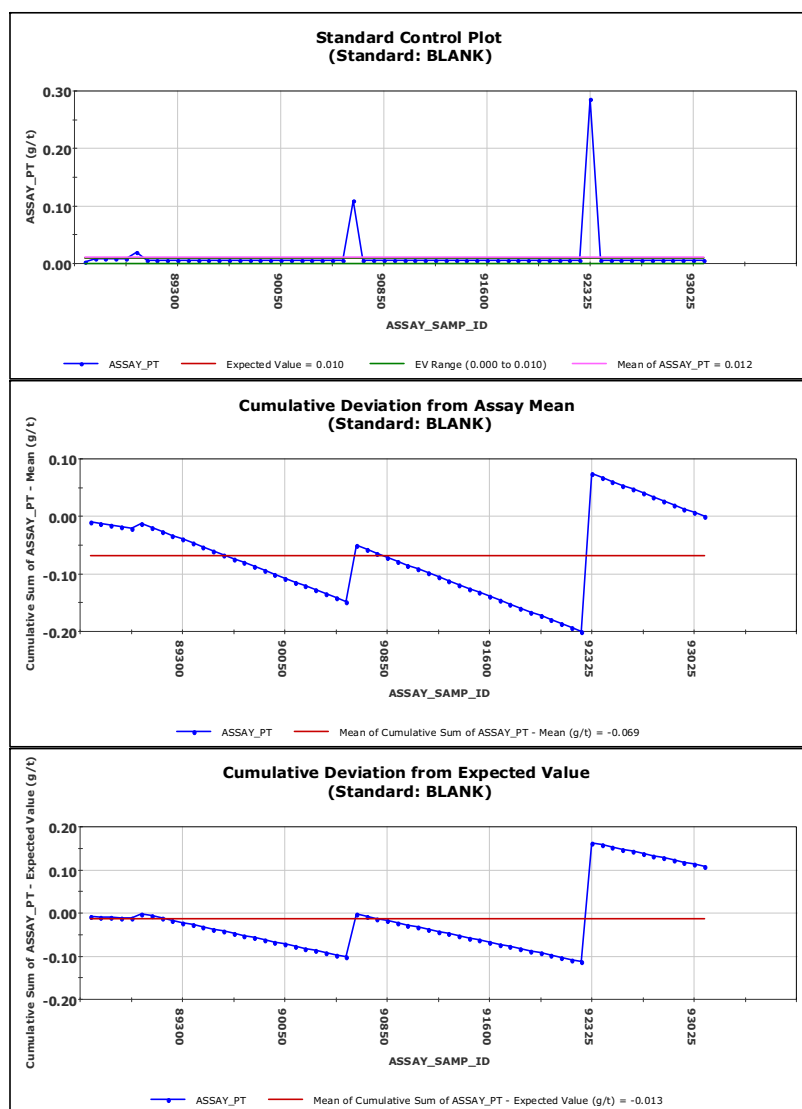
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Pt Standards (Standard: BLANK)

Standard:	BLANK	No of Analyses:	61
Element:	ASSAY_PT	Minimum:	0.003
Units:	g/t	Maximum:	0.286
Detection Limit:	-	Mean:	0.012
Expected Value (EV):	0.010	Std Deviation:	0.038
E.V. Range:	0.000 to 0.010	% in Tolerance	95.082 %
		% Bias	17.787 %
		% RSD	321.121 %



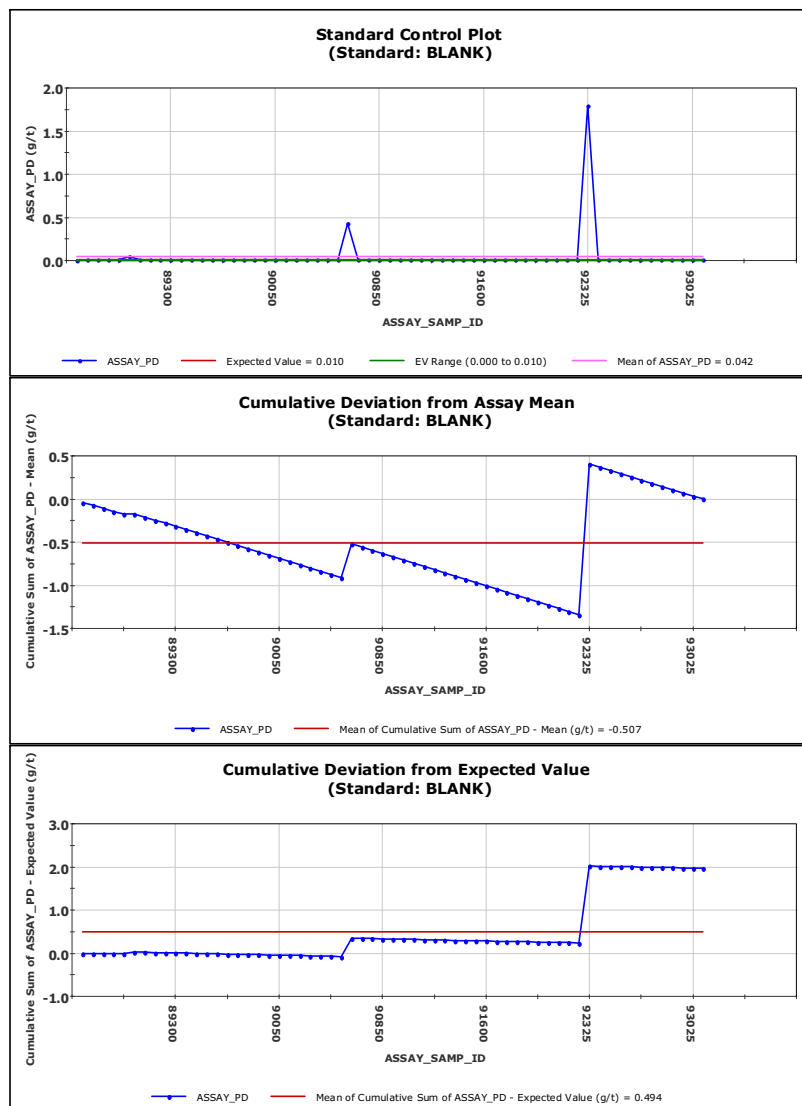
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Pd Standards (Standard: BLANK)

Standard:	BLANK	No of Analyses:	61
Element:	ASSAY_PD	Minimum:	0.001
Units:	g/t	Maximum:	1.795
Detection Limit:	-	Mean:	0.042
Expected Value (EV):	0.010	Std Deviation:	0.233
E.V. Range:	0.000 to 0.010	% in Tolerance	95.082 %
		% Bias	322.623 %
		% RSD	550.726 %



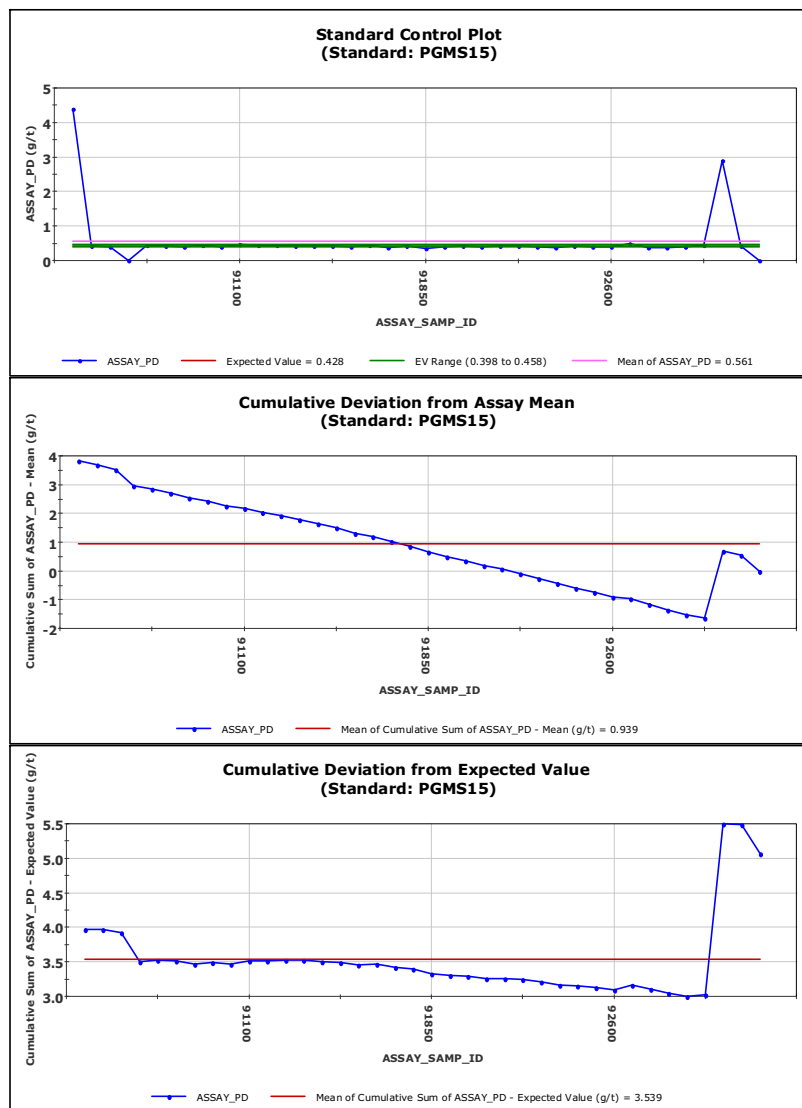
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Page 1

Pd Standards (Standard: PGMS15)

Standard:	PGMS15	No of Analyses:	38
Element:	ASSAY_PD	Minimum:	0.005
Units:	g/t	Maximum:	4.393
Detection Limit:	-	Mean:	0.561
Expected Value (EV):	0.428	Std Deviation:	0.753
E.V. Range:	0.398 to 0.458	% in Tolerance	55.263 %
		% Bias	31.142 %
		% RSD	134.188 %



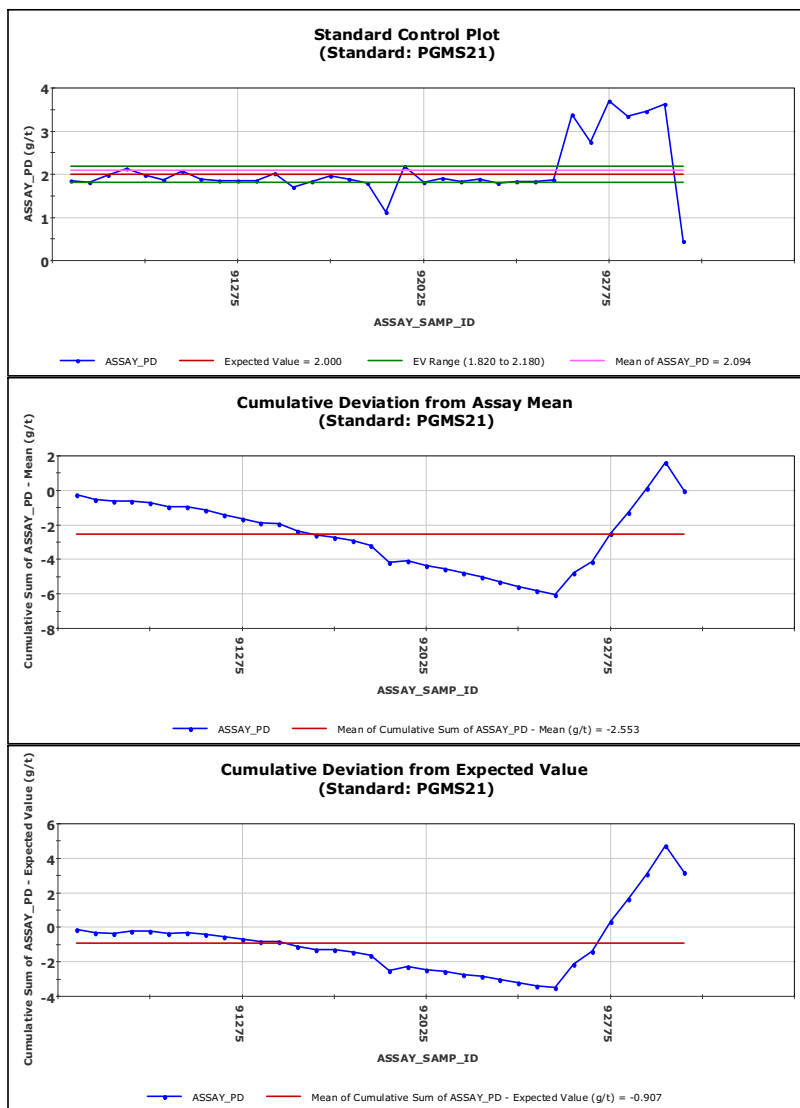
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Pd Standards (Standard: PGMS21)

Standard:	PGMS21	No of Analyses:	34
Element:	ASSAY_PD	Minimum:	0.455
Units:	g/t	Maximum:	3.705
Detection Limit:	-	Mean:	2.094
Expected Value (EV):	2.000	Std Deviation:	0.672
E.V. Range:	1.820 to 2.180	% in Tolerance	58.824 %
		% Bias	4.704 %
		% RSD	32.073 %



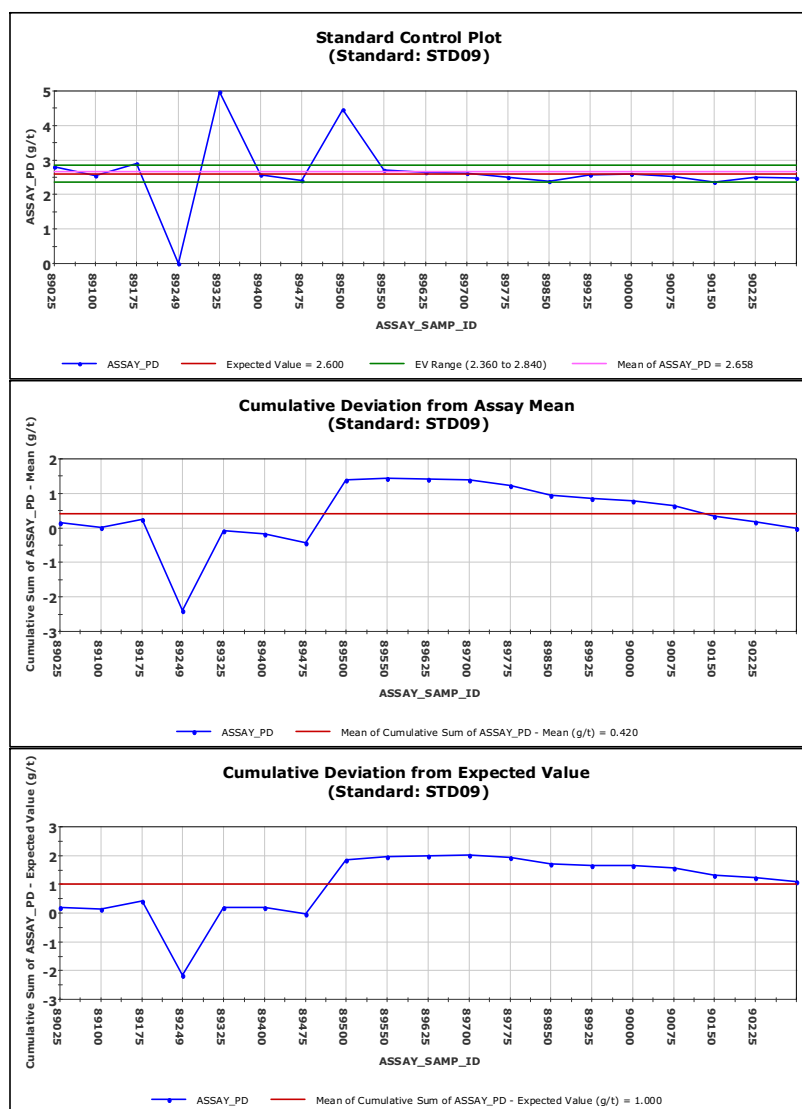
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Pd Standards (Standard: STD09)

Standard:	STD09	No of Analyses:	19
Element:	ASSAY_PD	Minimum:	0.005
Units:	g/t	Maximum:	4.974
Detection Limit:	-	Mean:	2.658
Expected Value (EV):	2.600	Std Deviation:	0.921
E.V. Range:	2.360 to 2.840	% in Tolerance	78.947 %
		% Bias	2.229 %
		% RSD	34.666 %



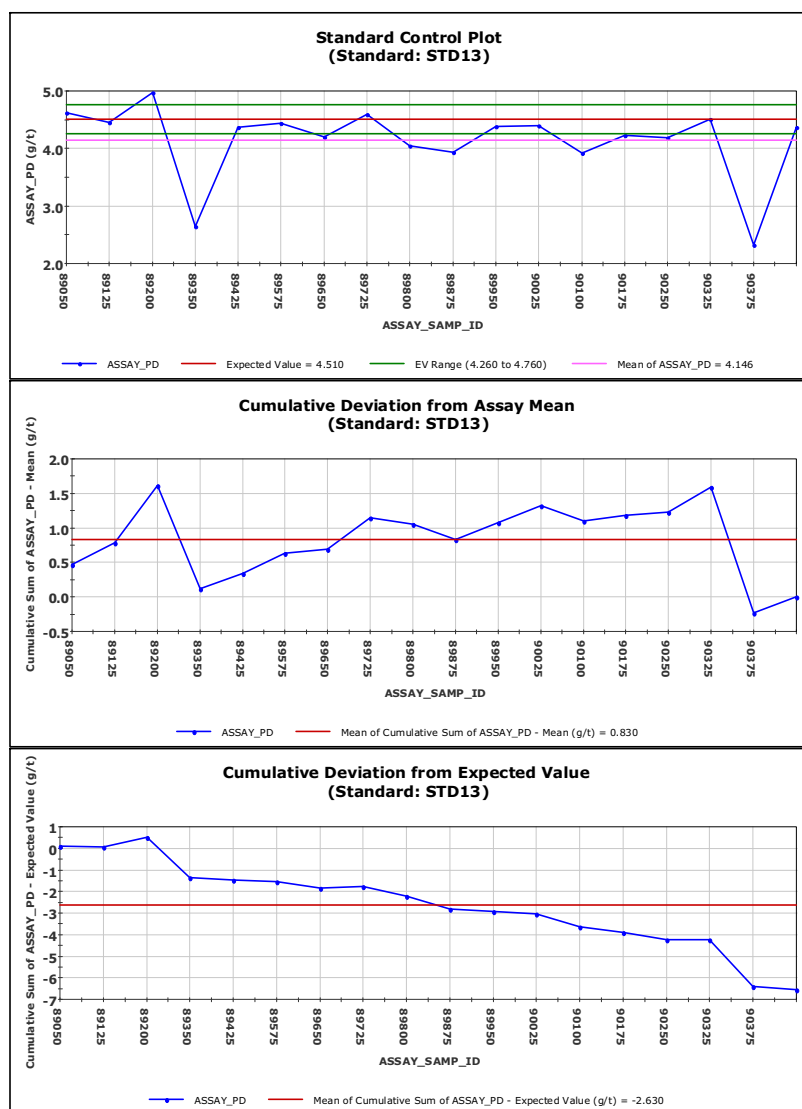
Printed: 13-abr-2017 12:08:06

Data Imported: 13-abr-2017 11:43:11

Page 1

Pd Standards (Standard: STD13)

Standard:	STD13	No of Analyses:	18
Element:	ASSAY_PD	Minimum:	2.328
Units:	g/t	Maximum:	4.978
Detection Limit:	-	Mean:	4.146
Expected Value (EV):	4.510	Std Deviation:	0.638
E.V. Range:	4.260 to 4.760	% in Tolerance	50.000 %
		% Bias	-8.077 %
		% RSD	15.382 %



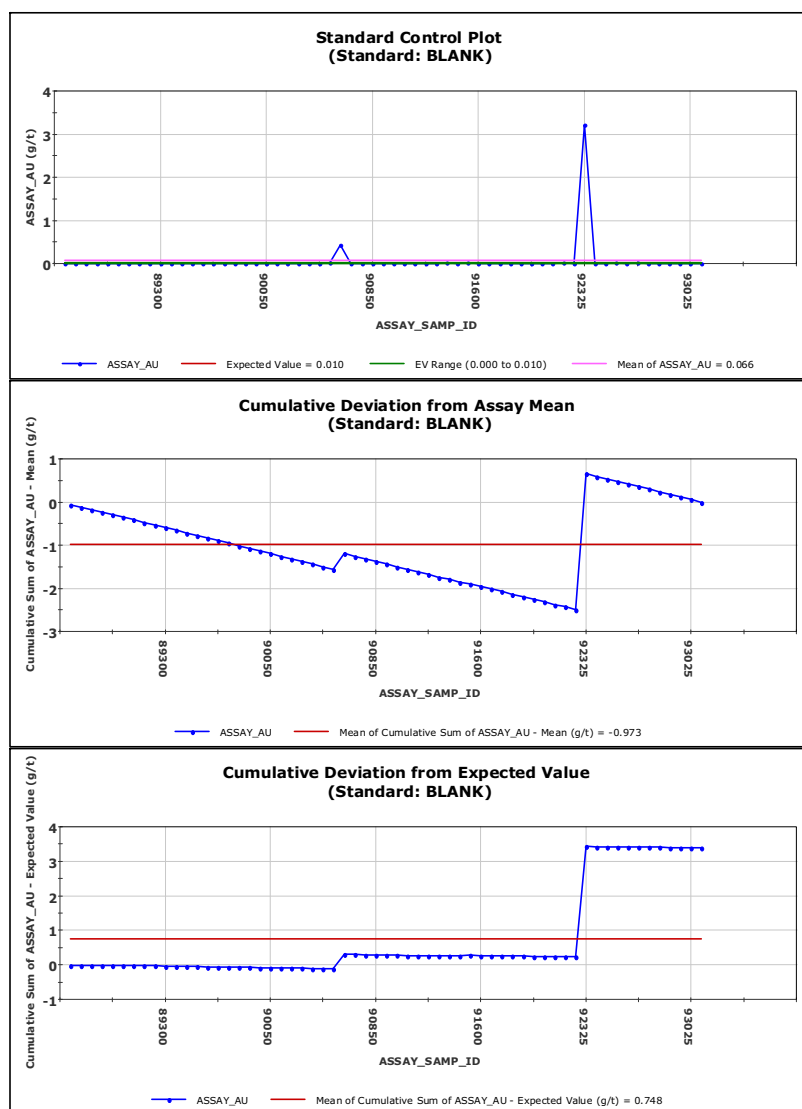
Printed: 13-abr-2017 12:08:22

Data Imported: 13-abr-2017 11:43:11

Page 1

Au Standards (Standard: BLANK)

Standard:	BLANK	No of Analyses:	61
Element:	ASSAY_Au	Minimum:	0.001
Units:	g/t	Maximum:	3.210
Detection Limit:	-	Mean:	0.066
Expected Value (EV):	0.010	Std Deviation:	0.409
E.V. Range:	0.000 to 0.010	% in Tolerance	86.885 %
		% Bias	555.246 %
		% RSD	624.752 %



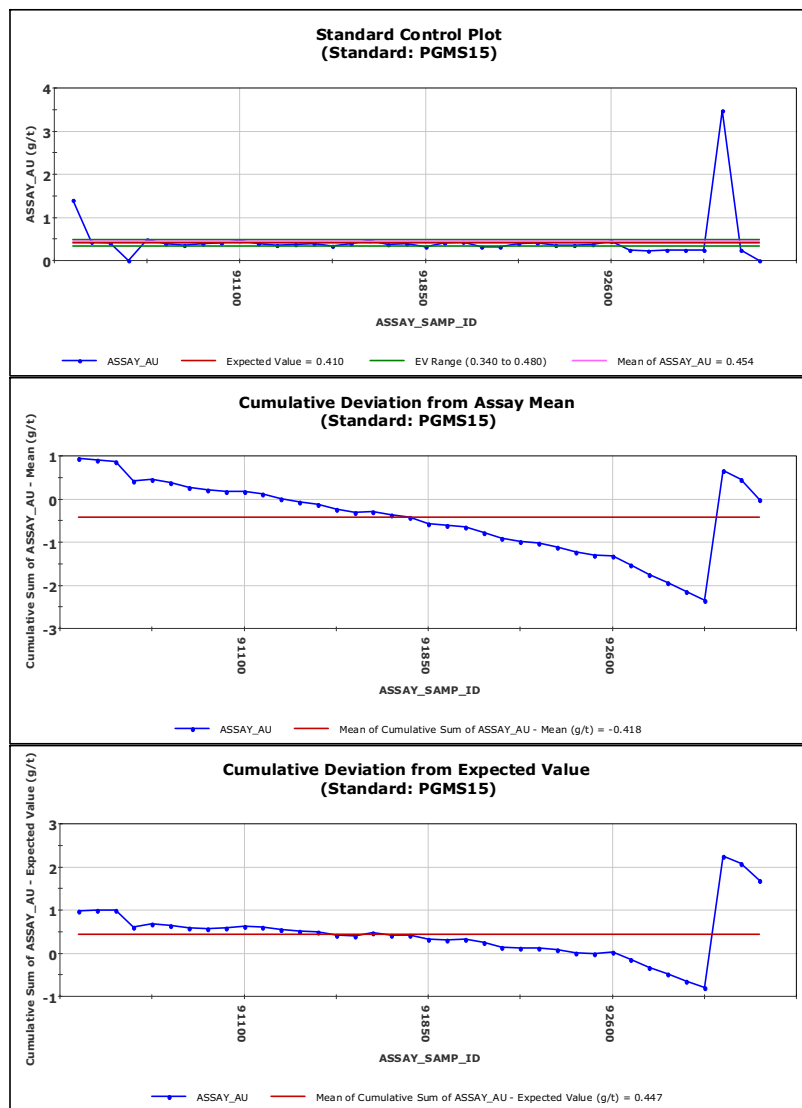
Printed: 13-abr-2017 12:12:40

Data Imported: 13-abr-2017 11:43:11

Page 1

Au Standards (Standard: PGMS15)

Standard:	PGMS15	No of Analyses:	38
Element:	ASSAY_Au	Minimum:	0.005
Units:	g/t	Maximum:	3.470
Detection Limit:	-	Mean:	0.454
Expected Value (EV):	0.410	Std Deviation:	0.534
E.V. Range:	0.340 to 0.480	% in Tolerance	63.158 %
		% Bias	10.815 %
		% RSD	117.460 %



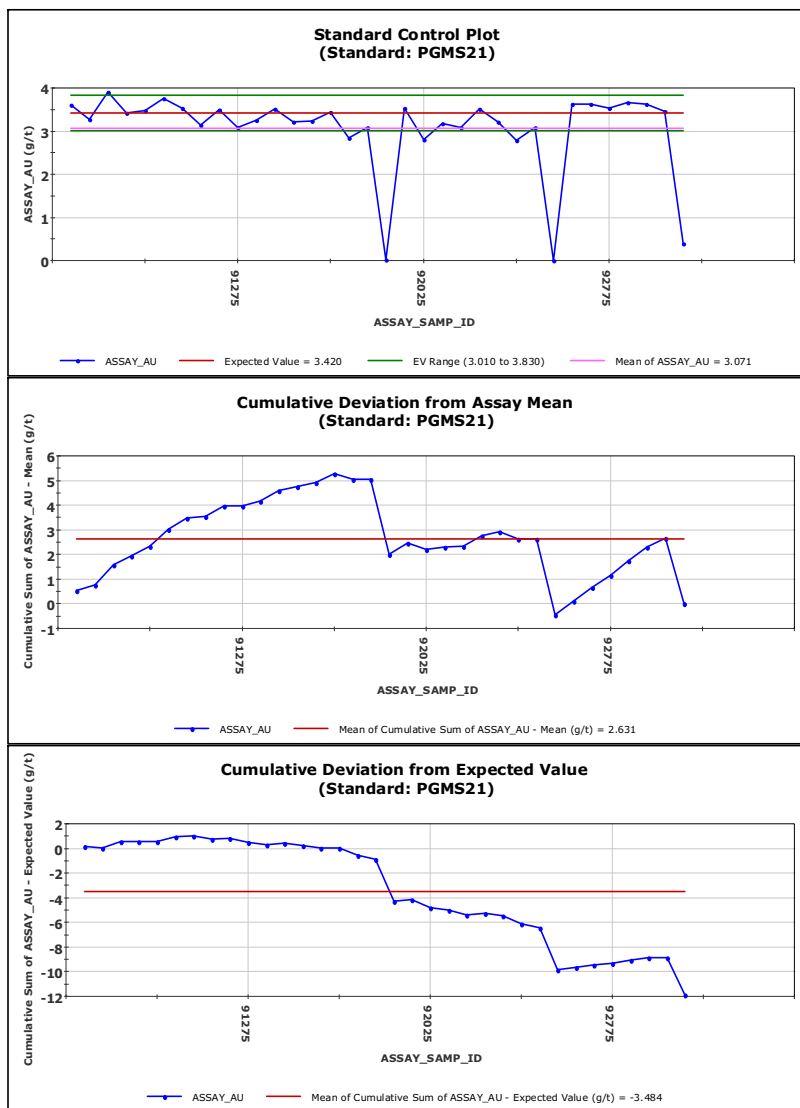
Printed: 13-abr-2017 12:12:59

Data Imported: 13-abr-2017 11:43:11

Page 1

Au Standards (Standard: PGMS21)

Standard:	PGMS21	No of Analyses:	34
Element:	ASSAY_Au	Minimum:	0.005
Units:	g/t	Maximum:	3.908
Detection Limit:	-	Mean:	3.071
Expected Value (EV):	3.420	Std Deviation:	0.952
E.V. Range:	3.010 to 3.830	% in Tolerance	79.412 %
		% Bias	-10.218 %
		% RSD	30.991 %



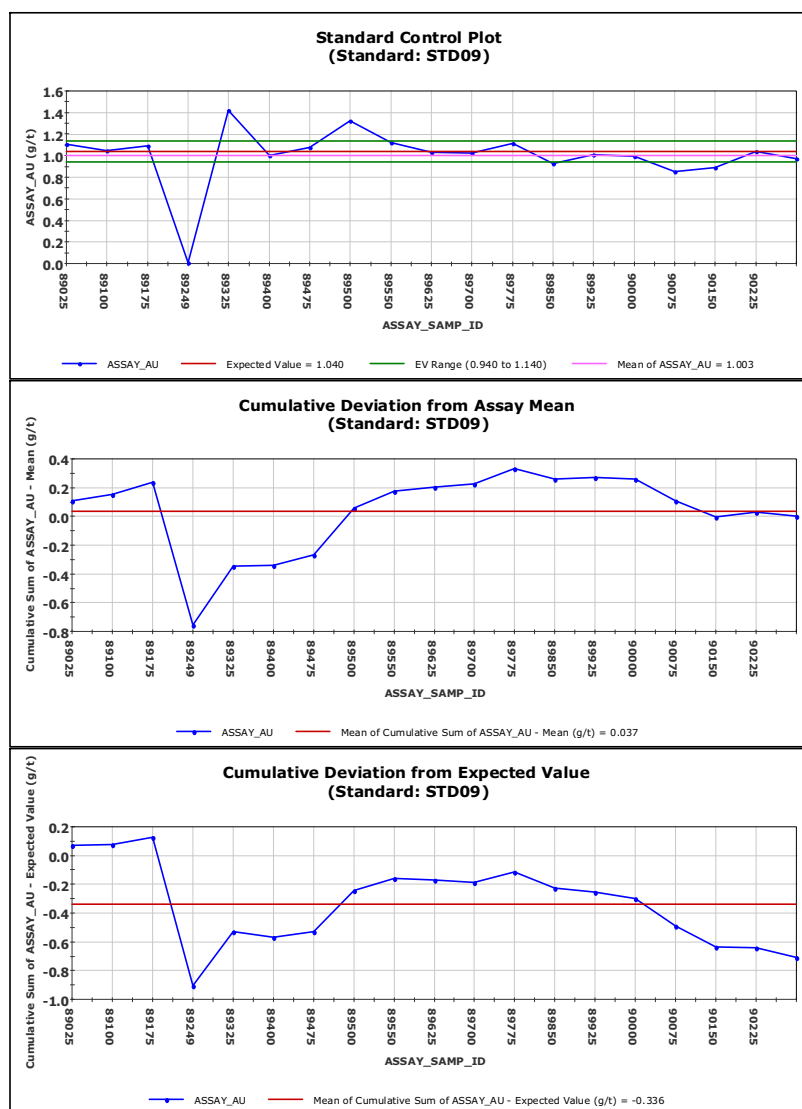
Printed: 13-abr-2017 12:13:17

Data Imported: 13-abr-2017 11:43:11

Page 1

Au Standards (Standard: STD09)

Standard:	STD09	No of Analyses:	19
Element:	ASSAY_Au	Minimum:	0.005
Units:	g/t	Maximum:	1.417
Detection Limit:	-	Mean:	1.003
Expected Value (EV):	1.040	Std Deviation:	0.268
E.V. Range:	0.940 to 1.140	% in Tolerance	68.421 %
		% Bias	-3.588 %
		% RSD	26.759 %



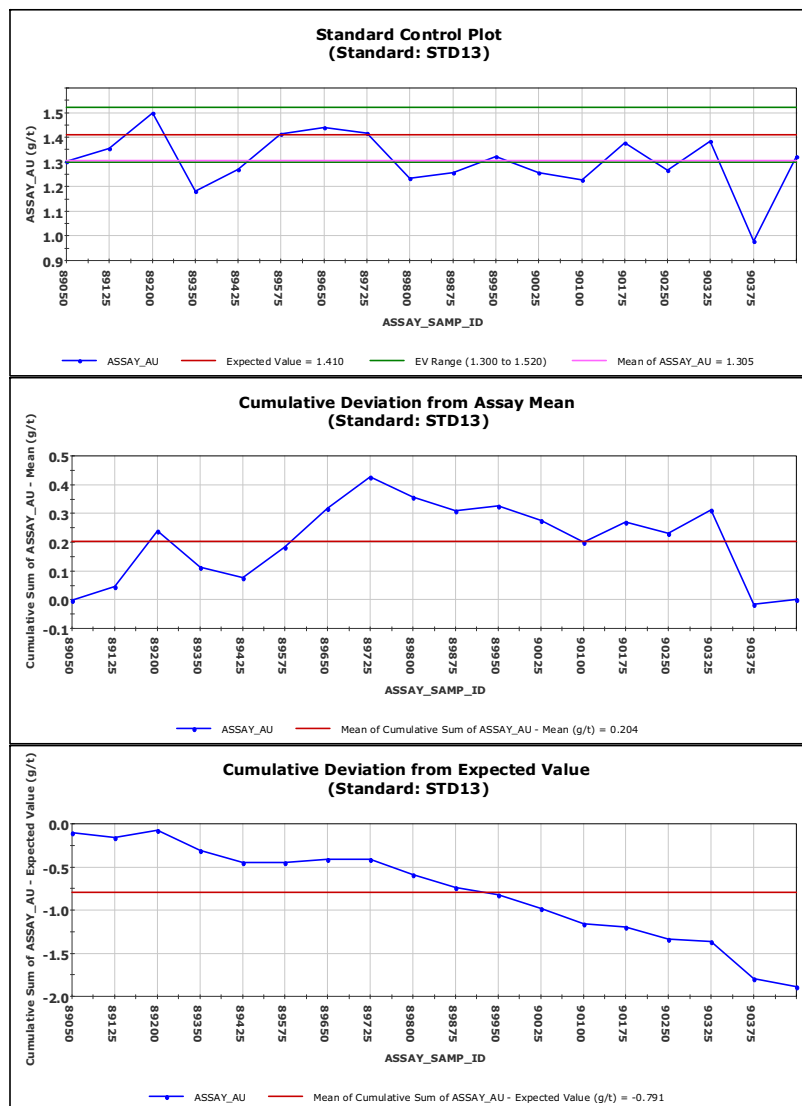
Printed: 13-abr-2017 12:13:33

Data Imported: 13-abr-2017 11:43:11

Page 1

Au Standards (Standard: STD13)

Standard:	STD13	No of Analyses:	18
Element:	ASSAY_Au	Minimum:	0.978
Units:	g/t	Maximum:	1.497
Detection Limit:	-	Mean:	1.305
Expected Value (EV):	1.410	Std Deviation:	0.114
E.V. Range:	1.300 to 1.520	% in Tolerance	55.556 %
		% Bias	-7.423 %
		% RSD	8.750 %



Printed: 13-abr-2017 12:13:48

Data Imported: 13-abr-2017 11:43:11

Page 1

Appendix C

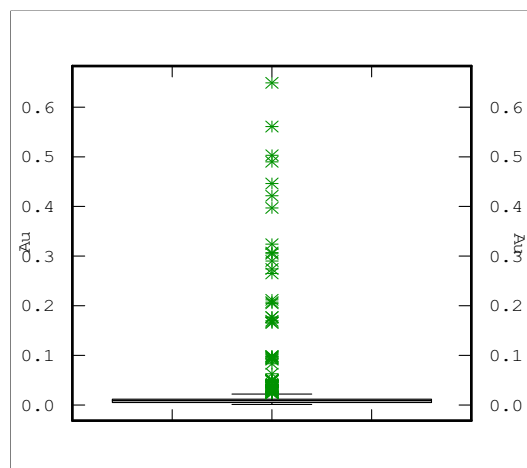
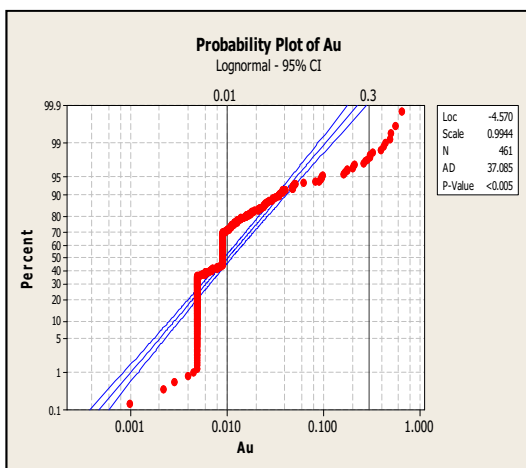
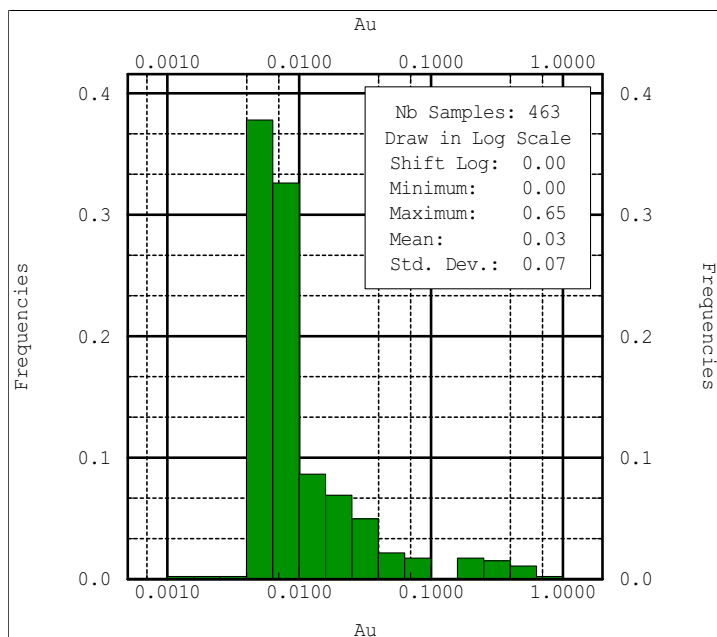
EDA Statistics Histograms and Plots

Target:	Cedro
Zonea:	Oxide
Variable:	Au

N° of Samples:	463
Minimum:	0.00
Maximum:	0.65
N° Classes (Sturges):	10
Interval (Sturges):	0.07

Quantiles	
2.5%:	-
5.0%:	-
25.0%:	-
Median:	0.01
75.0%:	0.01
95.0%:	0.02
97.5%:	0.10

Mean:	0.03
Variance:	0.01
Std Deviation:	0.07
Coef. of Variation:	233%
Range interquartil:	0.01

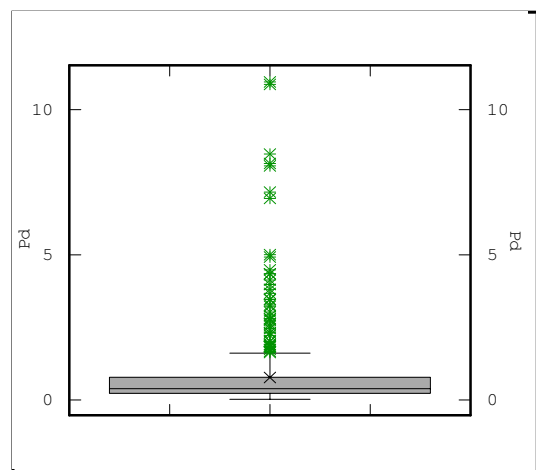
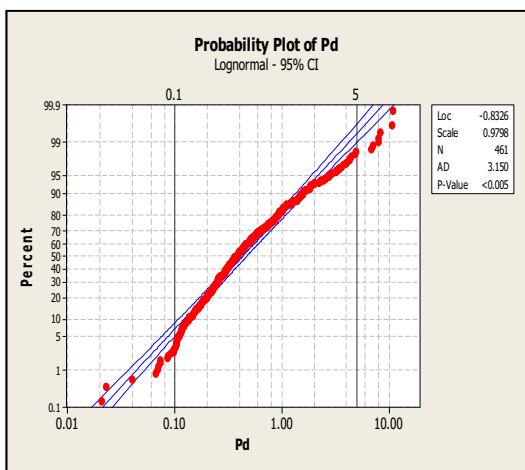
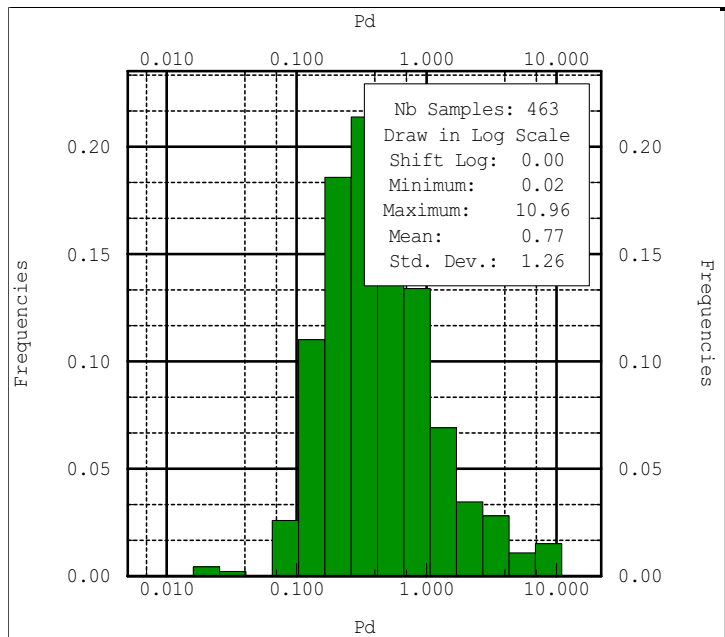


Target:	Cedro
Zonea:	Oxide
Variable:	Pd

N° of Samples:	463
Minimum:	0.02
Maximum:	10.96
N° Classes (Sturges):	10
Interval (Sturges):	1.11

Quantiles	
2.5%:	0.11
5.0%:	0.15
25.0%:	0.23
Median:	0.39
75.0%:	0.78
95.0%:	1.02
97.5%:	2.80

Mean:	0.77
Variance:	1.59
Std Deviation:	1.26
Coef. of Variation:	164%
Range interquartil:	0.55

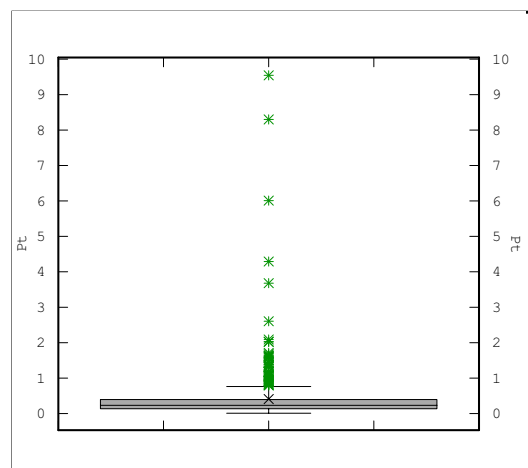
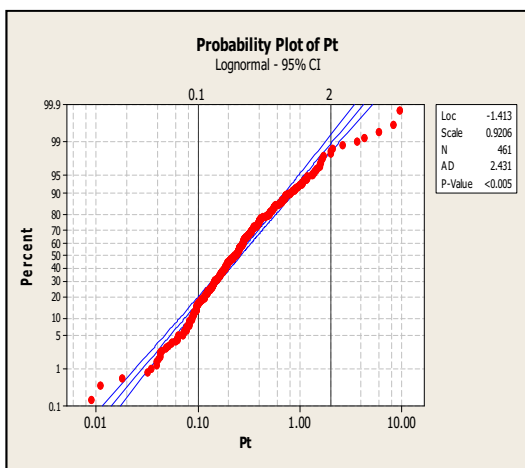
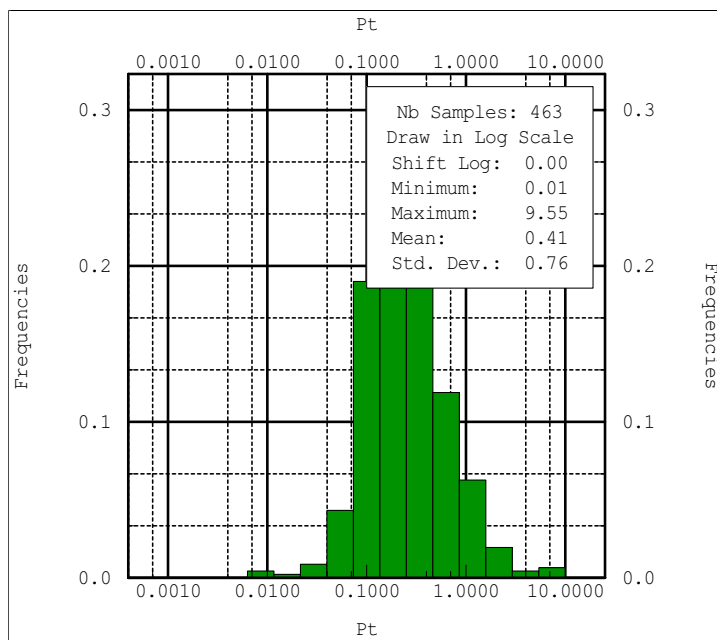


Target:	Cedro
Zonea:	Oxide
Variable:	Pt

N° of Samples:	463
Minimum:	0.01
Maximum:	9.55
N° Classes (Sturges):	10
Interval (Sturges):	0.97

Quantiles	
2.5%:	0.07
5.0%:	0.09
25.0%:	0.14
Median:	0.23
75.0%:	0.40
95.0%:	0.54
97.5%:	1.30

Mean:	0.41
Variance:	0.57
Std Deviation:	0.76
Coef. of Variation:	185%
Range interquartil:	0.26

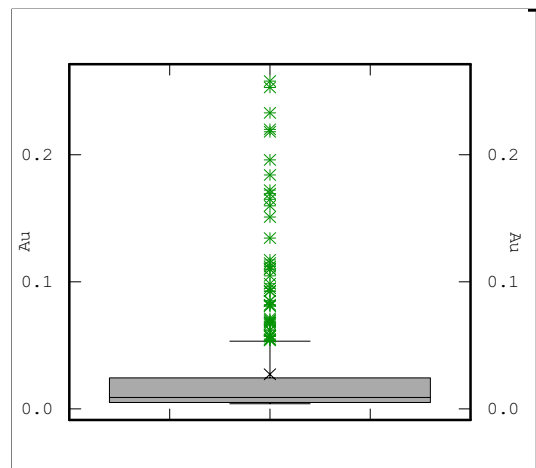
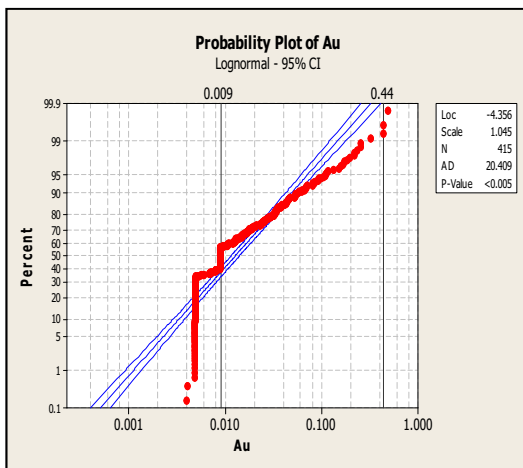
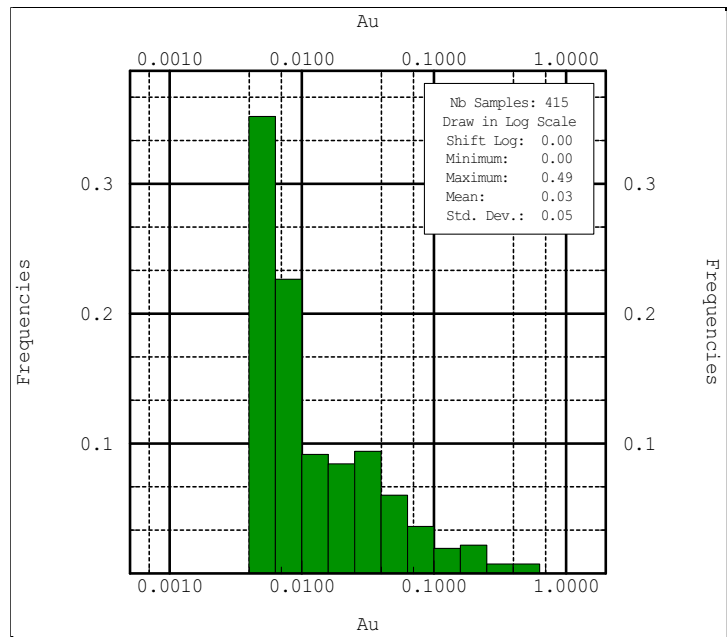


Target:	Cedro
Zonea:	Sulphide
Variable:	Au

N° of Samples:	415
Minimum:	0.00
Maximum:	0.49
N° Classes (Sturges):	10
Interval (Sturges):	0.05

Quantiles	
2.5%:	-
5.0%:	-
25.0%:	-
Median:	0.01
75.0%:	0.02
95.0%:	0.03
97.5%:	0.11

Mean:	0.03
Variance:	0.00
Std Deviation:	0.05
Coef. of Variation:	167%
Range interquartil:	0.02

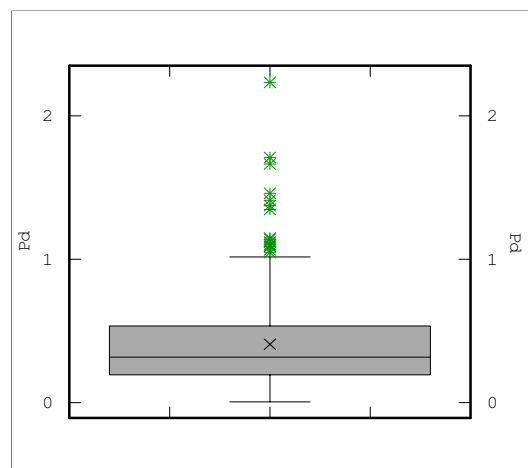
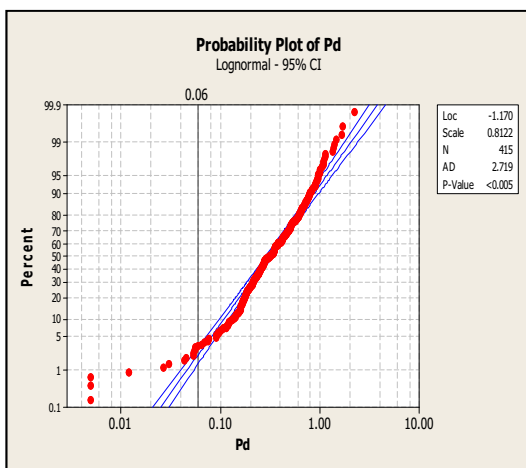
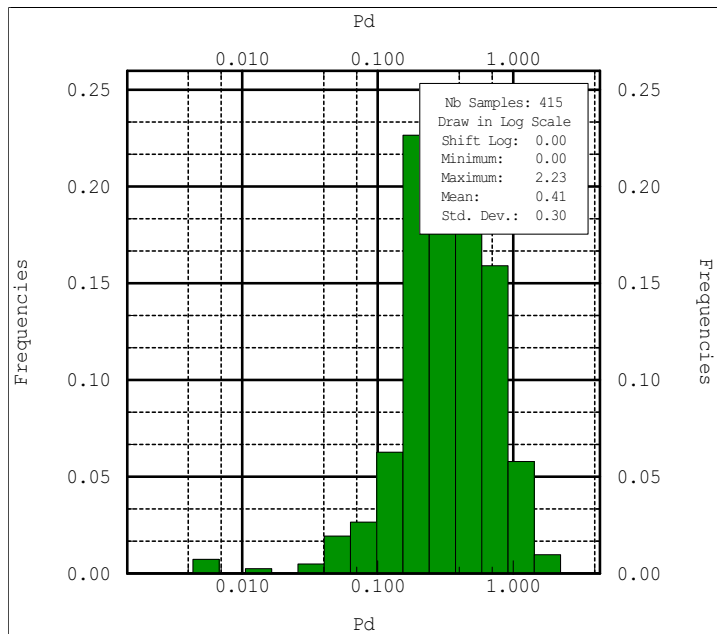


Target:	Cedro
Zonea:	Sulphide
Variable:	Pd

N° of Samples:	415
Minimum:	0.00
Maximum:	2.23
N° Classes (Sturges):	10
Interval (Sturges):	0.23

Quantiles	
2.5%:	0.09
5.0%:	0.15
25.0%:	0.19
Median:	0.32
75.0%:	0.53
95.0%:	0.66
97.5%:	0.97

Mean:	0.41
Variance:	0.09
Std Deviation:	0.30
Coef. of Variation:	73%
Range interquartil:	0.34

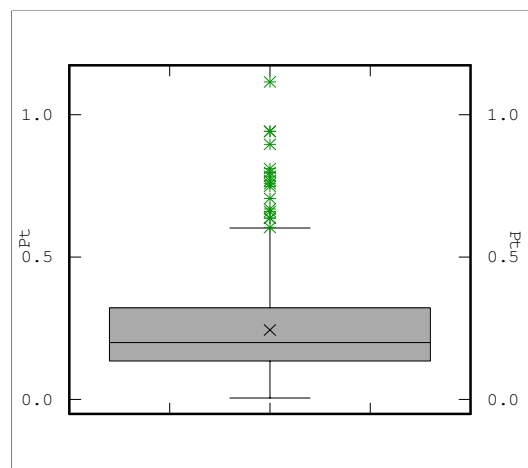
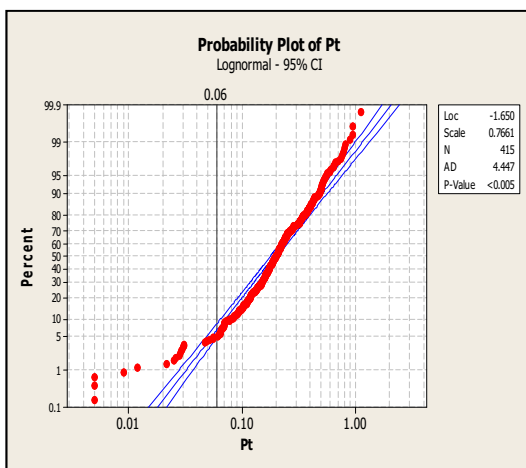
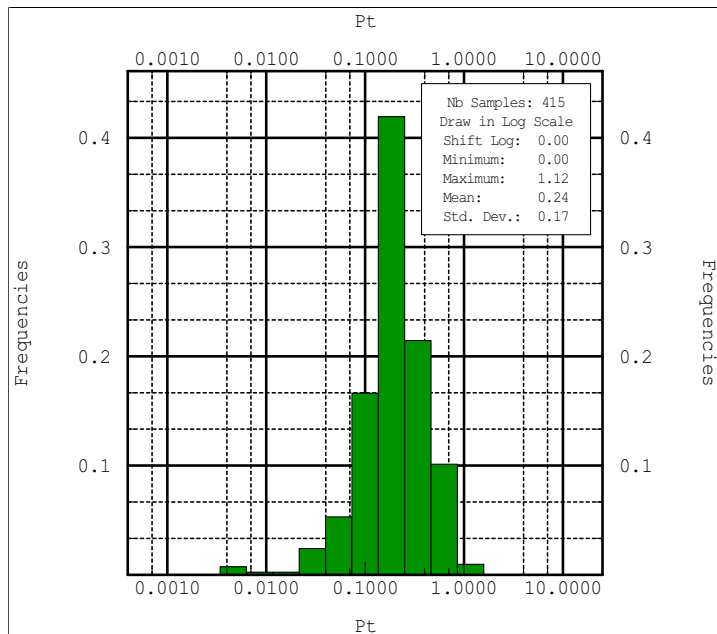


Target:	Cedro
Zonea:	Sulphide
Variable:	Pt

N° of Samples:	415
Minimum:	0.00
Maximum:	1.12
N° Classes (Sturges):	10
Interval (Sturges):	0.12

Quantiles	
2.5%:	0.06
5.0%:	0.09
25.0%:	0.14
Median:	0.20
75.0%:	0.32
95.0%:	0.38
97.5%:	0.55

Mean:	0.24
Variance:	0.03
Std Deviation:	0.17
Coef. of Variation:	71%
Range interquartil:	0.18

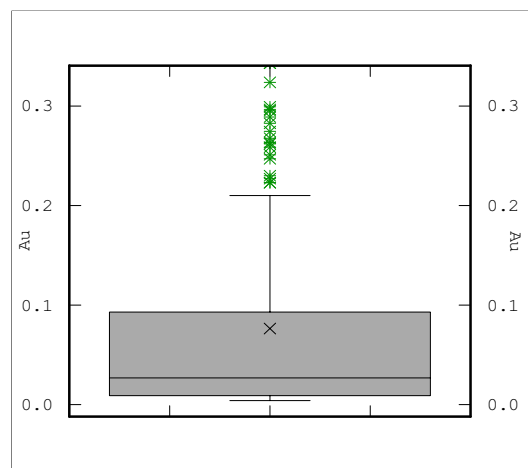
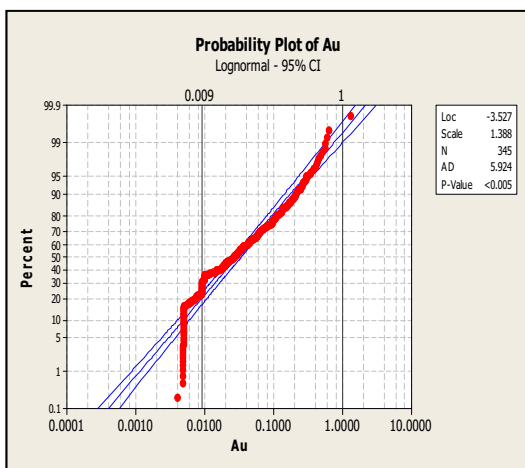
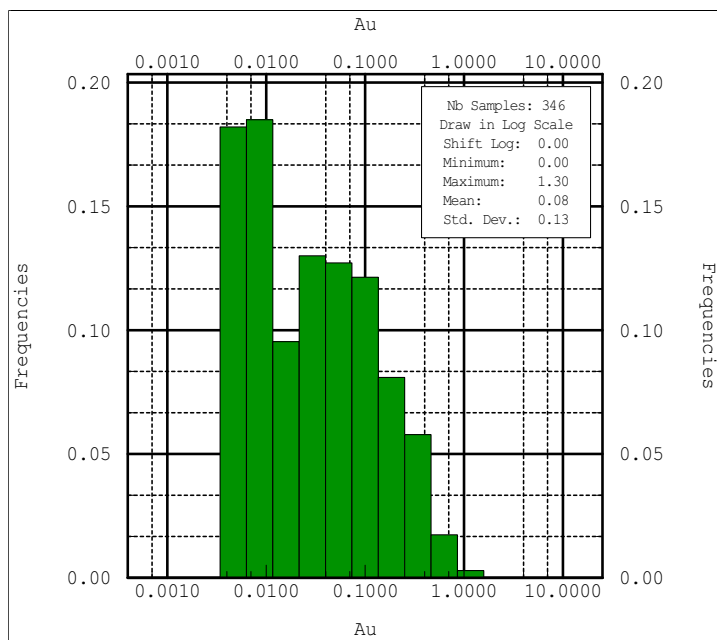


Target:	Curiu
Zonea:	Oxide
Variable:	Au

N° of Samples:	346
Minimum:	0.00
Maximum:	1.30
N° Classes (Sturges):	9
Interval (Sturges):	0.14

Quantiles	
2.5%:	-
5.0%:	-
25.0%:	0.01
Median:	0.03
75.0%:	0.09
95.0%:	0.13
97.5%:	0.30

Mean:	0.08
Variance:	0.02
Std Deviation:	0.13
Coef. of Variation:	163%
Range interquartil:	0.08

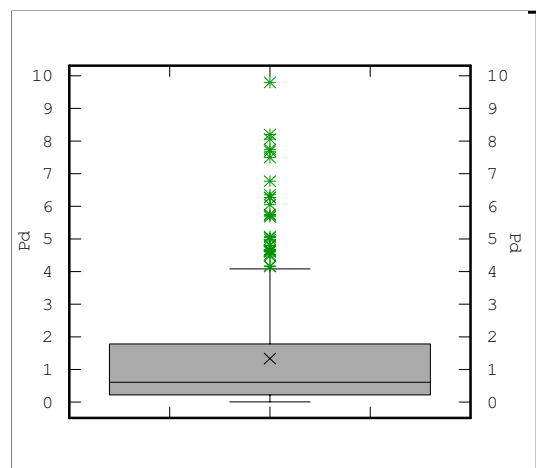
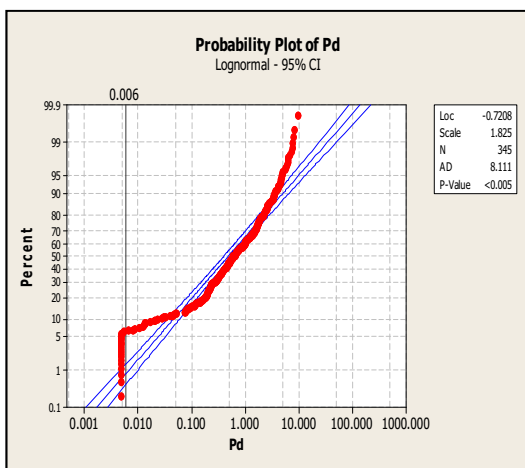
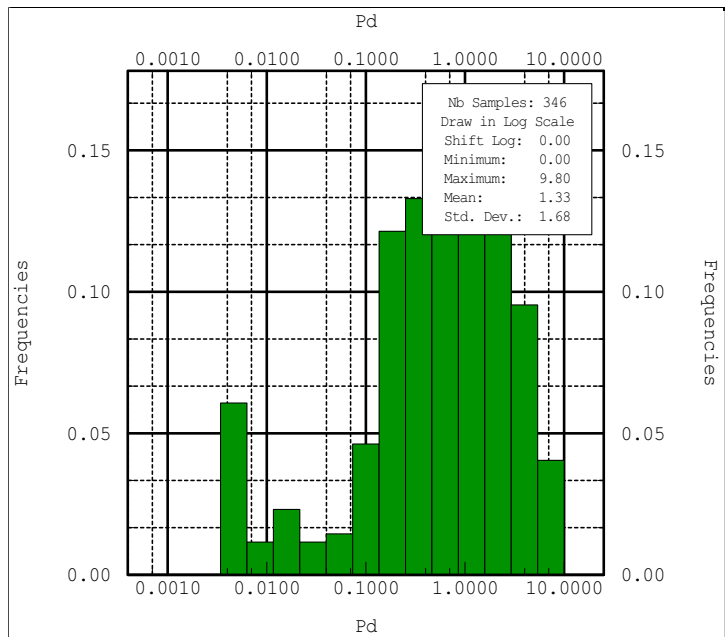


Target:	Curiu
Zonea:	Oxide
Variable:	Pd

N° of Samples:	346
Minimum:	0.00
Maximum:	9.80
N° Classes (Sturges):	9
Interval (Sturges):	1.04

Quantiles	
2.5%:	-
5.0%:	0.08
25.0%:	0.22
Median:	0.61
75.0%:	1.78
95.0%:	2.46
97.5%:	4.81

Mean:	1.33
Variance:	2.84
Std Deviation:	1.68
Coef. of Variation:	126%
Range interquartil:	1.56

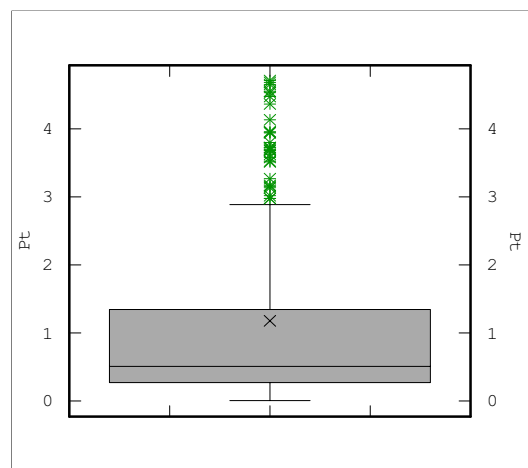
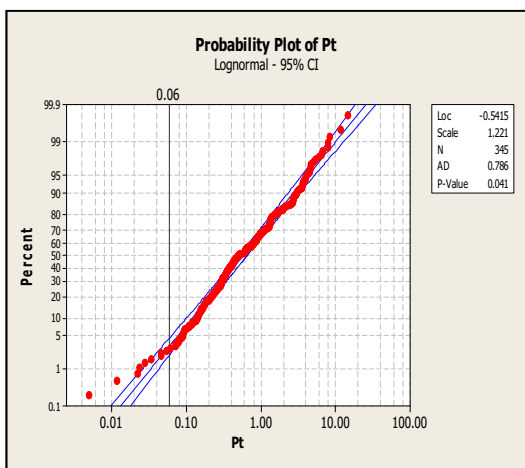
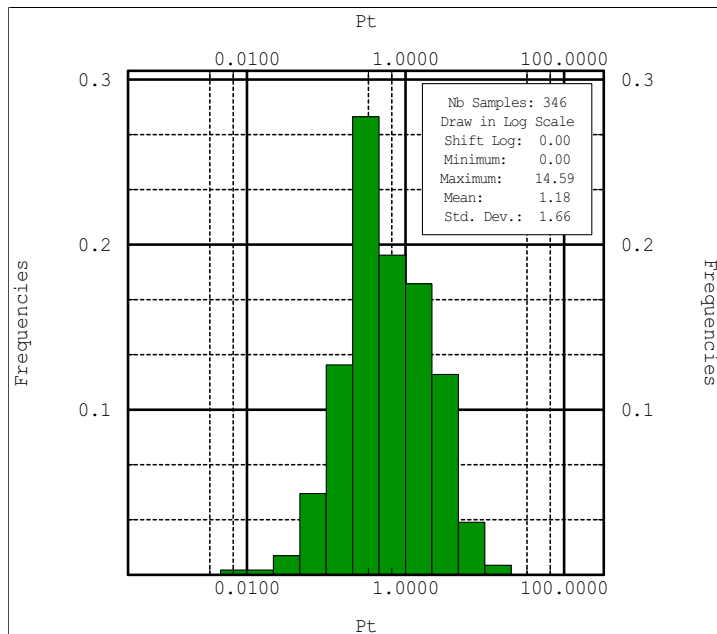


Target:	Curiu
Zonea:	Oxide
Variable:	Pt

N° of Samples:	346
Minimum:	0.00
Maximum:	14.59
N° Classes (Sturges):	9
Interval (Sturges):	1.54

Quantiles	
2.5%:	0.09
5.0%:	0.16
25.0%:	0.27
Median:	0.51
75.0%:	1.34
95.0%:	1.98
97.5%:	4.13

Mean:	1.18
Variance:	2.76
Std Deviation:	1.66
Coef. of Variation:	141%
Range interquartil:	1.07

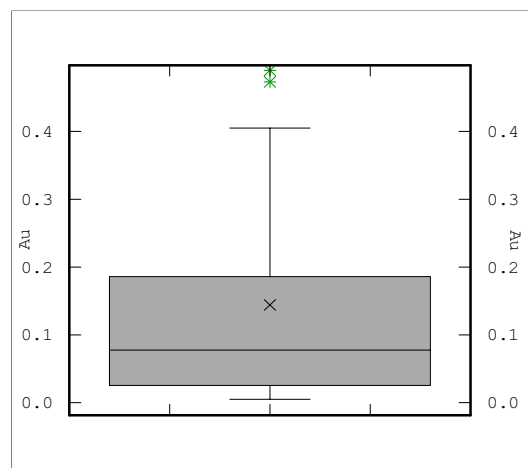
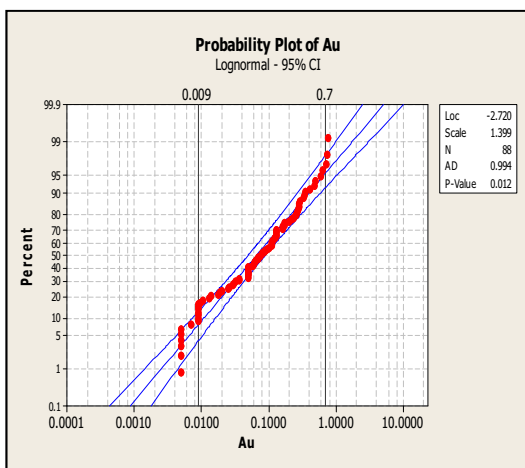
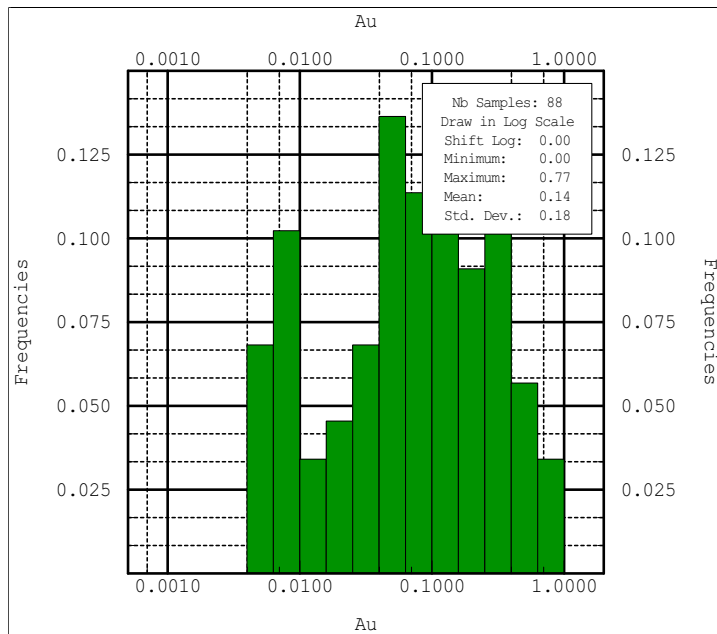


Target:	Curiu
Zonea:	Sulphide
Variable:	Au

N° of Samples:	88
Minimum:	0.00
Maximum:	0.77
N° Classes (Sturges):	7
Interval (Sturges):	0.10

Quantiles	
2.5%:	-
5.0%:	0.01
25.0%:	0.03
Median:	0.08
75.0%:	0.19
95.0%:	0.27
97.5%:	0.59

Mean:	0.14
Variance:	0.03
Std Deviation:	0.18
Coef. of Variation:	129%
Range interquartil:	0.16

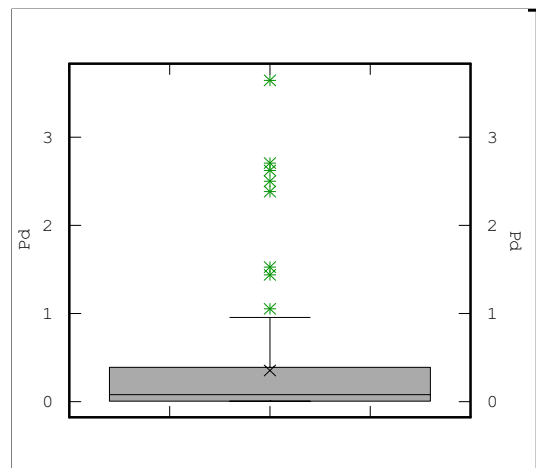
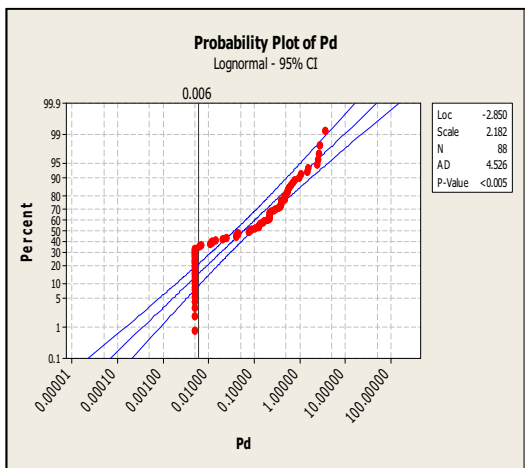
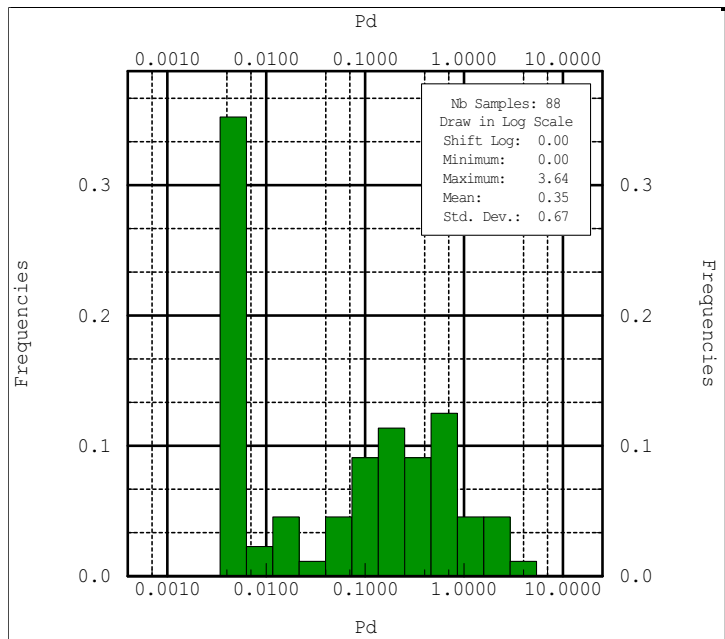


Alvo:	Curiu
Litologia:	Sulphide
Variável:	Pd

Número de Amostras:	88
Mínimo Valor:	0.00
Máximo Valor:	3.64
N° Classes (Sturges):	7
Intervalo (Sturges):	0.49

Quantiles	
2.5%:	-
5.0%:	-
25.0%:	-
Median:	0.08
75.0%:	0.39
95.0%:	0.54
97.5%:	2.38

Mean:	0.35
Variance:	0.45
Std Deviation:	0.67
Coef. of Variation:	191%
Range interquartil:	0.39

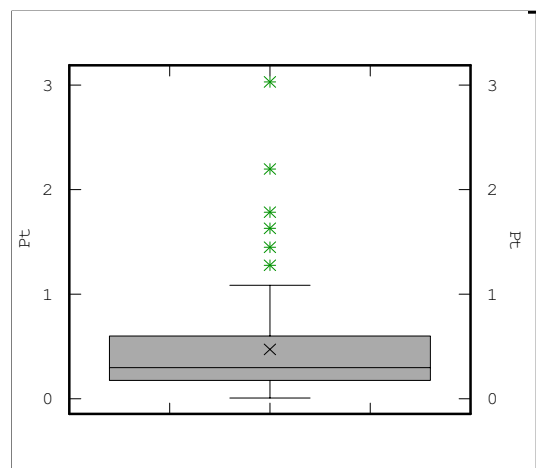
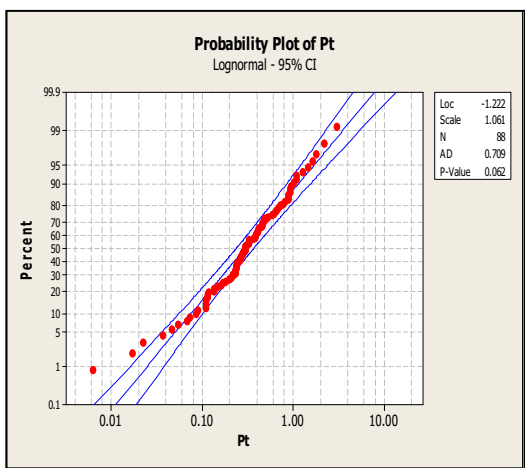
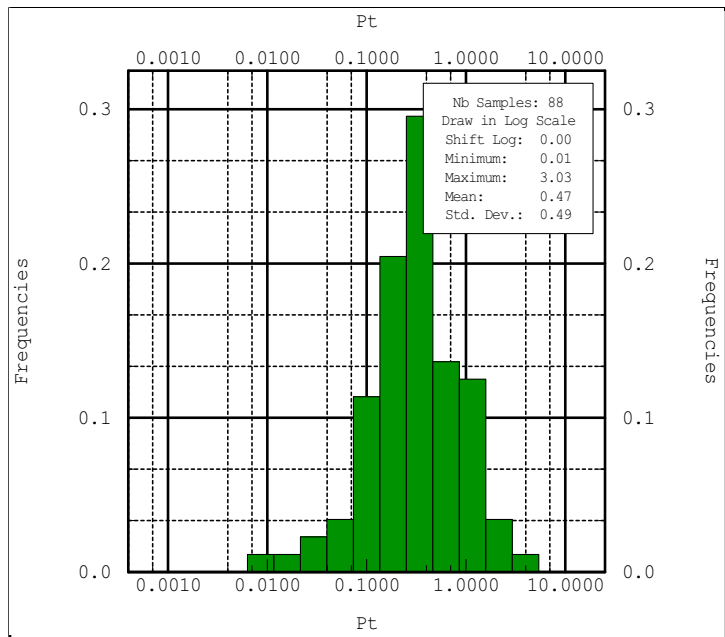


Alvo:	Curiu
Litologia:	Sulphide
Variável:	Pt

Número de Amostras:	88
Mínimo Valor:	0.01
Máximo Valor:	3.03
N° Classes (Sturges):	7
Intervalo (Sturges):	0.40

Quantiles	
2.5%:	0.05
5.0%:	0.11
25.0%:	0.18
Median:	0.30
75.0%:	0.60
95.0%:	0.81
97.5%:	1.45

Mean:	0.47
Variance:	0.24
Std Deviation:	0.49
Coef. of Variation:	104%
Range interquartil:	0.42

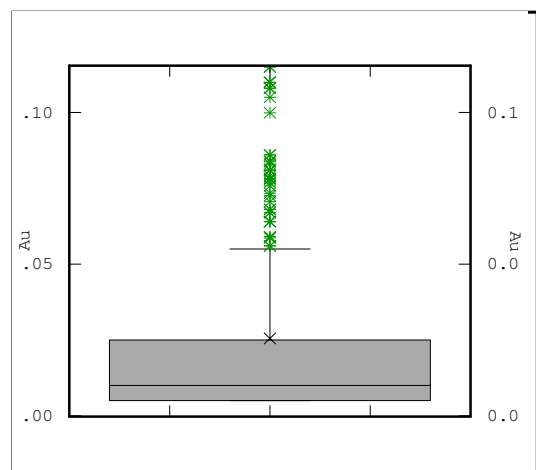
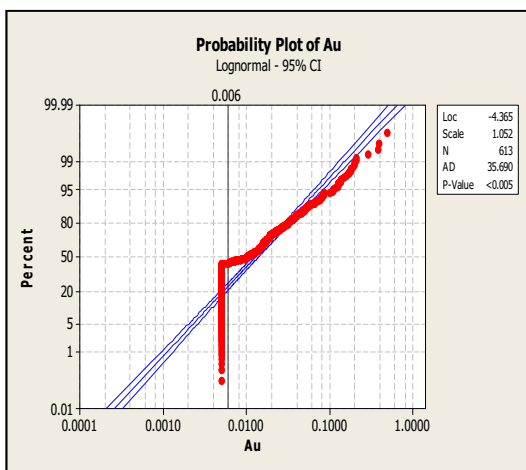
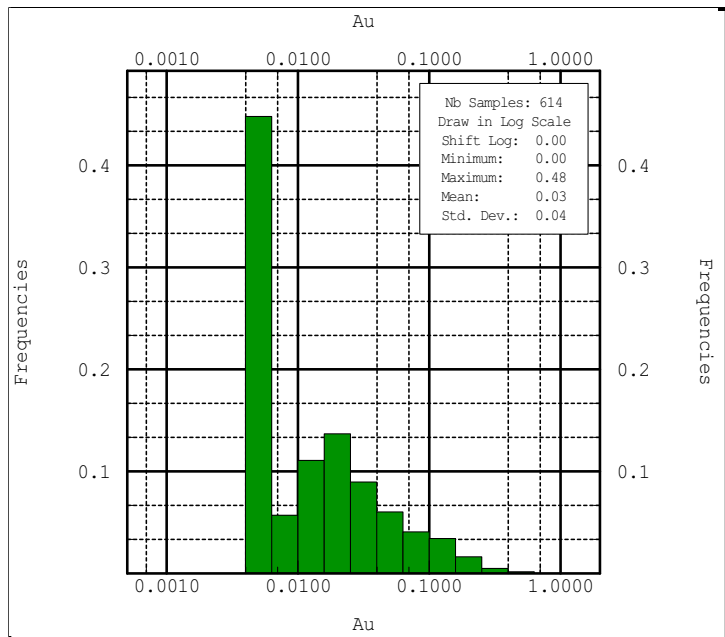


Target:	Esbarro
Zonea:	Oxide
Variable:	Au

N° of Samples:	614
Minimum:	0.00
Maximum:	0.48
N° Classes (Sturges):	10
Interval (Sturges):	0.05

Quantiles	
2.5%:	-
5.0%:	-
25.0%:	-
Median:	0.01
75.0%:	0.03
95.0%:	0.04
97.5%:	0.11

Mean:	0.03
Variance:	0.00
Std Deviation:	0.04
Coef. of Variation:	133%
Range interquartil:	0.03

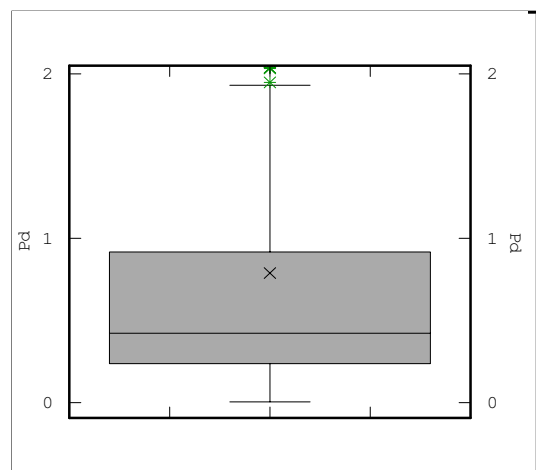
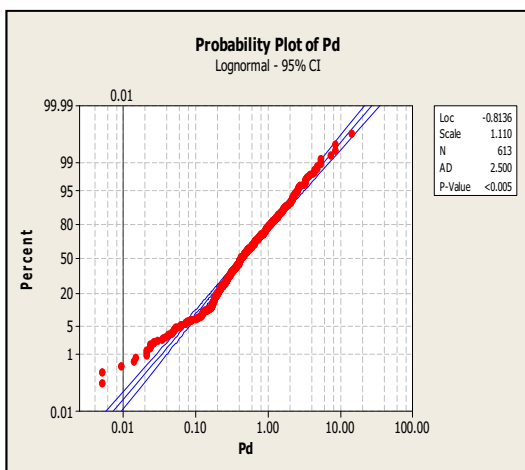
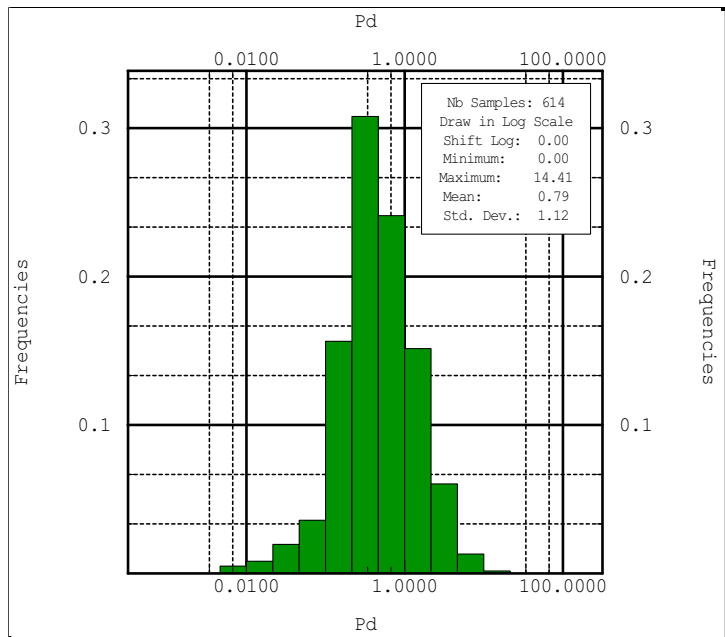


Target:	Esbarro
Zonea:	Oxide
Variable:	Pd

N° of Samples:	614
Minimum:	0.00
Maximum:	14.41
N° Classes (Sturges):	10
Interval (Sturges):	1.40

Quantiles	
2.5%:	0.06
5.0%:	0.17
25.0%:	0.24
Median:	0.42
75.0%:	0.92
95.0%:	1.21
97.5%:	2.54

Mean:	0.79
Variance:	1.25
Std Deviation:	1.12
Coef. of Variation:	142%
Range interquartil:	0.68

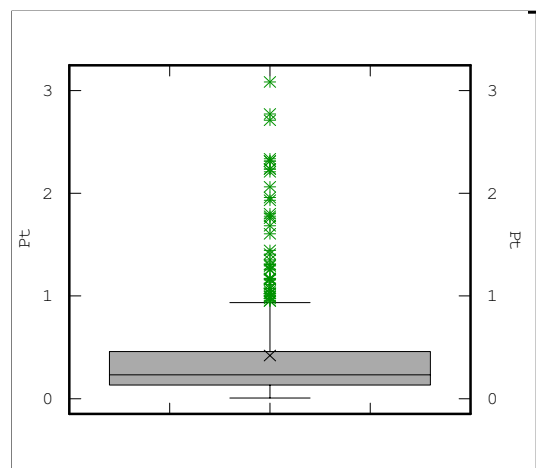
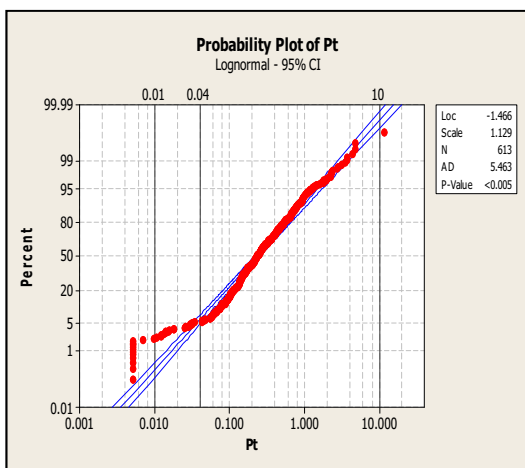
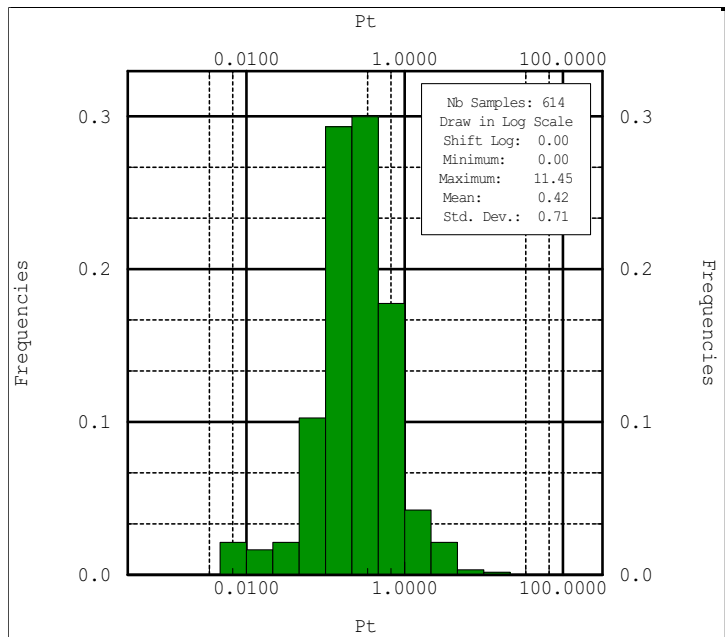


Target:	Esbarro
Zonea:	Oxide
Variable:	Pt

N° of Samples:	614
Minimum:	0.00
Maximum:	11.45
N° Classes (Sturges):	10
Interval (Sturges):	1.11

Quantiles	
2.5%:	0.03
5.0%:	0.09
25.0%:	0.13
Median:	0.23
75.0%:	0.46
95.0%:	0.62
97.5%:	1.25

Mean:	0.42
Variance:	0.50
Std Deviation:	0.71
Coef. of Variation:	169%
Range interquartil:	0.33

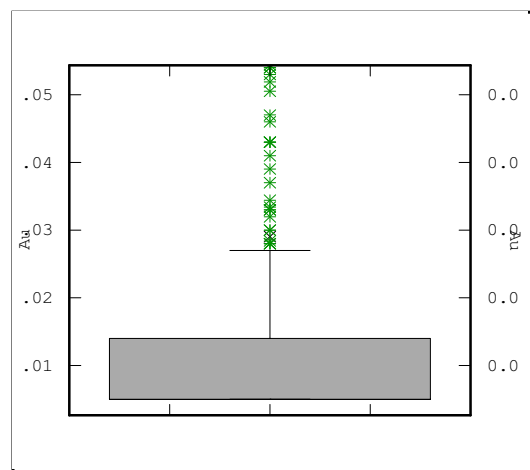
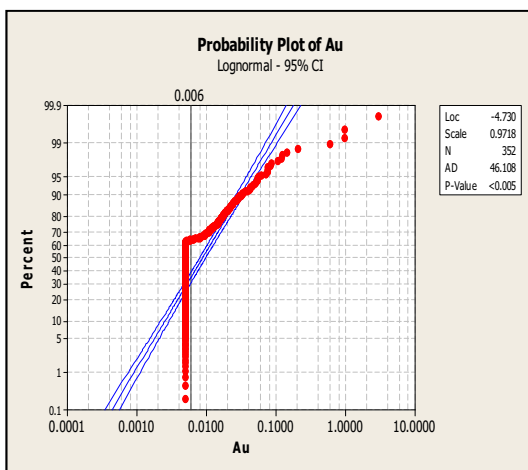
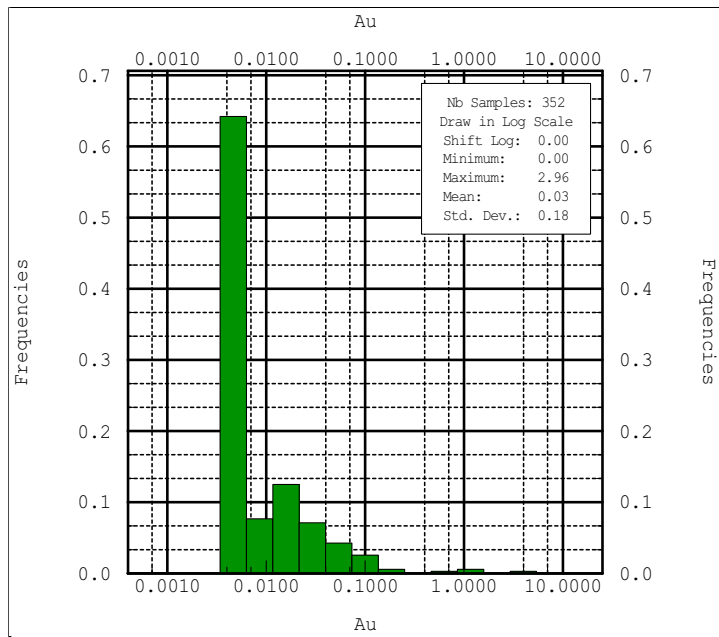


Target:	Esbarro
Zonea:	Sulphide
Variable:	Au

N° of Samples:	352
Minimum:	0.00
Maximum:	2.96
N° Classes (Sturges):	9
Interval (Sturges):	0.31

Quantiles	
2.5%:	-
5.0%:	-
25.0%:	-
Median:	-
75.0%:	0.01
95.0%:	0.02
97.5%:	0.06

Mean:	0.03
Variance:	0.03
Std Deviation:	0.18
Coef. of Variation:	600%
Range interquartil:	0.01

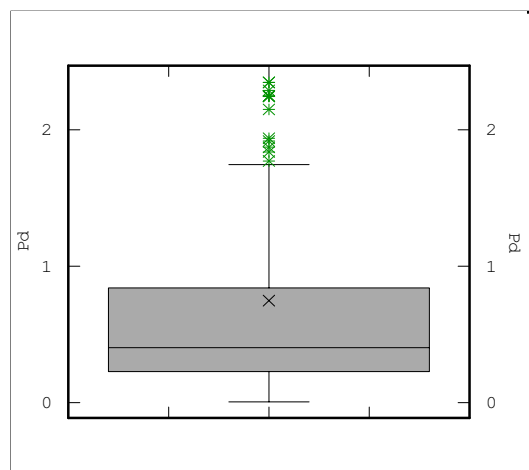
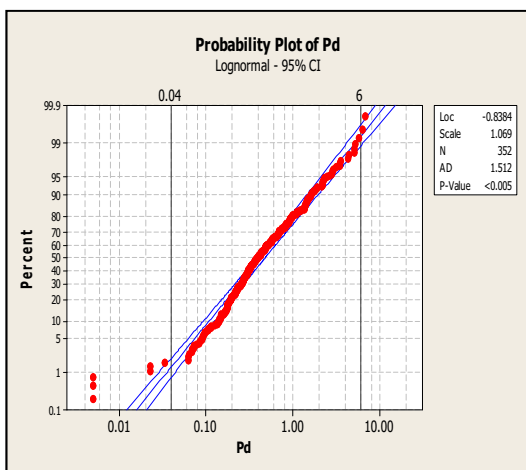
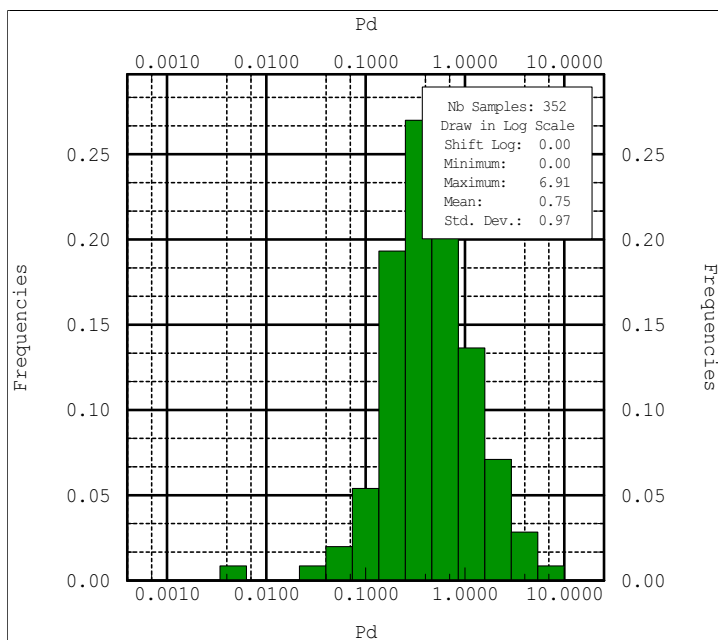


Target:	Esbarro
Zonea:	Sulphide
Variable:	Pd

N° of Samples:	352
Minimum:	0.00
Maximum:	6.91
N° Classes (Sturges):	9
Interval (Sturges):	0.73

Quantiles	
2.5%:	0.09
5.0%:	0.16
25.0%:	0.23
Median:	0.40
75.0%:	0.84
95.0%:	1.18
97.5%:	2.54

Mean:	0.75
Variance:	0.95
Std Deviation:	0.97
Coef. of Variation:	129%
Range interquartil:	0.61

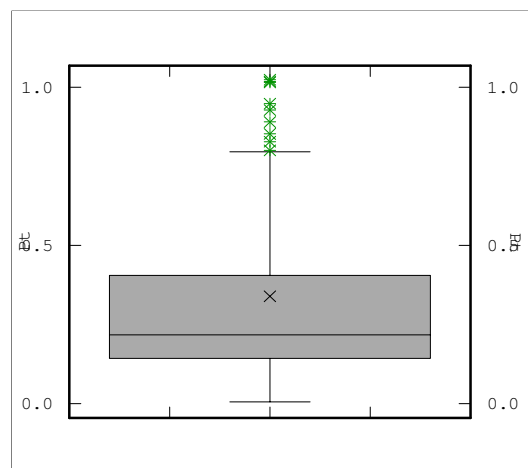
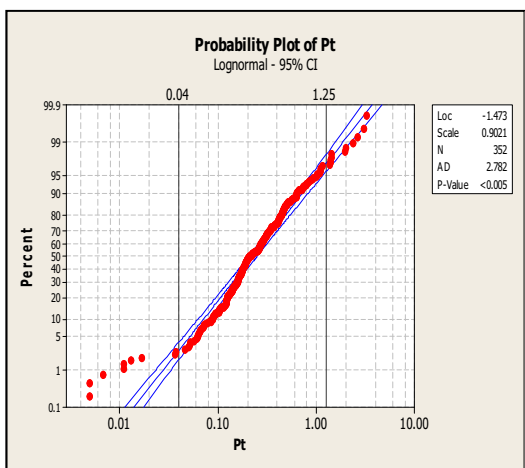
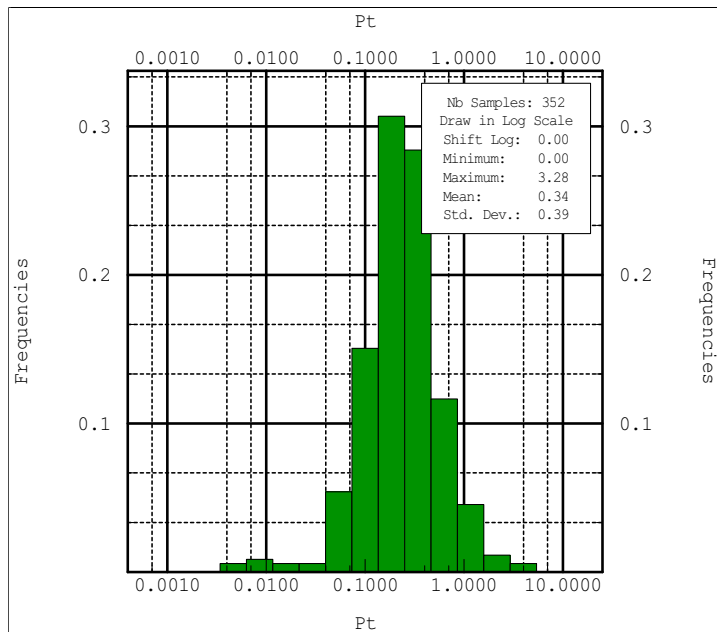


Target:	Esbarro
Zonea:	Sulphide
Variable:	Pt

N° of Samples:	352
Minimum:	0.00
Maximum:	3.28
N° Classes (Sturges):	9
Interval (Sturges):	0.35

Quantiles	
2.5%:	0.06
5.0%:	0.10
25.0%:	0.14
Median:	0.22
75.0%:	0.41
95.0%:	0.47
97.5%:	1.02

Mean:	0.34
Variance:	0.15
Std Deviation:	0.39
Coef. of Variation:	115%
Range interquartil:	0.27

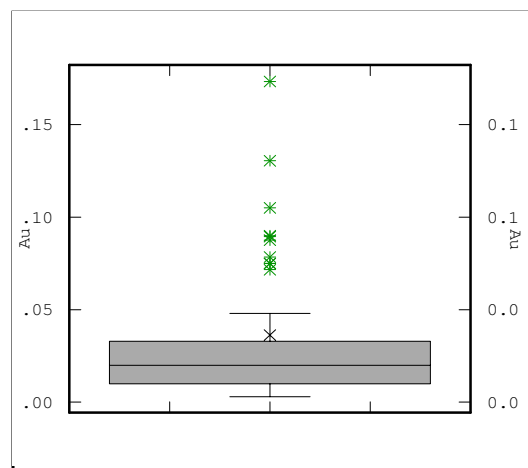
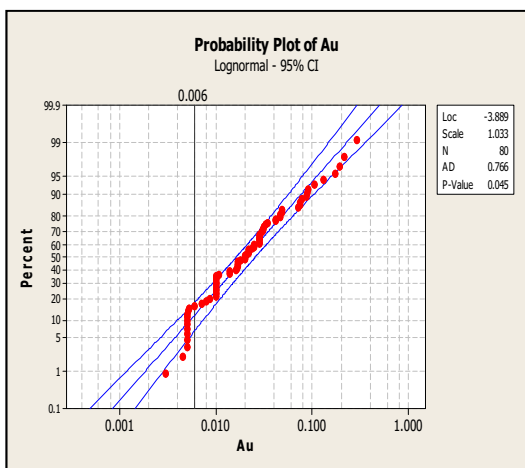
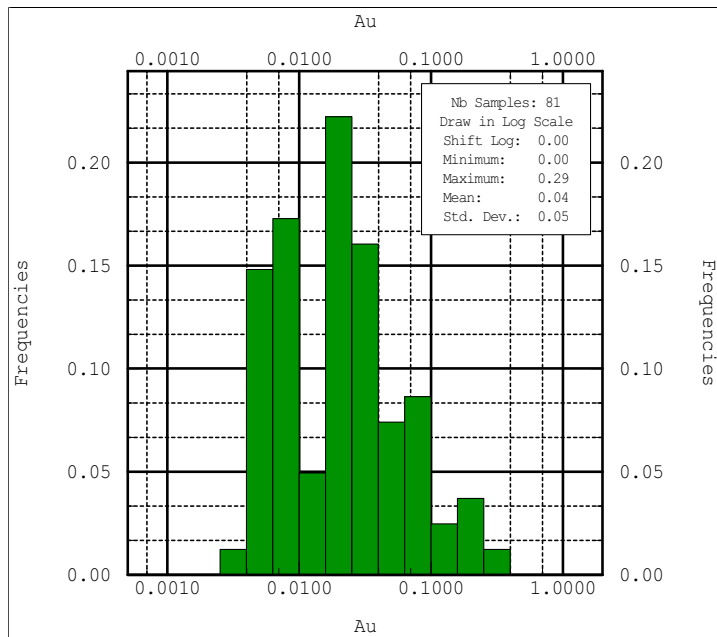


Target:	Trapia
Zonea:	Oxide
Variable:	Au

N° of Samples:	81
Minimum:	0.00
Maximum:	0.29
N° Classes (Sturges):	7
Interval (Sturges):	0.04

Quantiles	
2.5%:	-
5.0%:	0.01
25.0%:	0.01
Median:	0.02
75.0%:	0.03
95.0%:	0.05
97.5%:	0.13

Mean:	0.04
Variance:	0.00
Std Deviation:	0.05
Coef. of Variation:	125%
Range interquartil:	0.02

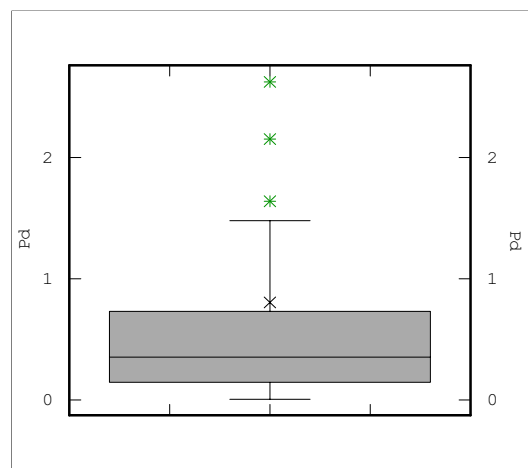
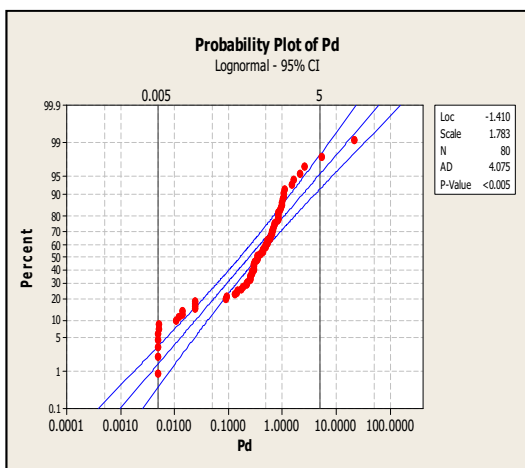
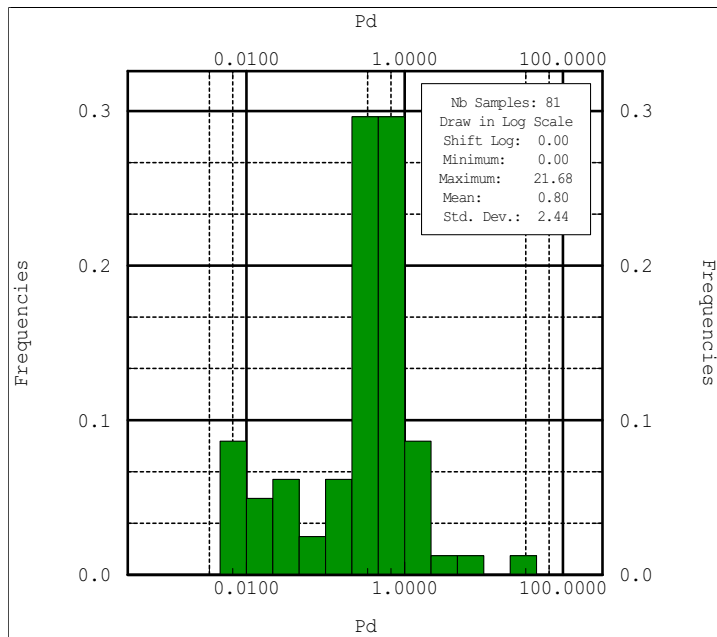


Target:	Trapia
Zonea:	Oxide
Variable:	Pd

N° of Samples:	81
Minimum:	0.00
Maximum:	21.68
N° Classes (Sturges):	7
Interval (Sturges):	2.95

Quantiles	
2.5%:	-
5.0%:	0.01
25.0%:	0.15
Median:	0.35
75.0%:	0.73
95.0%:	0.84
97.5%:	1.64

Mean:	0.80
Variance:	5.97
Std Deviation:	2.44
Coef. of Variation:	305%
Range interquartil:	0.58

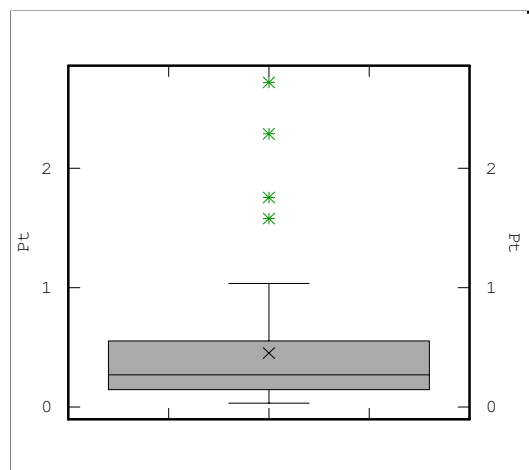
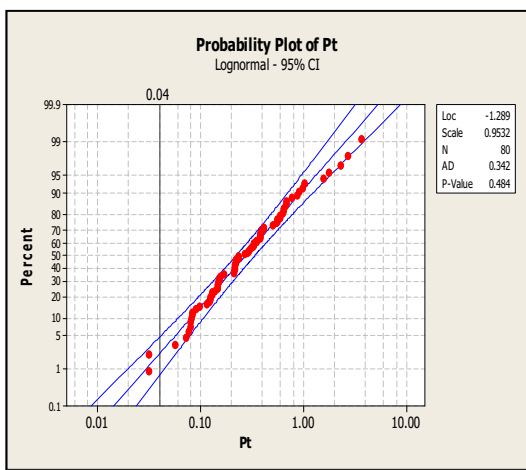
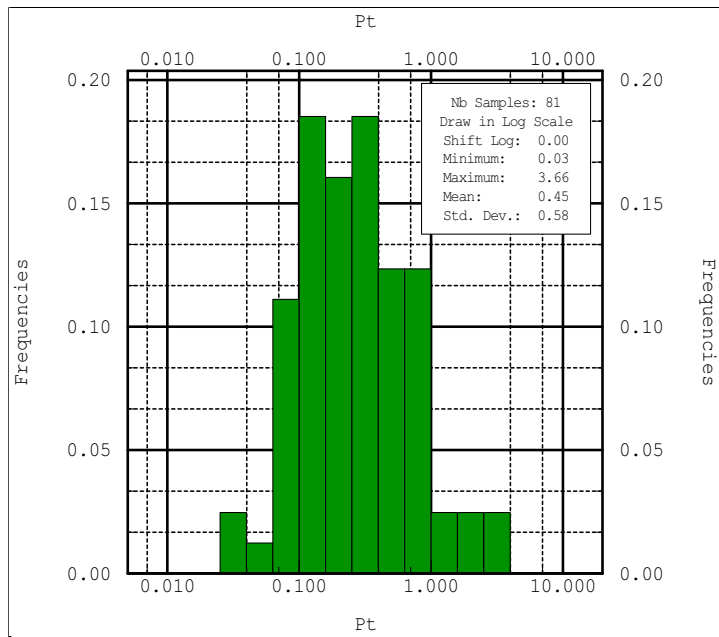


Target:	Trapia
Zonea:	Oxide
Variable:	Pt

N° of Samples:	81
Minimum:	0.03
Maximum:	3.66
N° Classes (Sturges):	7
Interval (Sturges):	0.49

Quantiles	
2.5%:	0.08
5.0%:	0.09
25.0%:	0.15
Median:	0.27
75.0%:	0.55
95.0%:	0.65
97.5%:	1.58

Mean:	0.45
Variance:	0.34
Std Deviation:	0.58
Coef. of Variation:	129%
Range interquartil:	0.40

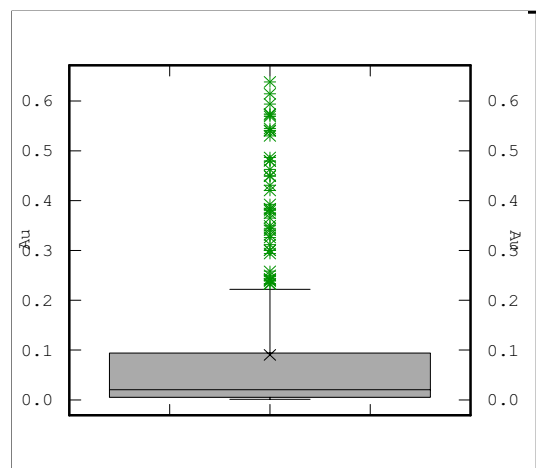
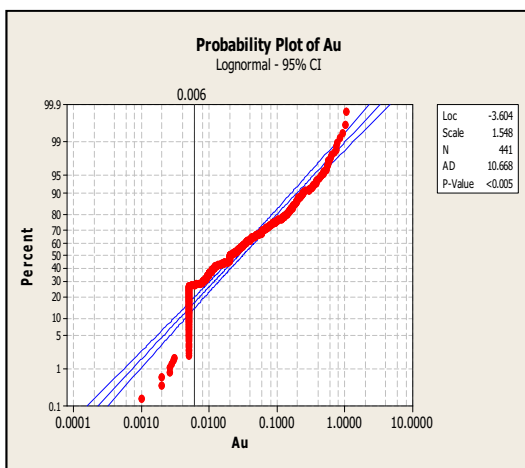
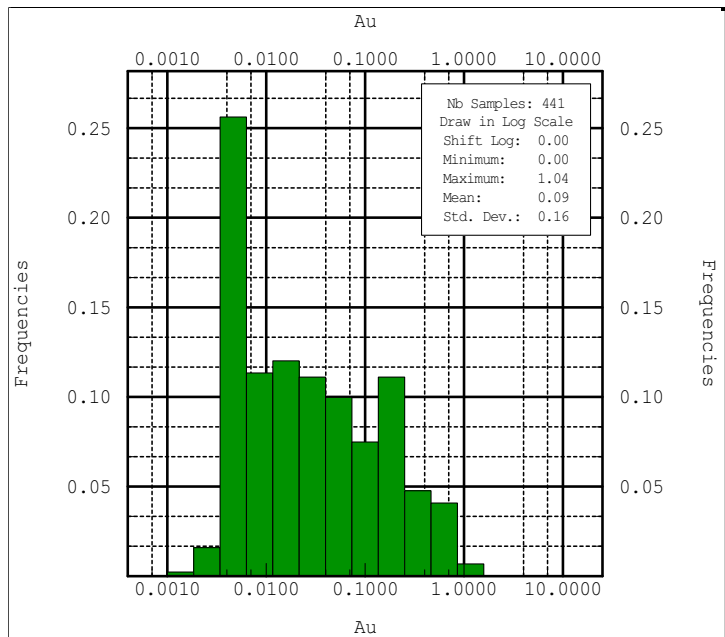


Target:	Trapia
Zonea:	Sulphide
Variable:	Au

N° of Samples:	441
Minimum:	0.00
Maximum:	1.04
N° Classes (Sturges):	10
Interval (Sturges):	0.11

Quantiles	
2.5%:	-
5.0%:	-
25.0%:	-
Median:	0.02
75.0%:	0.09
95.0%:	0.16
97.5%:	0.45

Mean:	0.09
Variance:	0.03
Std Deviation:	0.16
Coef. of Variation:	178%
Range interquartil:	0.09

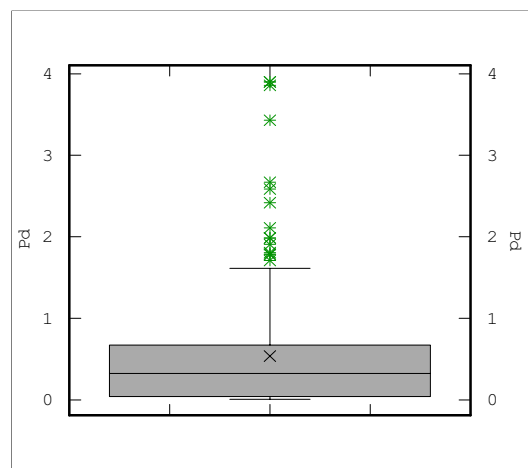
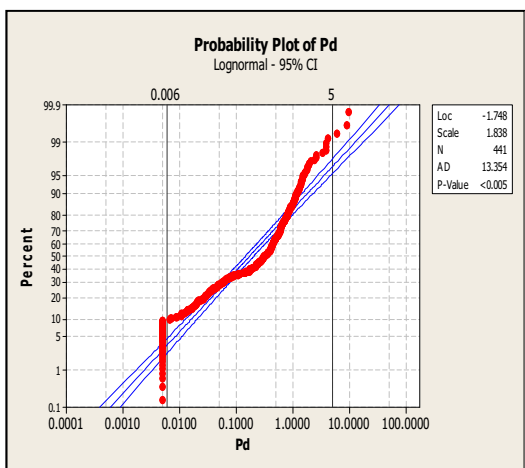
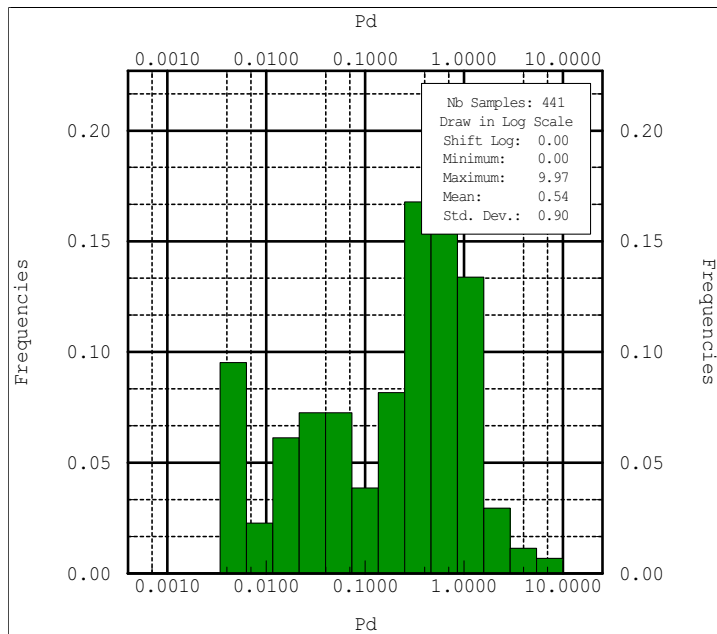


Target:	Trapia
Zonea:	Sulphide
Variable:	Pd

N° of Samples:	441
Minimum:	0.00
Maximum:	9.97
N° Classes (Sturges):	10
Interval (Sturges):	1.02

Quantiles	
2.5%:	-
5.0%:	0.01
25.0%:	0.04
Median:	0.32
75.0%:	0.67
95.0%:	0.87
97.5%:	1.52

Mean:	0.54
Variance:	0.80
Std Deviation:	0.90
Coef. of Variation:	167%
Range interquartil:	0.63

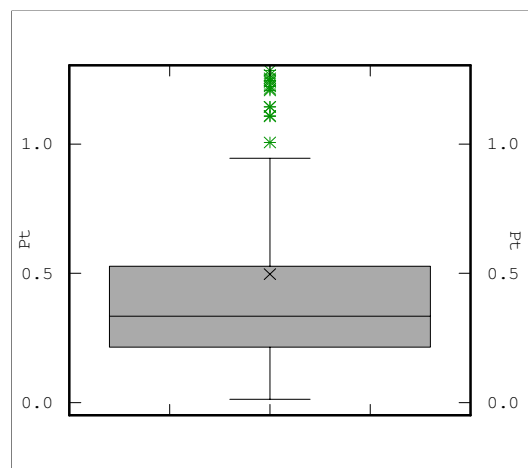
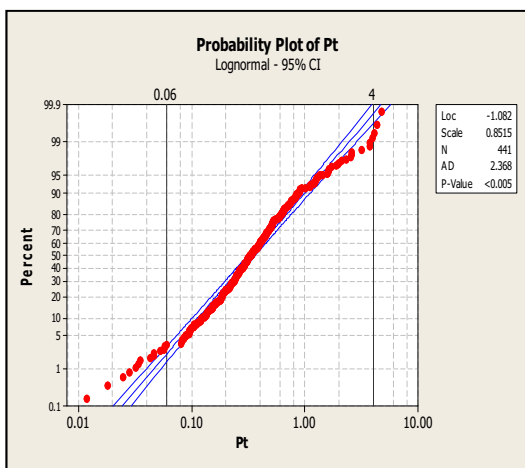
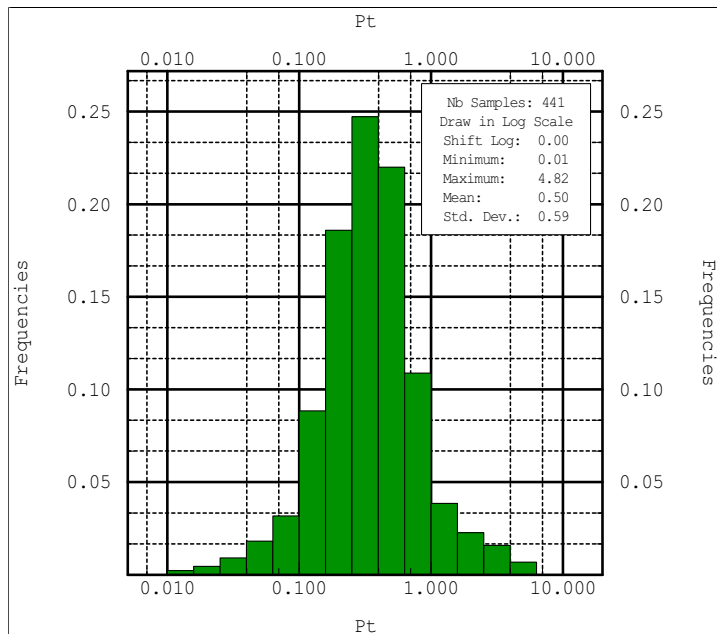


Target:	Trapia
Zonea:	Sulphide
Variable:	Pt

N° of Samples:	441
Minimum:	0.01
Maximum:	4.82
N° Classes (Sturges):	10
Interval (Sturges):	0.49

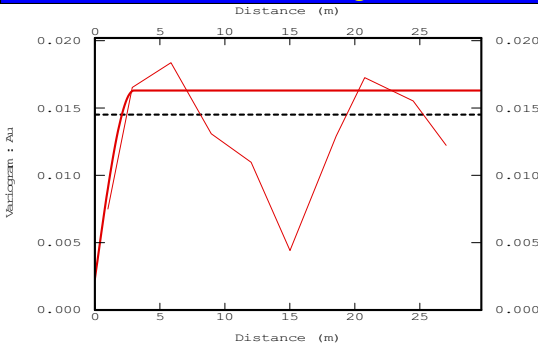
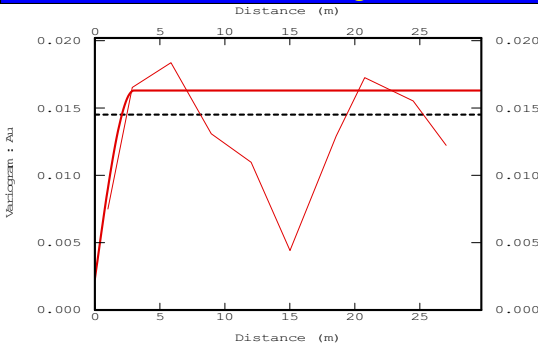
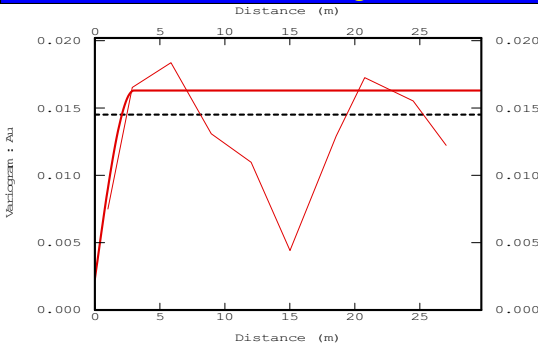
Quantiles	
2.5%:	0.09
5.0%:	0.14
25.0%:	0.21
Median:	0.33
75.0%:	0.53
95.0%:	0.65
97.5%:	1.37

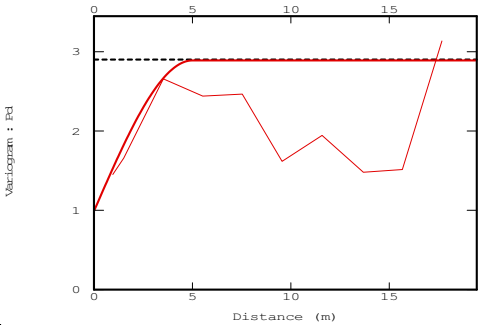
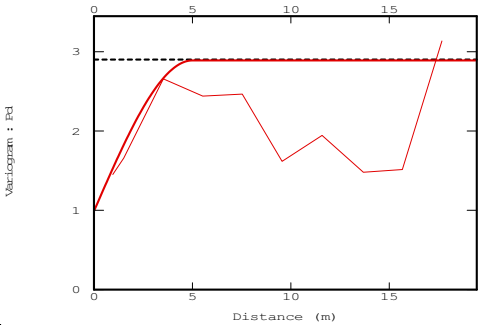
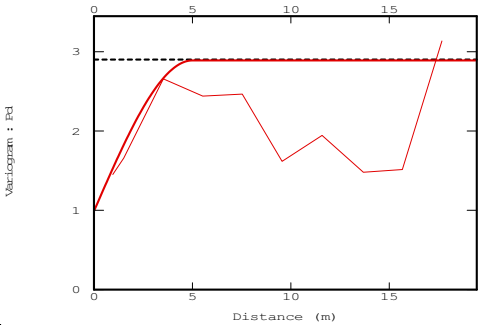
Mean:	0.50
Variance:	0.35
Std Deviation:	0.59
Coef. of Variation:	118%
Range interquartil:	0.32

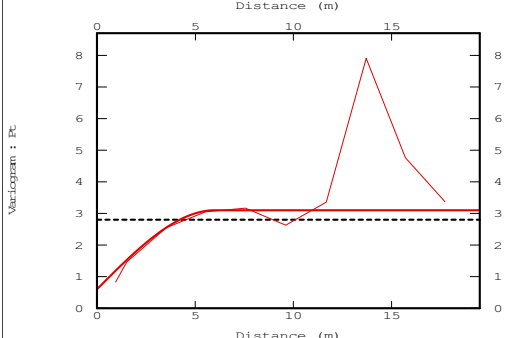
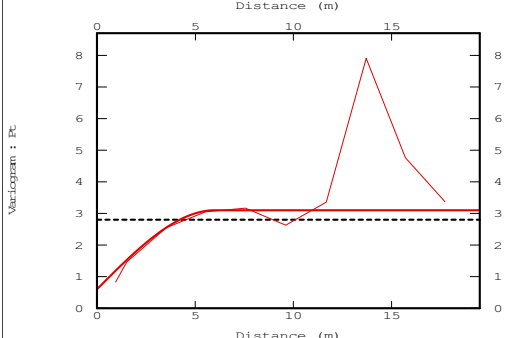
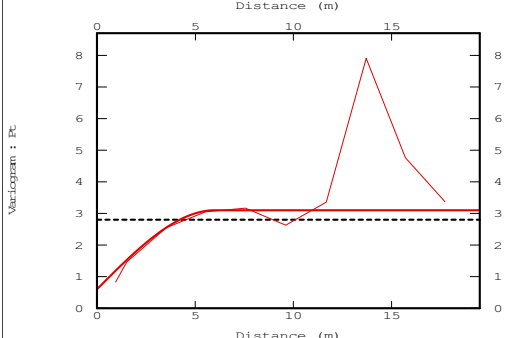


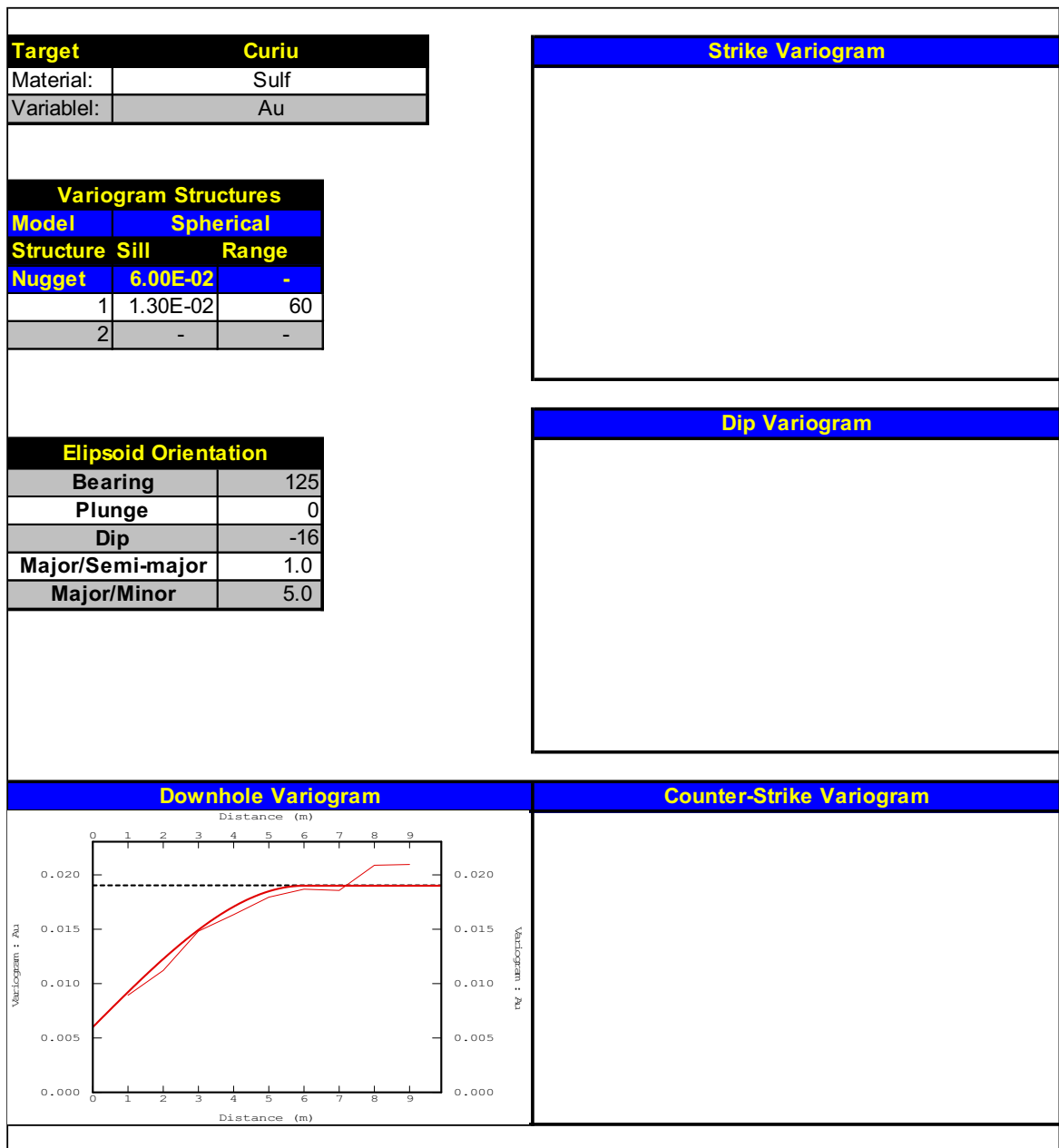
Appendix D

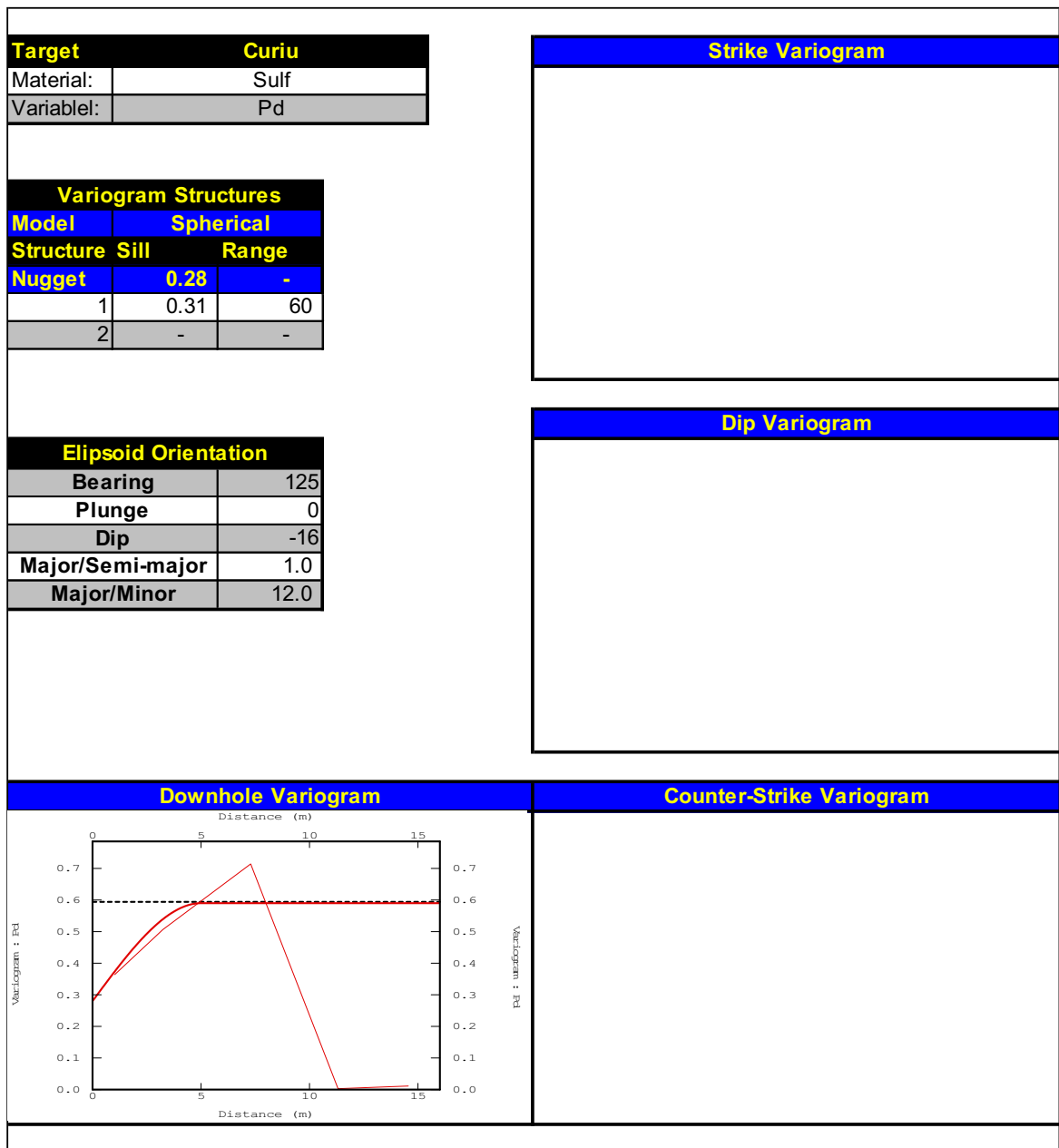
Variographic Analysis

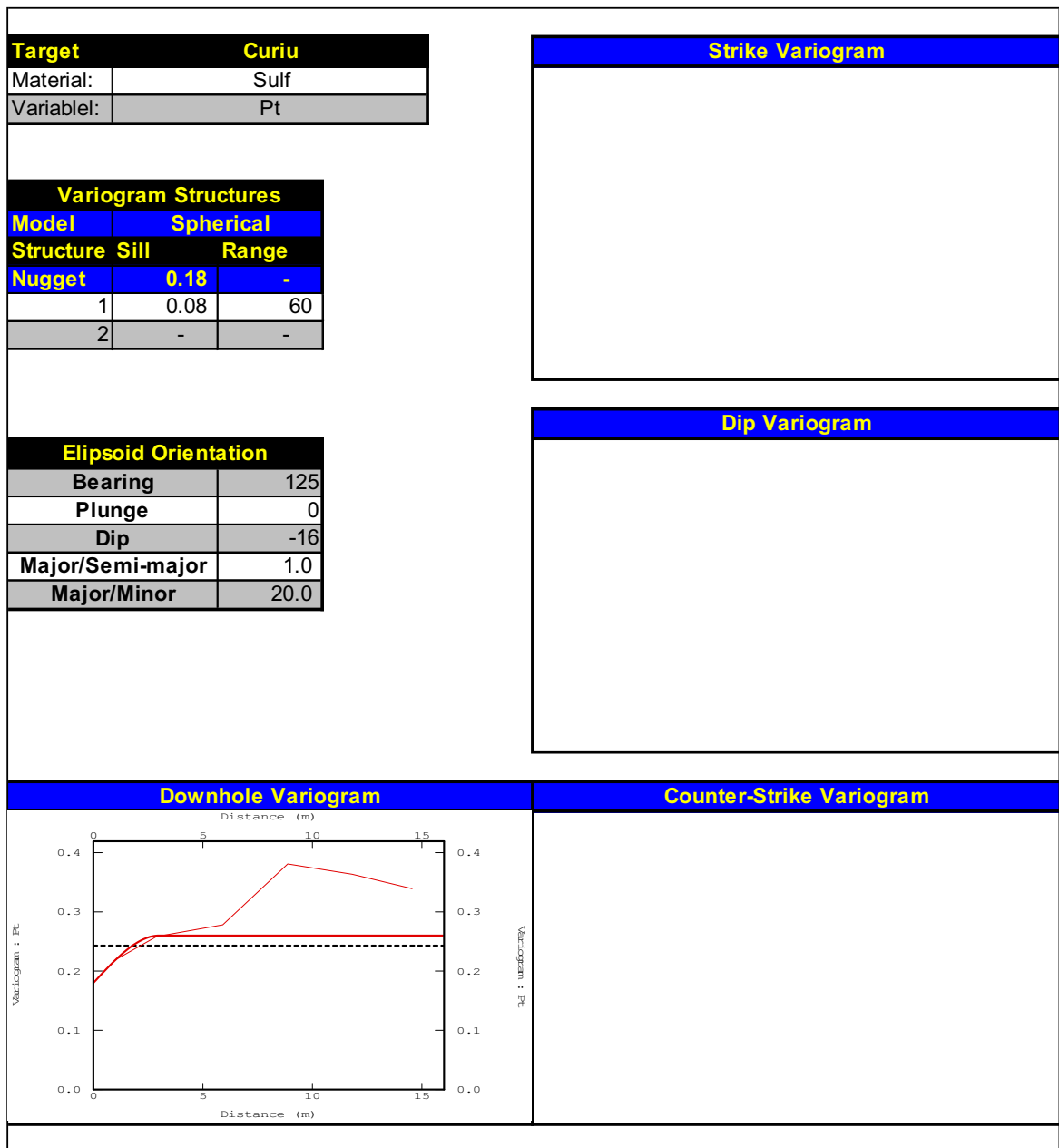
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: black; color: yellow;">Target</th> <th style="background-color: black; color: yellow;">Curiu</th> </tr> <tr> <td>Material:</td> <td>Oxi_Tran</td> </tr> <tr> <td>Variablel:</td> <td>Au</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="3" style="background-color: black; color: yellow;">Variogram Structures</th> </tr> <tr> <th style="background-color: blue; color: white;">Model</th> <th colspan="2" style="background-color: blue; color: white;">Spherical</th> </tr> <tr> <th style="background-color: blue; color: white;">Structure</th> <th style="background-color: blue; color: white;">Sill</th> <th style="background-color: blue; color: white;">Range</th> </tr> <tr> <td style="background-color: blue; color: white;">Nugget</td> <td style="background-color: blue; color: white;">5.00E-03</td> <td style="background-color: blue; color: white;">-</td> </tr> <tr> <td style="background-color: white;">1</td> <td style="background-color: white;">2.70E-02</td> <td style="background-color: white;">60</td> </tr> <tr> <td style="background-color: gray;">2</td> <td style="background-color: gray;">-</td> <td style="background-color: gray;">-</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="background-color: black; color: yellow;">Elipsoid Orientation</th> </tr> <tr> <td style="background-color: gray;">Bearing</td> <td style="background-color: gray;">125</td> </tr> <tr> <td style="background-color: white;">Plunge</td> <td style="background-color: white;">0</td> </tr> <tr> <td style="background-color: gray;">Dip</td> <td style="background-color: gray;">-16</td> </tr> <tr> <td style="background-color: white;">Major/Semi-major</td> <td style="background-color: white;">1.0</td> </tr> <tr> <td style="background-color: gray;">Major/Minor</td> <td style="background-color: gray;">20.0</td> </tr> </table>	Target	Curiu	Material:	Oxi_Tran	Variablel:	Au	Variogram Structures			Model	Spherical		Structure	Sill	Range	Nugget	5.00E-03	-	1	2.70E-02	60	2	-	-	Elipsoid Orientation		Bearing	125	Plunge	0	Dip	-16	Major/Semi-major	1.0	Major/Minor	20.0	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: blue; color: white;">Strike Variogram</th> </tr> <tr> <td style="height: 150px;"></td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: blue; color: white;">Dip Variogram</th> </tr> <tr> <td style="height: 150px;"></td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: blue; color: white;">Downhole Variogram</th> <th style="background-color: blue; color: white;">Counter-Strike Variogram</th> </tr> <tr> <td style="width: 50%; vertical-align: top;">  </td> <td style="width: 50%; vertical-align: top;"> <div style="height: 150px;"></div> </td> </tr> </table>	Strike Variogram		Dip Variogram		Downhole Variogram	Counter-Strike Variogram		<div style="height: 150px;"></div>
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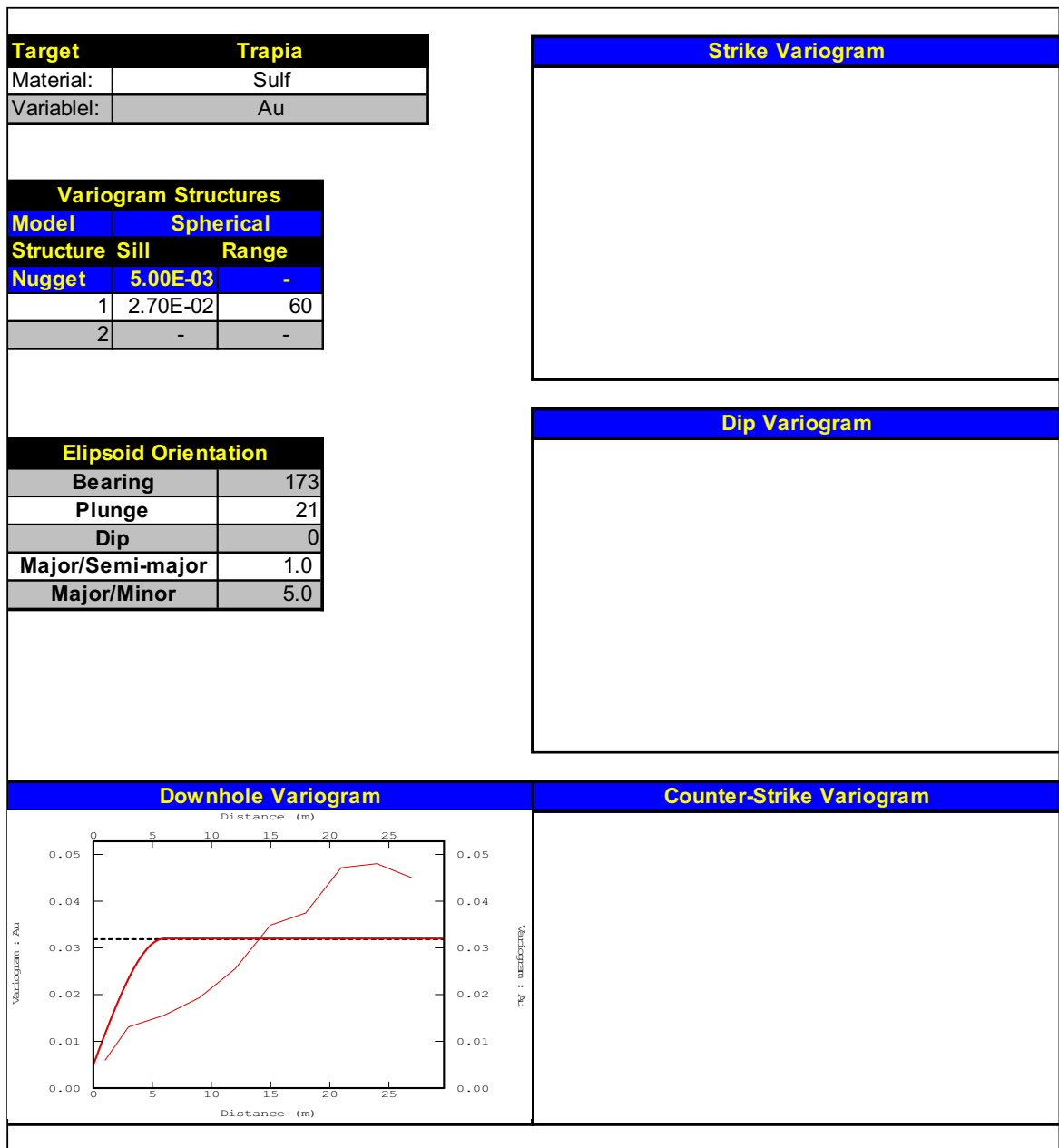
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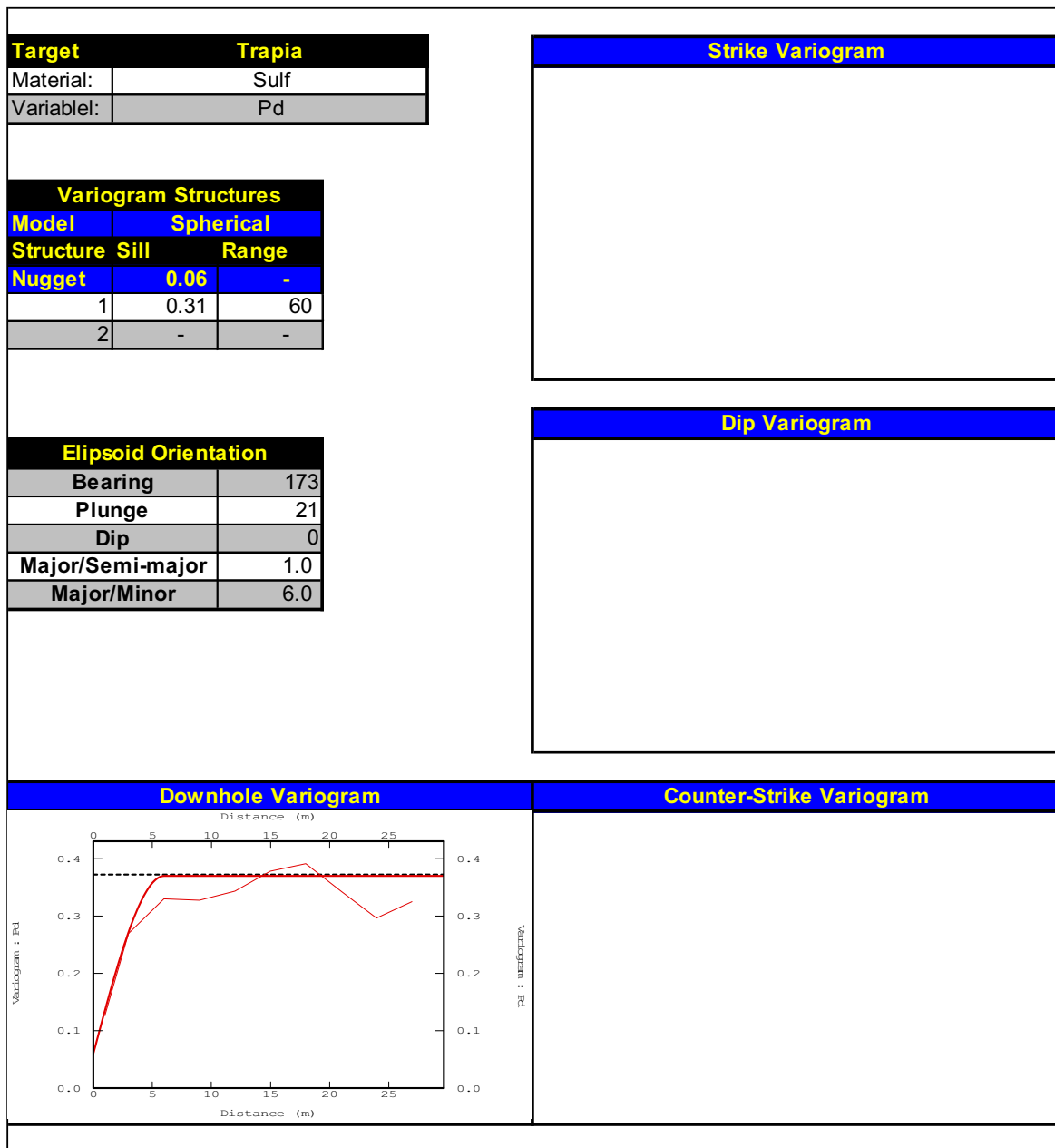
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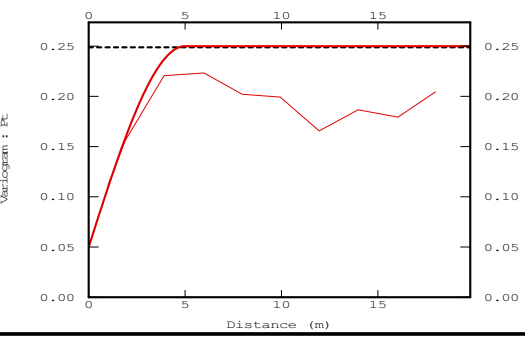
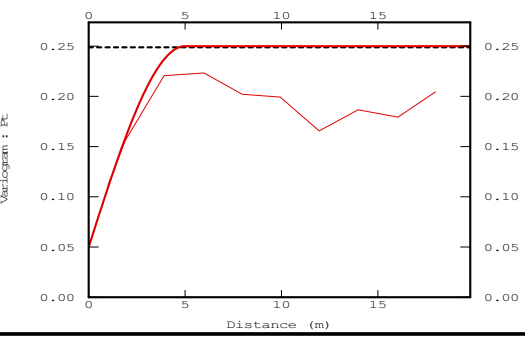
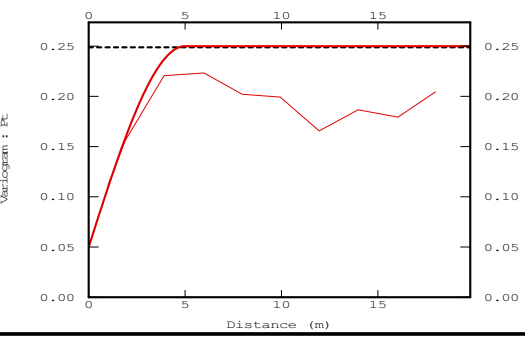


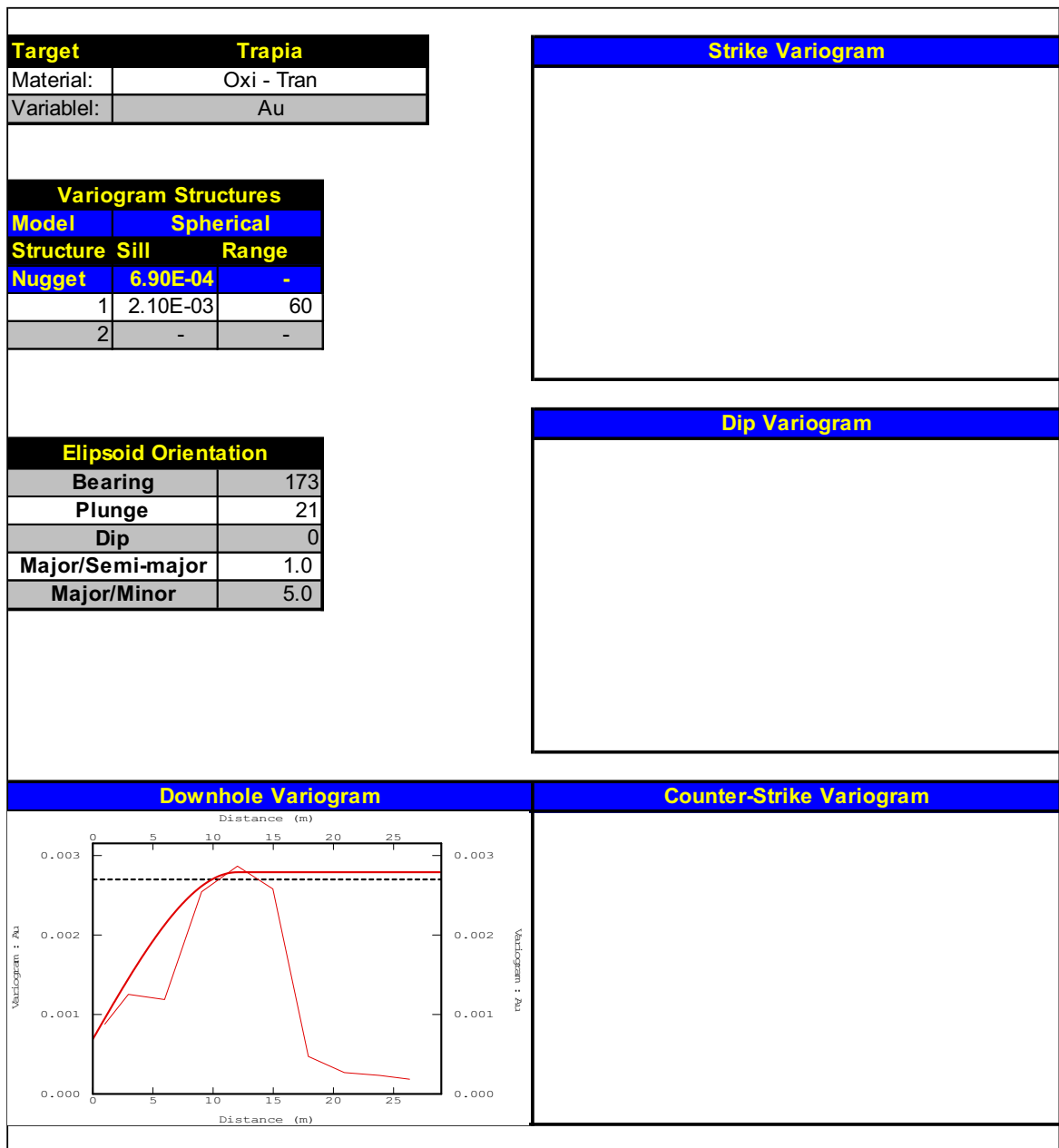


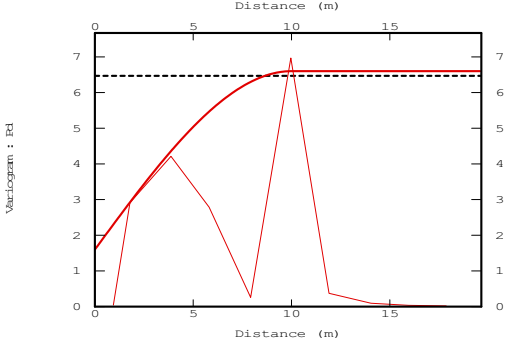
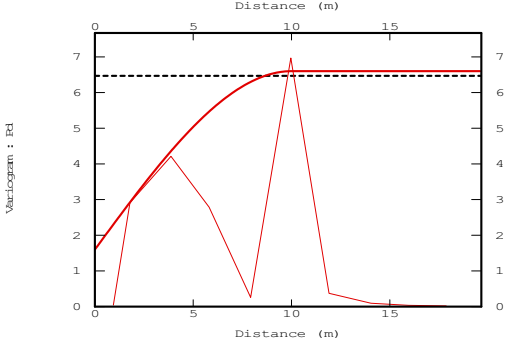
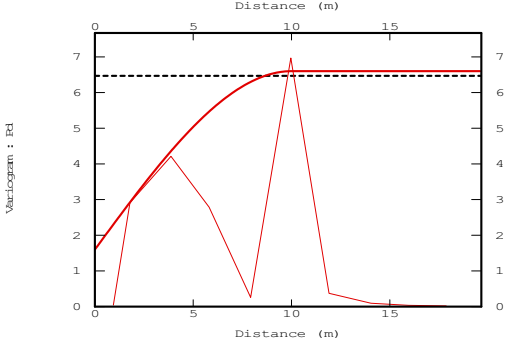


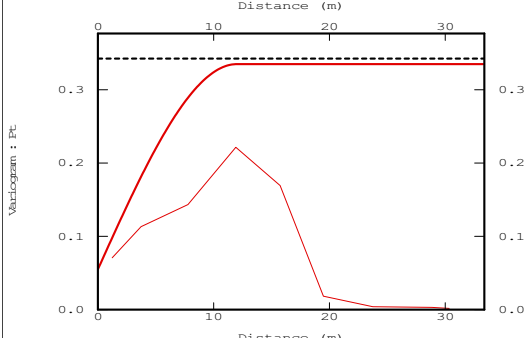
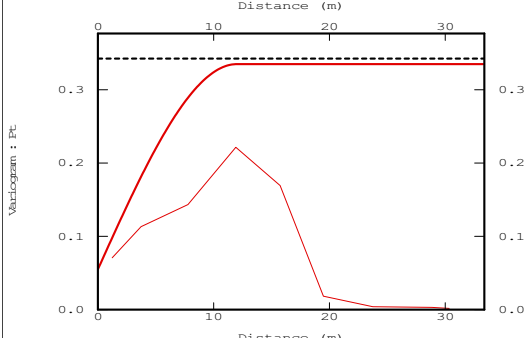
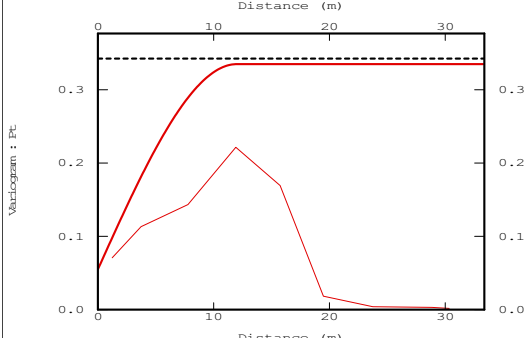


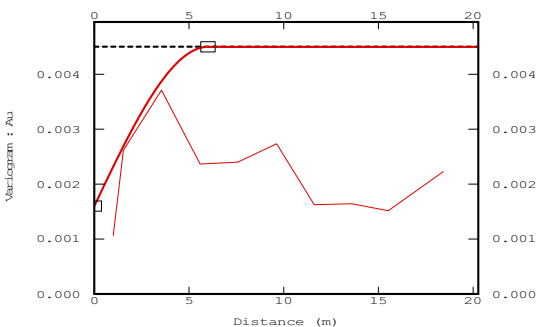
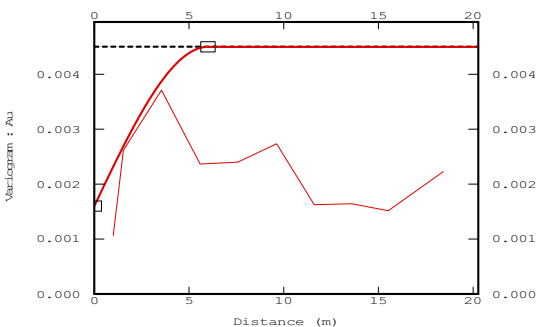
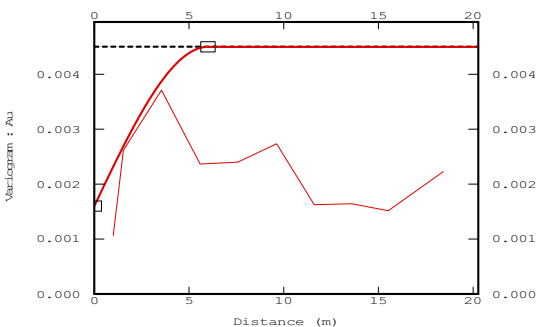


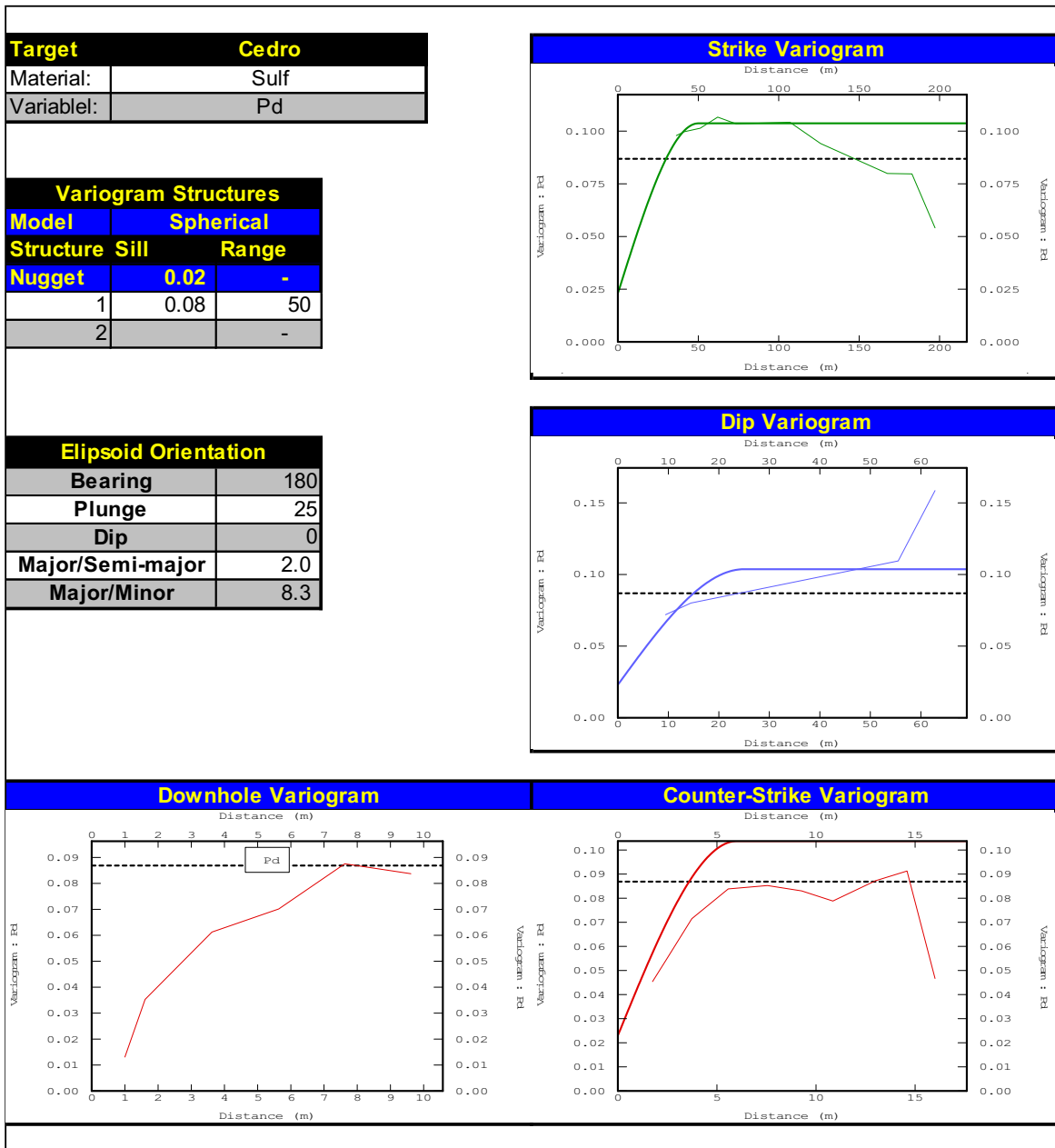
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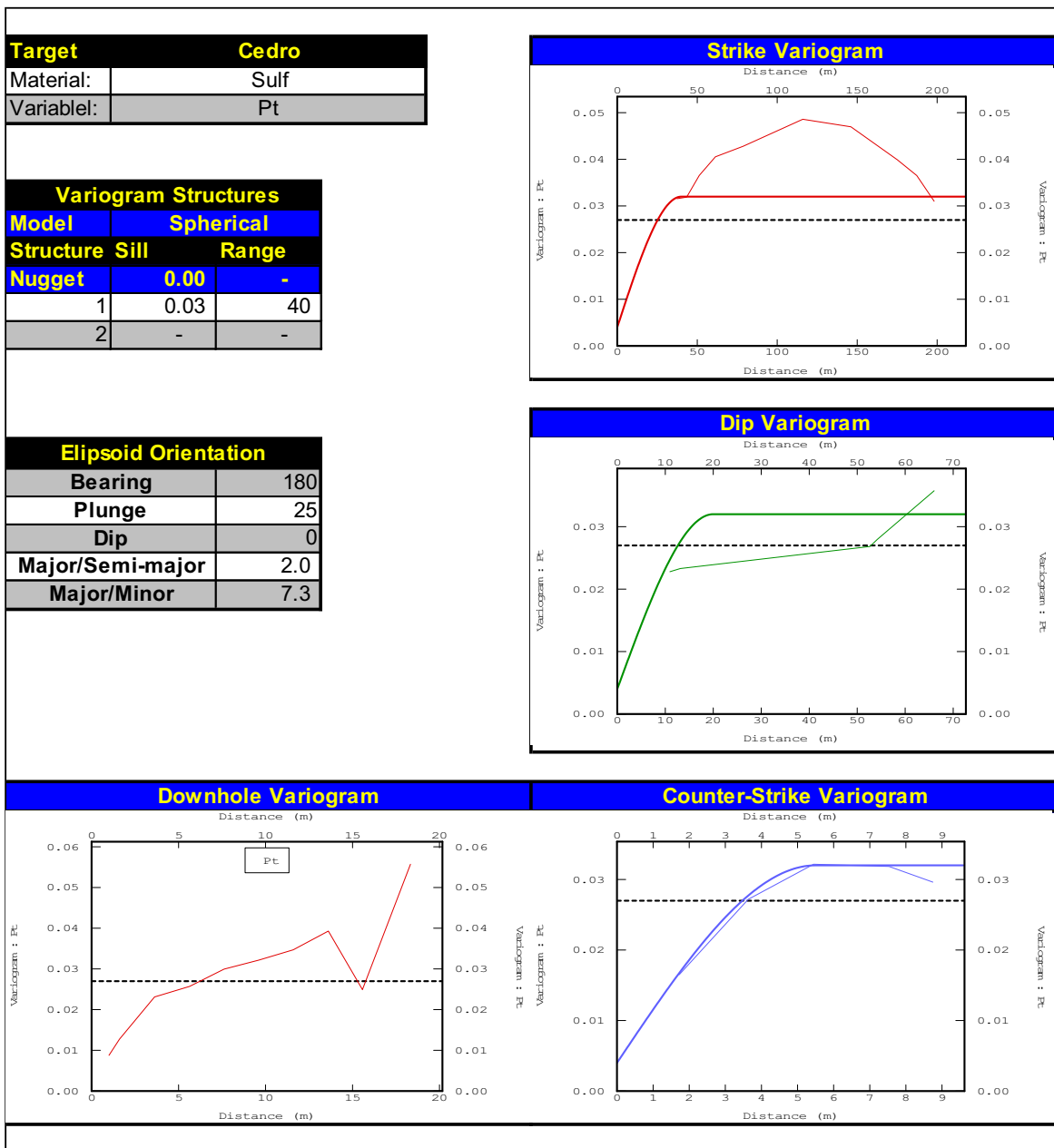


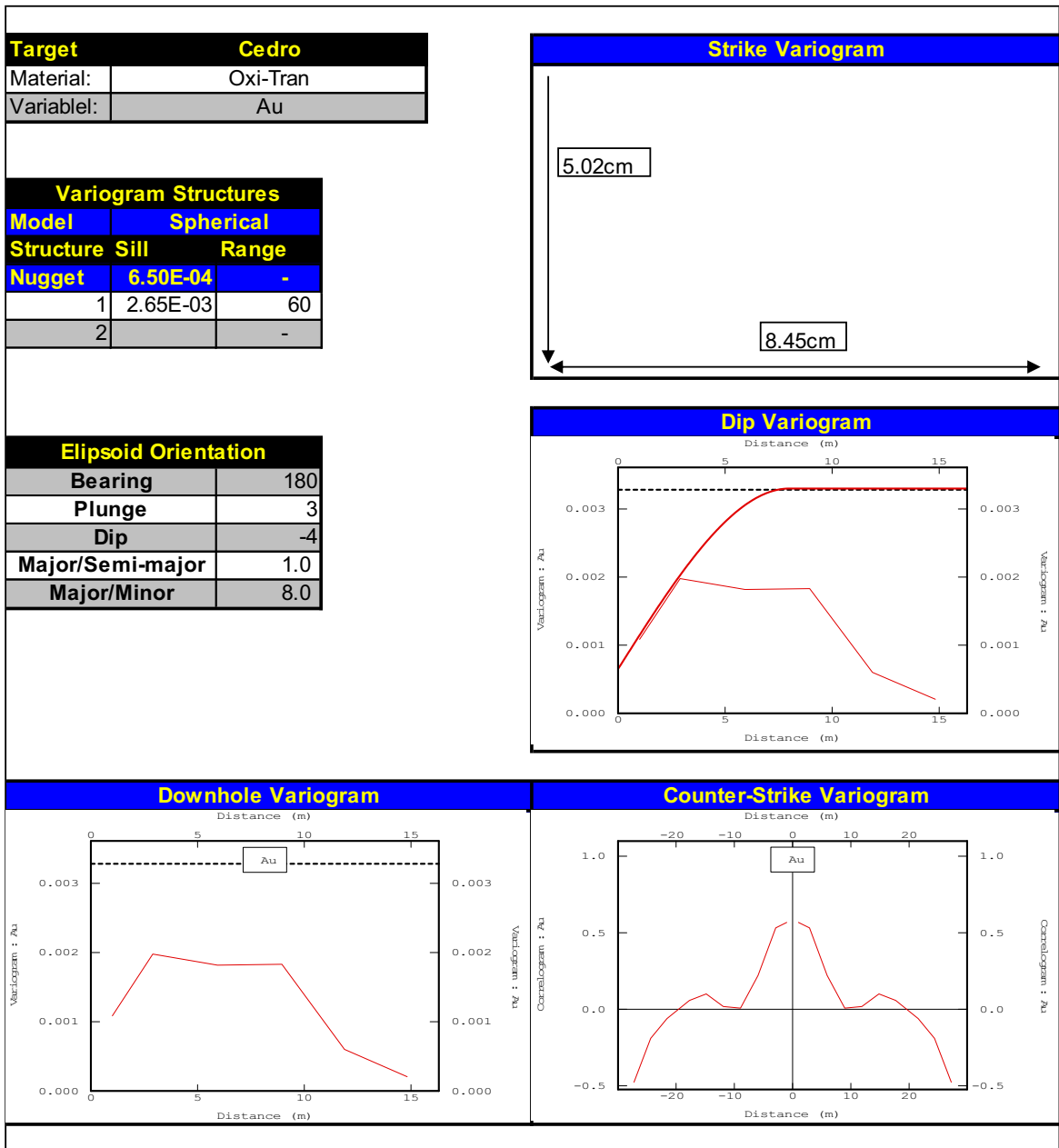
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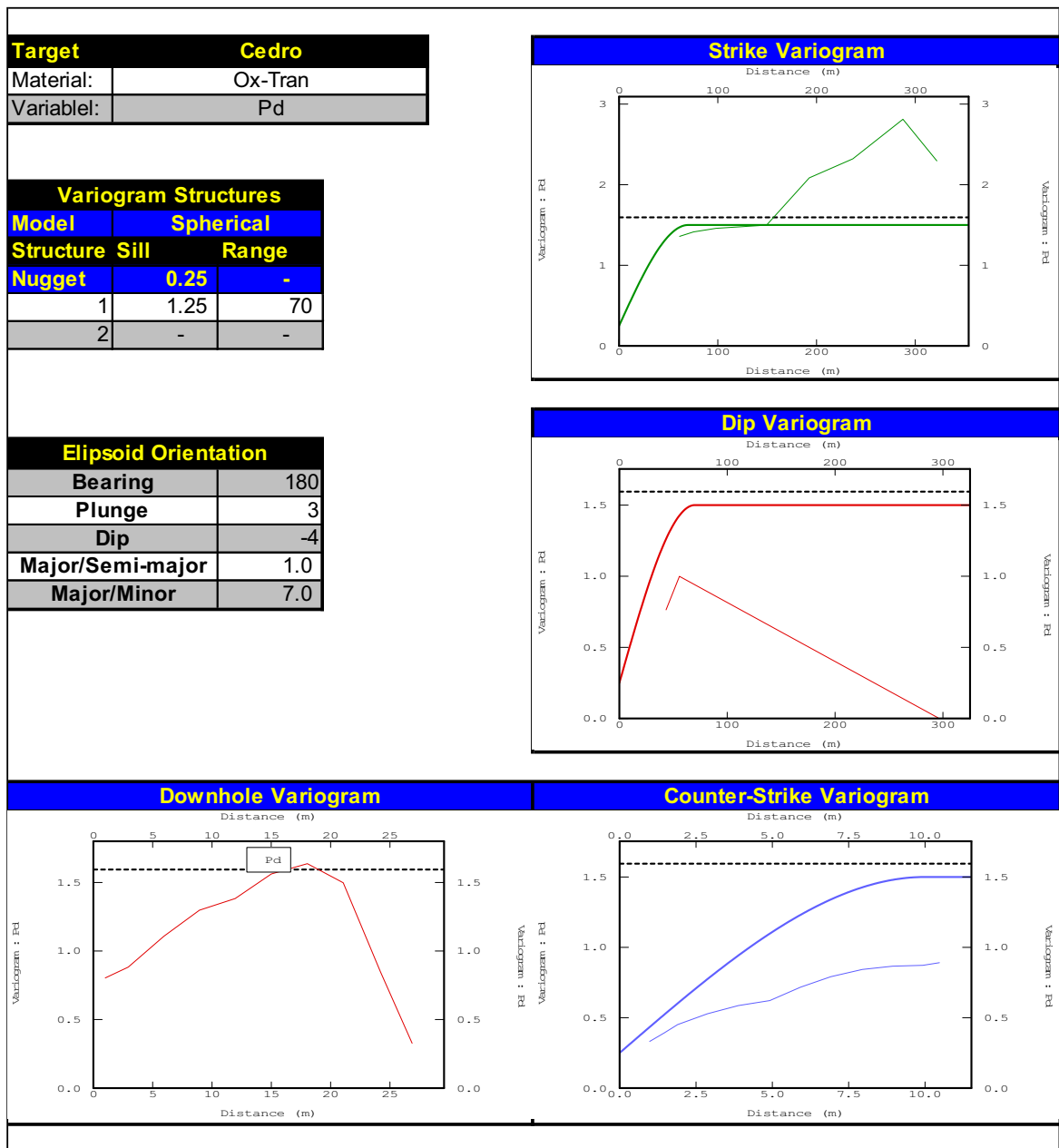
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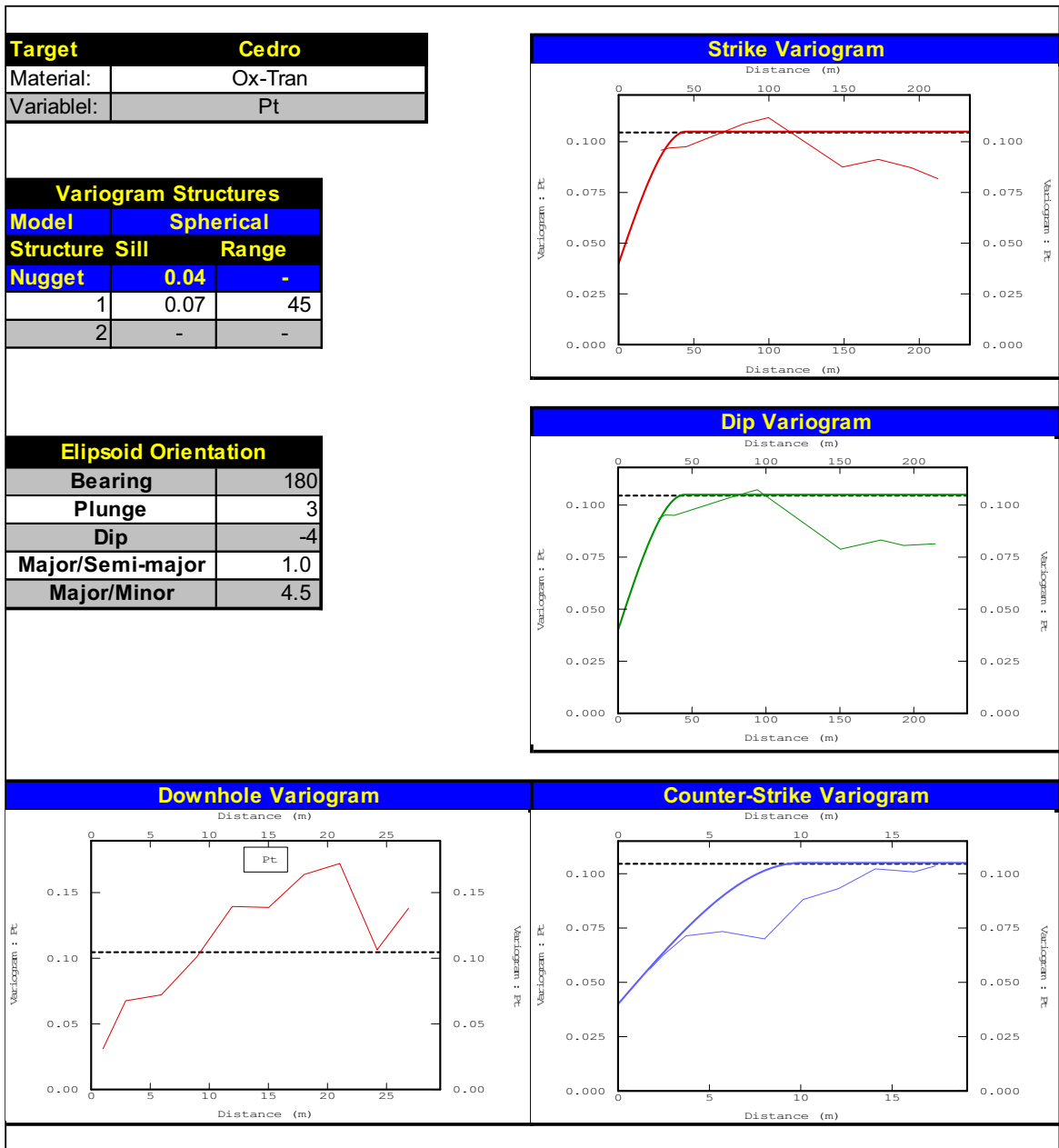
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Major/Minor	10.0																																																				
Strike Variogram																																																					
Dip Variogram																																																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: blue; color: white;">Downhole Variogram</th> </tr> <tr> <td>  </td> </tr> </table>	Downhole Variogram		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: blue; color: white;">Counter-Strike Variogram</th> </tr> <tr> <td style="height: 150px;"></td> </tr> </table>	Counter-Strike Variogram																																																	
Downhole Variogram																																																					
																																																					
Counter-Strike Variogram																																																					

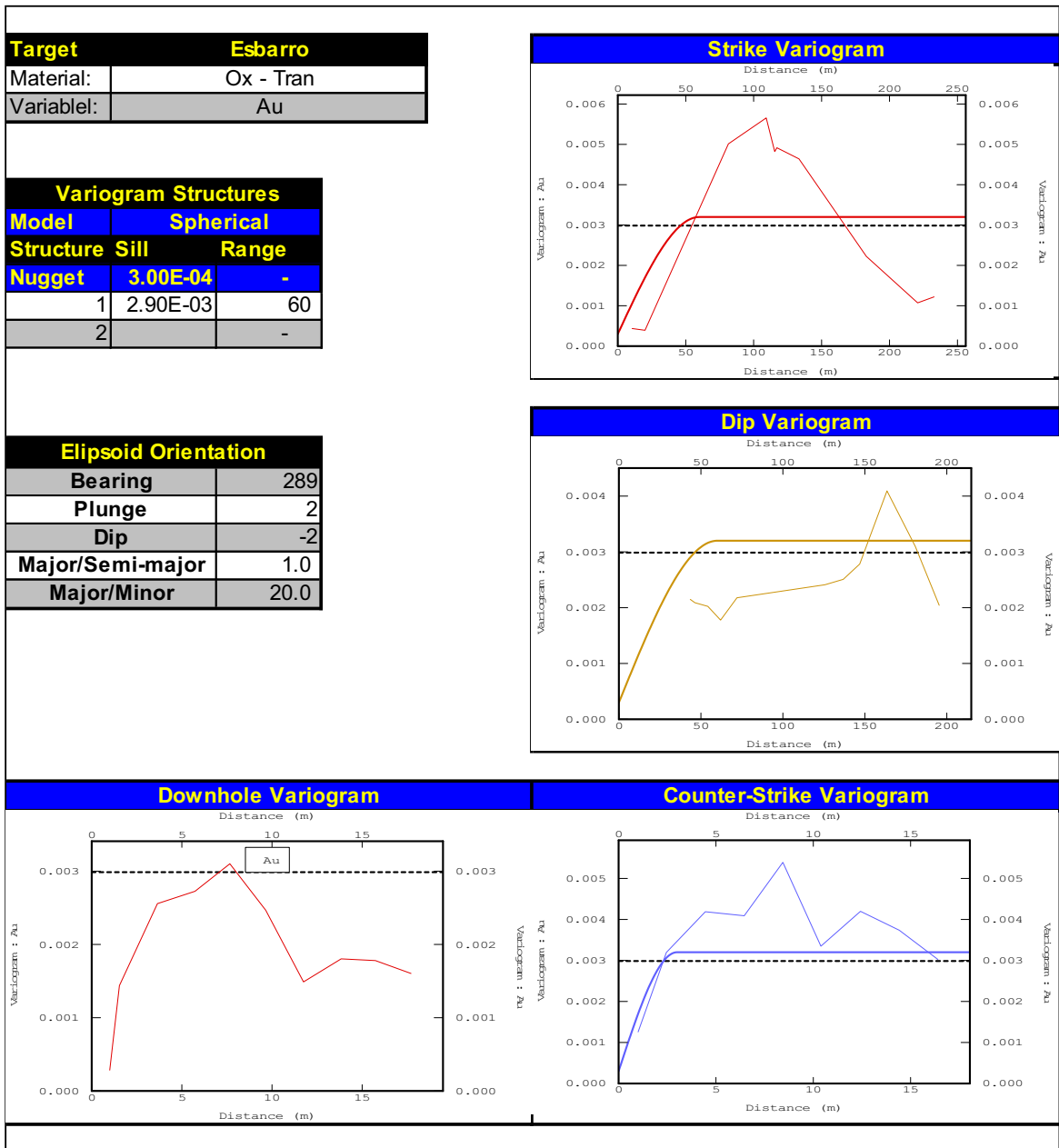


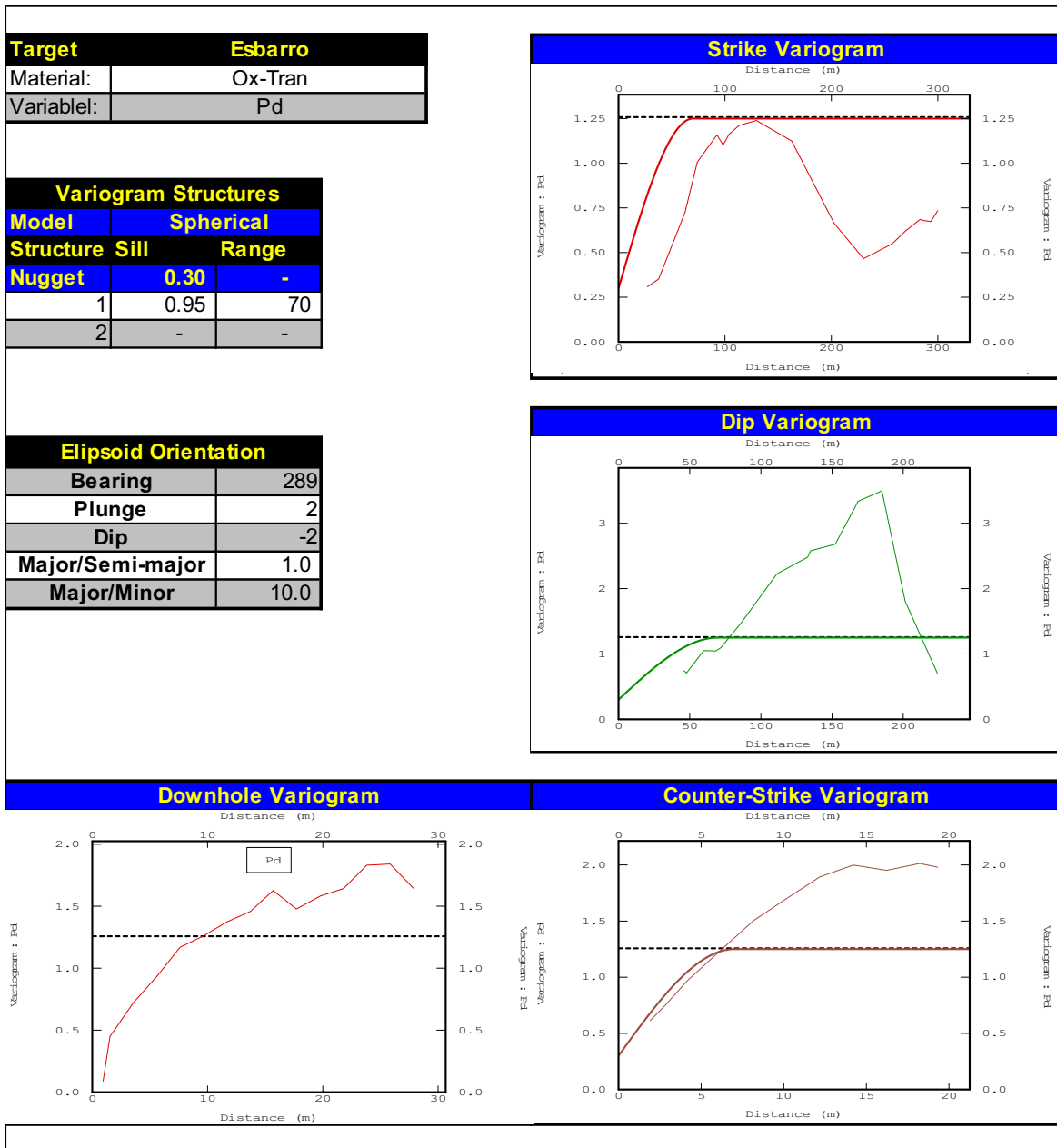








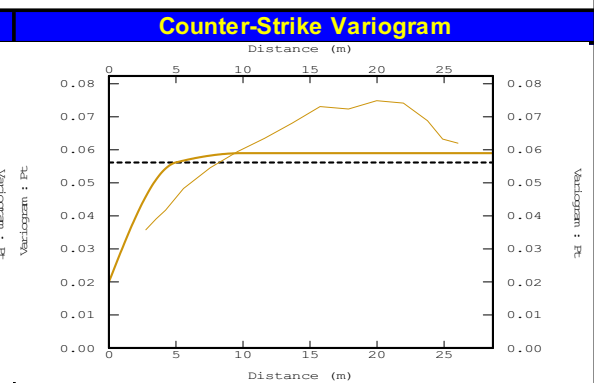
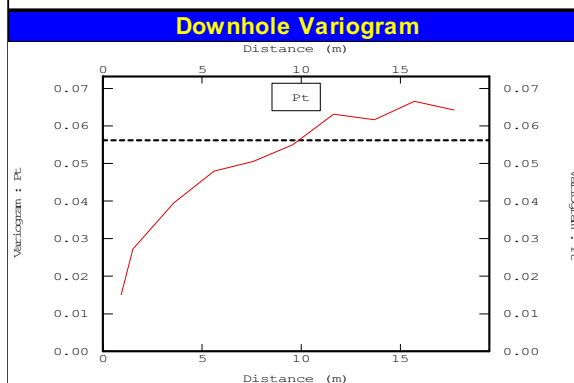
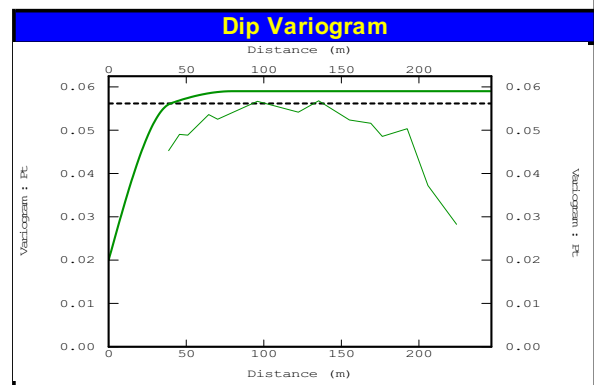
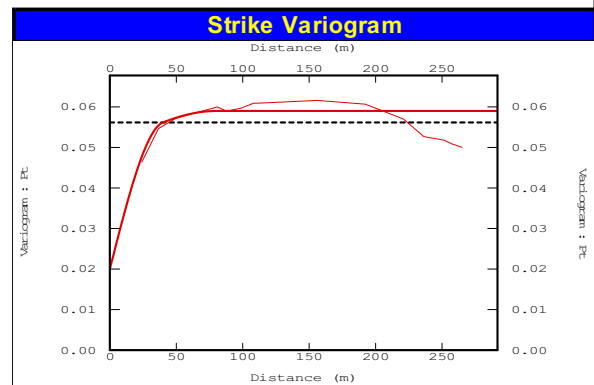


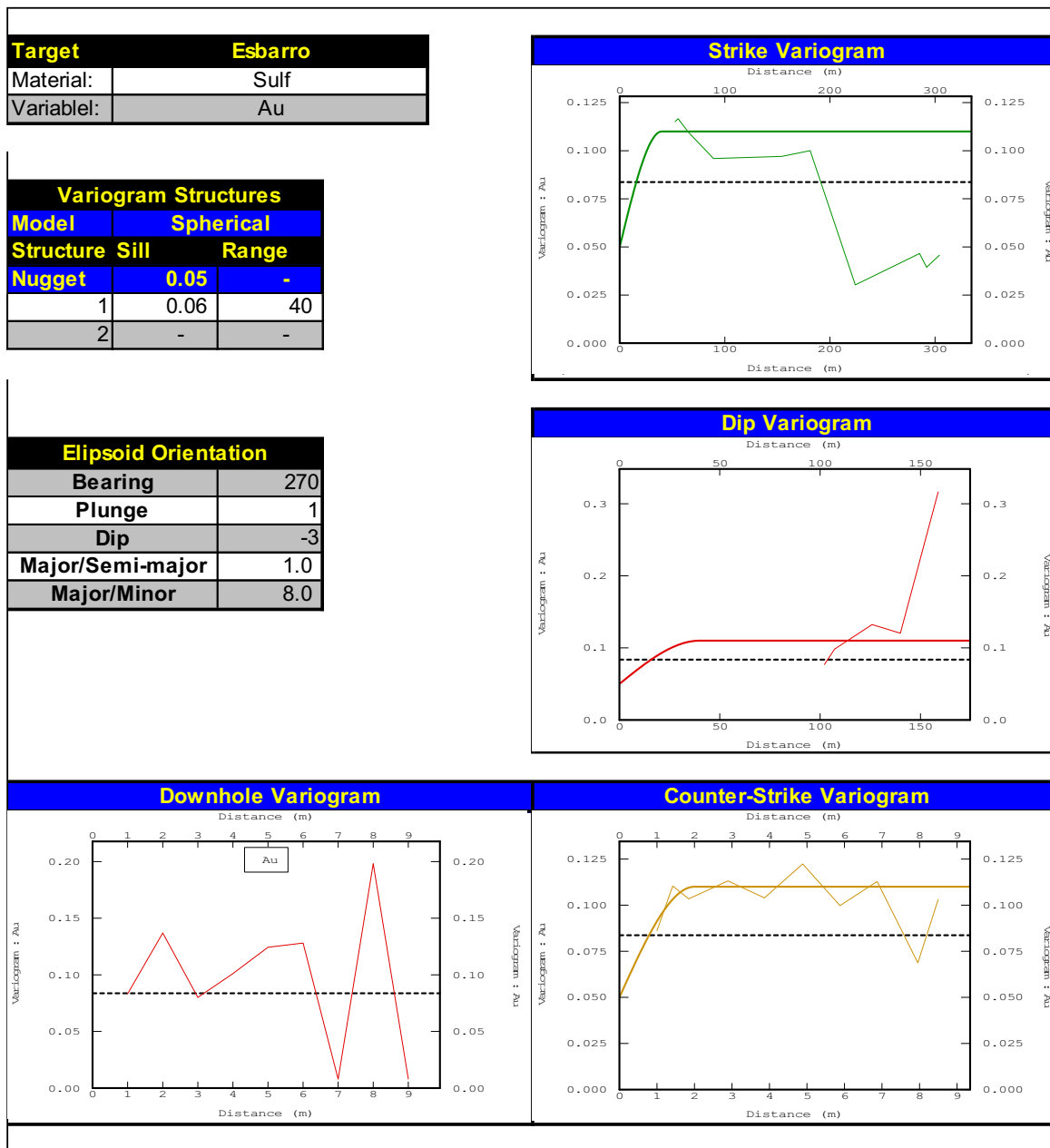


Target	Esbarro
Material:	Ox- Tran
Variable:	Pt

Variogram Structures		
Model	Spherical	
Structure	Sill	Range
Nugget	0.02	-
1	0.03	40
2	0.01	80

Elipsoid Orientation	
Bearing	289
Plunge	2
Dip	-2
Major/Semi-major	1.0
Major/Minor	8.0

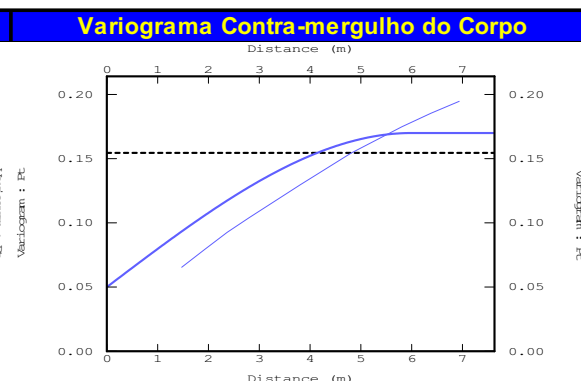
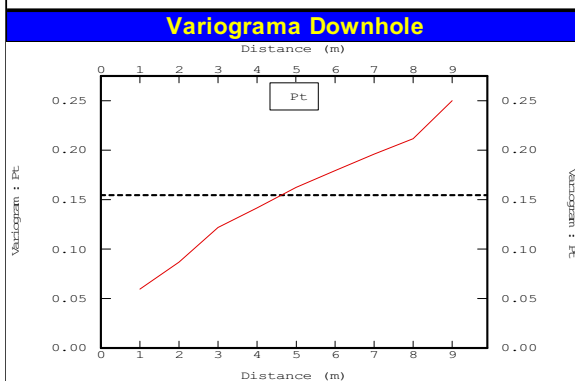
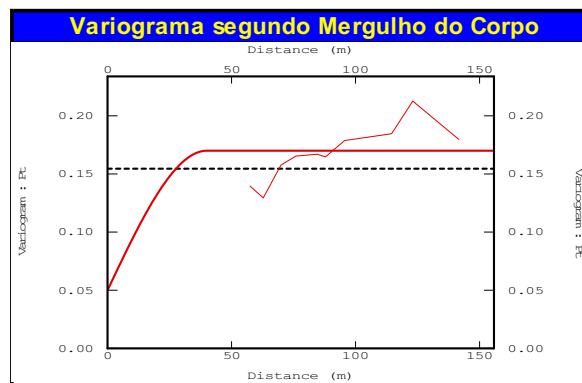
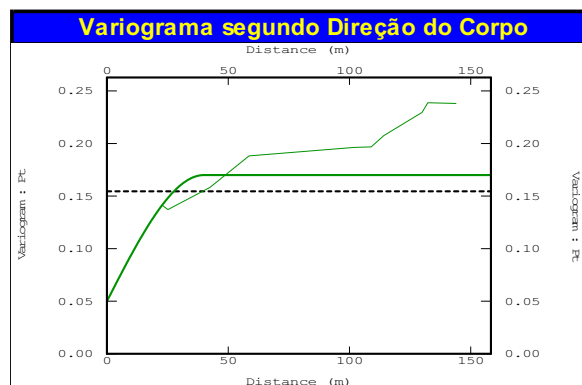


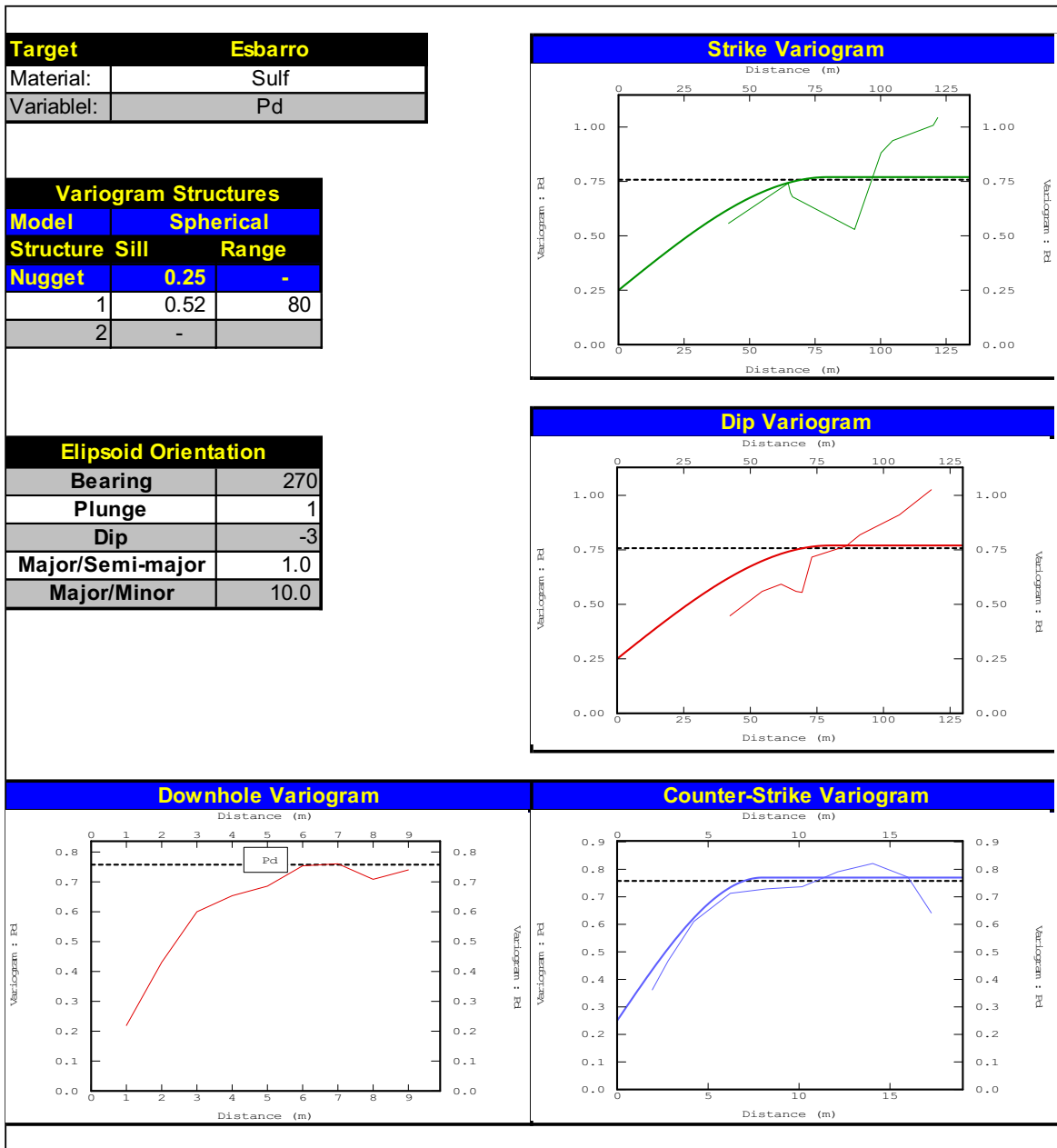


Alvo	Esbarro
Material:	Sulf
Variável:	Pt

Estruturas do Variograma		
Modelo	Spherical	
Estrutura	Patamar	Alcance
Pepita	0.05	-
1	0.12	40
2	-	-

Atitudes do Elipsoide	
Bearing	270
Plunge	1
Dip	-3
Maior/Semi-maior	1.0
Maior/Menor	8.0





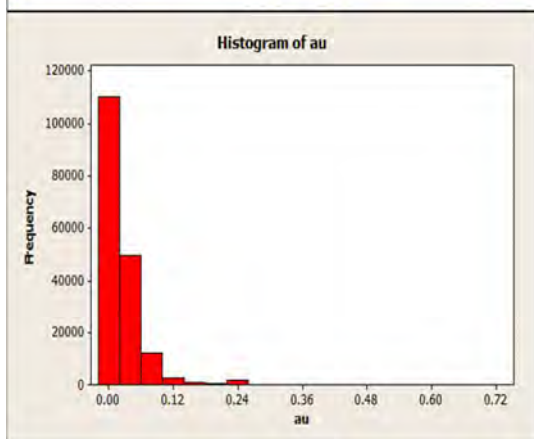
Appendix E

NN-Check

Pedra Branca

Target:	Esbarro
Zone:	Total
Variable:	Au
Resource Class:	Meas+Ind

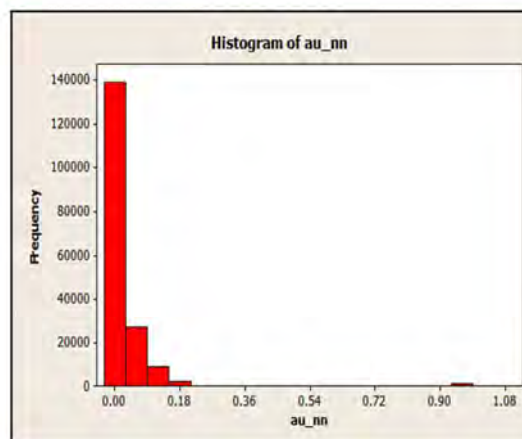
Ordinary Kriging



Sample N°:	177988
Minimum:	-
Maximum:	0.66
Mean:	0.0274
Variance:	0.0412
Std Deviation:	0.0017

Quantiles	
1° Quartil:	0.01
Median:	0.02
3° Quartil:	0.03
	-

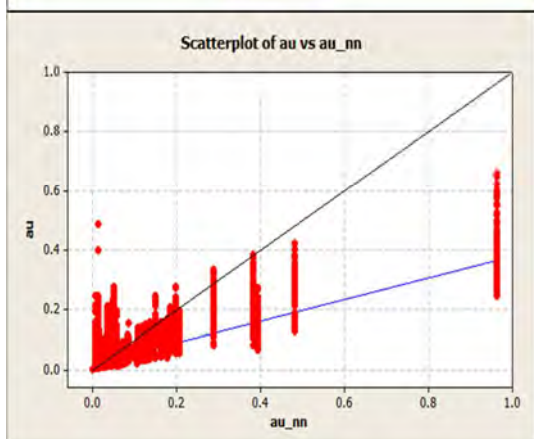
NN-Check



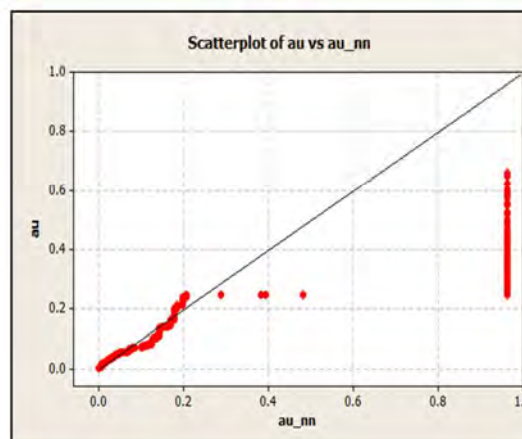
Sample N°:	177988
Minimum:	-
Maximum:	0.96
Mean:	0.03
Variance:	0.08
Std Deviation:	0.01

Quantiles	
1° Quartil:	0.01
Median:	0.01
3° Quartil:	0.03
	-

Correlation



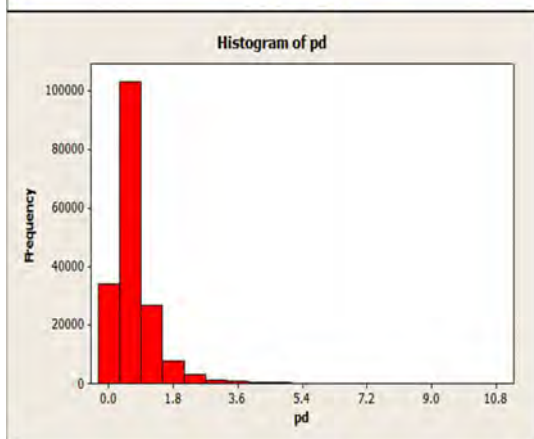
Q-Q Plot



Pedra Branca

Target:	Esbarro
Zone:	Total
Variable:	Pd
Resource Class:	Meas+Ind

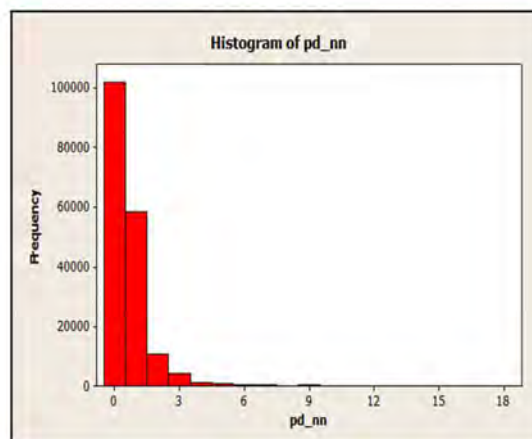
Ordinary Kriging



Sample N°:	177988
Minimum:	0.02
Maximum:	10.38
Mean:	0.72
Variance:	0.69
Std Deviation:	0.48

Quantiles	
1° Quartil:	0.34
Median:	0.53
3° Quartil:	0.86
	-

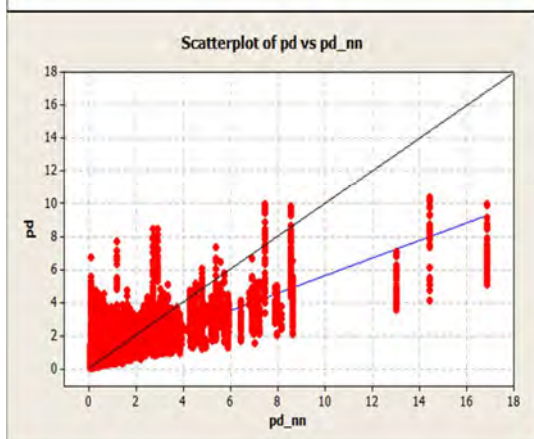
NN-Check



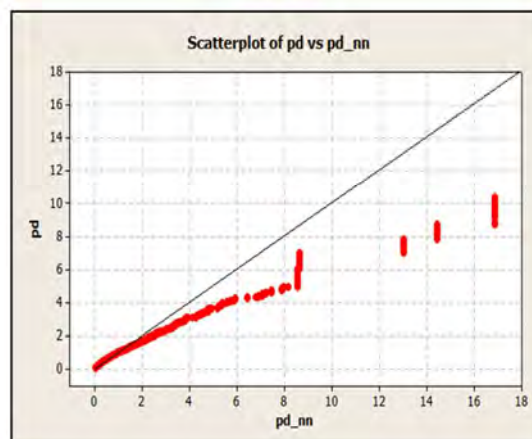
Sample N°:	177988
Minimum:	0.01
Maximum:	16.88
Mean:	0.72
Variance:	1.04
Std Deviation:	1.07

Quantiles	
1° Quartil:	0.23
Median:	0.42
3° Quartil:	0.79
	-

Correlation



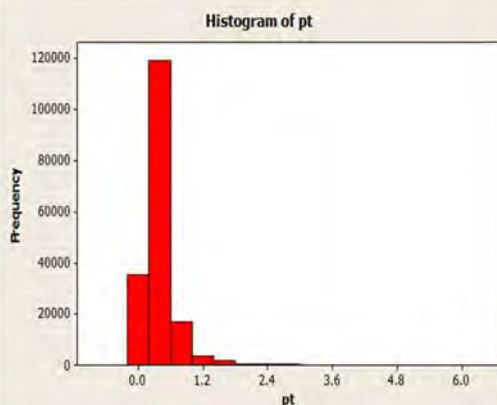
Q-Q Plot



Pedra Branca

Target:	Esbarro
Zone:	Total
Variable:	Pt
Resource Class:	Meas+Ind

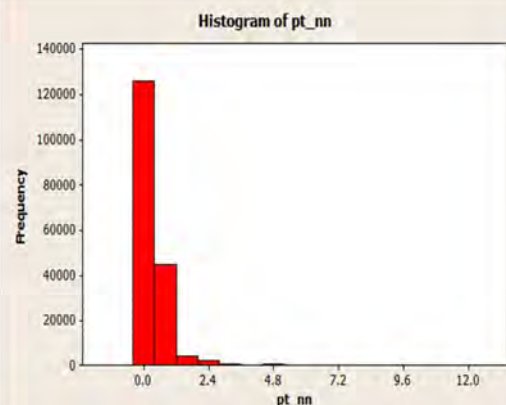
Ordinary Kriging



Sample N°:	177988
Minimum:	0.01
Maximum:	5.95
Mean:	0.39
Variance:	0.33
Std Deviation:	0.11

Quantiles	
1° Quartil:	0.22
Median:	0.30
3° Quartil:	0.44
	-

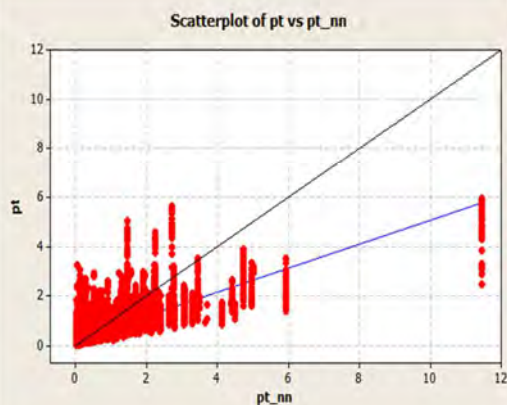
NN-Check



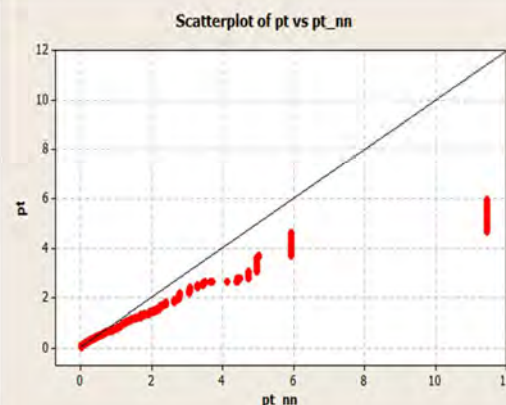
Sample N°:	177988
Minimum:	0.01
Maximum:	11.45
Mean:	0.39
Variance:	0.51
Std Deviation:	0.26

Quantiles	
1° Quartil:	0.16
Median:	0.26
3° Quartil:	0.44
	-

Correlation



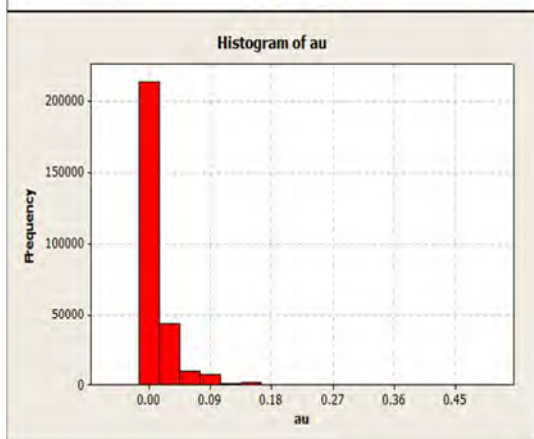
Q-Q Plot



Pedra Branca

Target:	Cedro
Zone:	Total
Variable:	Au
Resource Class:	Meas+Ind

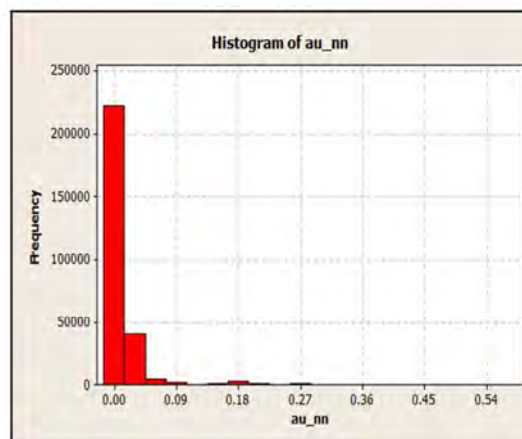
Ordinary Kriging



Sample N°:	275709
Minimum:	0.00
Maximum:	0.49
Mean:	0.0160
Variance:	0.0276
Std Deviation:	0.0008

Quantiles	
1° Quartil:	0.007
Median:	0.009
3° Quartil:	0.013
	-

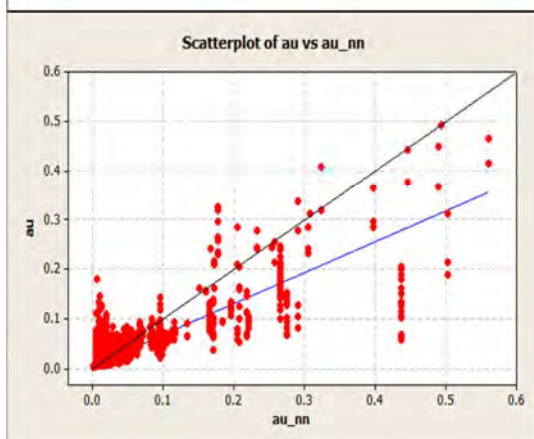
NN-Check



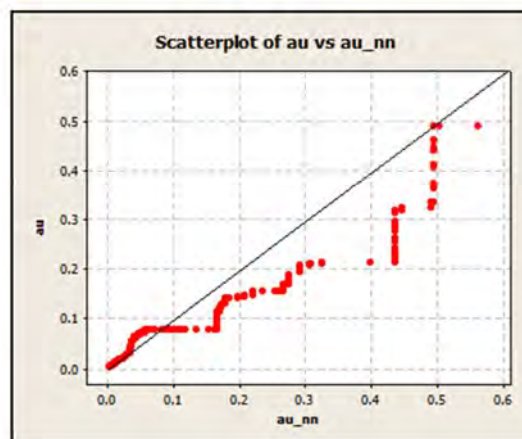
Sample N°:	275709
Minimum:	0.00
Maximum:	0.56
Mean:	0.02
Variance:	0.04
Std Deviation:	0.00

Quantiles	
1° Quartil:	0.01
Median:	0.01
3° Quartil:	0.01
	-

Correlation



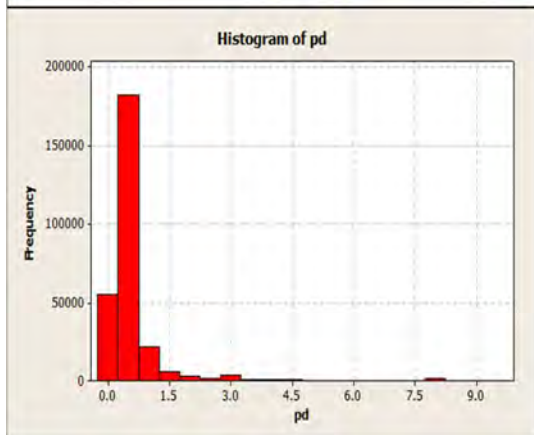
Q-Q Plot



Pedra Branca

Target:	Cedro
Zone:	Total
Variable:	Pd
Resource Class:	Meas+Ind

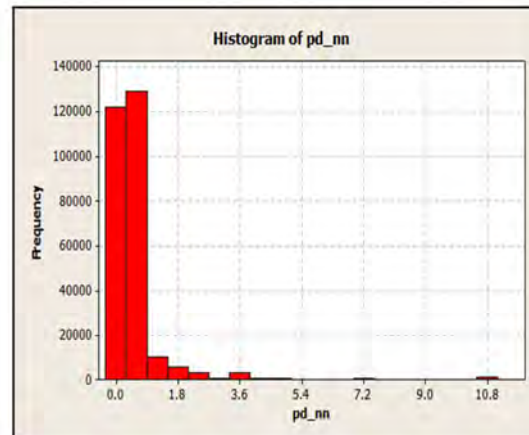
Ordinary Kriging



Sample N°:	275709
Minimum:	0.02
Maximum:	8.94
Mean:	0.55
Variance:	0.76
Std Deviation:	0.57

Quantiles	
1° Quartil:	0.27
Median:	0.38
3° Quartil:	0.51
	-

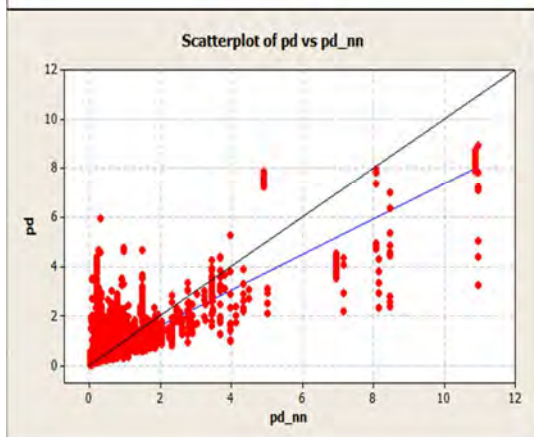
NN-Check



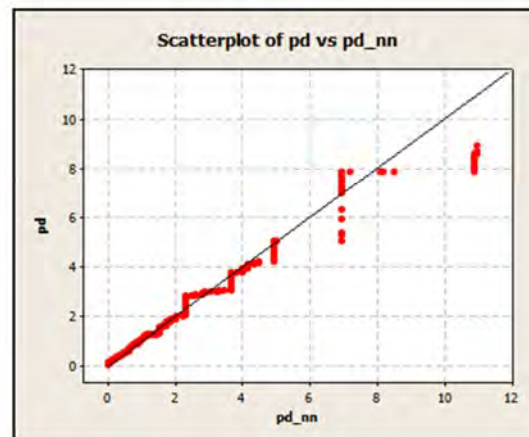
Sample N°:	275709
Minimum:	0.01
Maximum:	10.96
Mean:	0.52
Variance:	0.88
Std Deviation:	0.78

Quantiles	
1° Quartil:	0.20
Median:	0.33
3° Quartil:	0.52
	-

Correlation



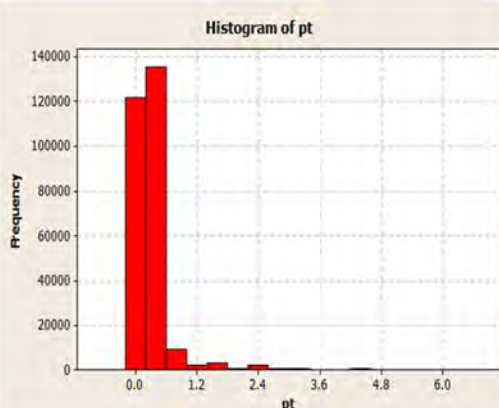
Q-Q Plot



Pedra Branca

Target:	Cedro
Zone:	Total
Variable:	Pt
Resource Class:	Meas+Ind

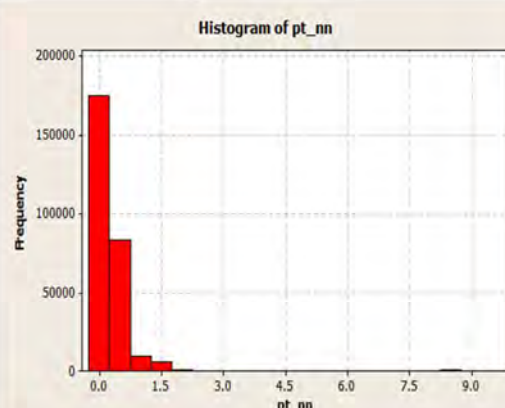
Ordinary Kriging



Sample N°:	275709
Minimum:	0.02
Maximum:	6.04
Mean:	0.31
Variance:	0.38
Std Deviation:	0.15

Quantiles	
1° Quartil:	0.16
Median:	0.21
3° Quartil:	0.33
	-

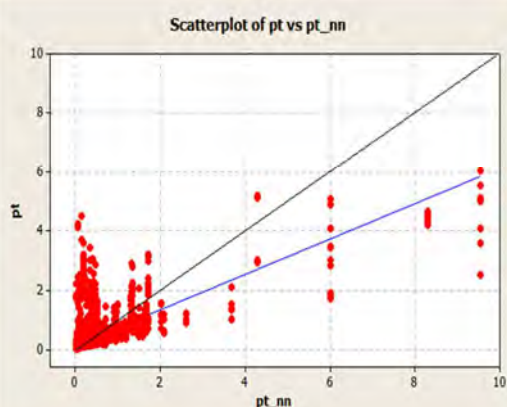
NN-Check



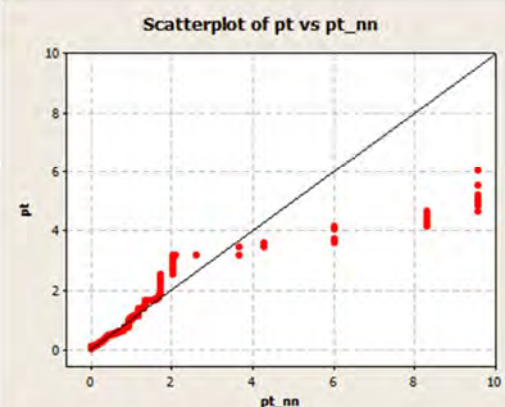
Sample N°:	275709
Minimum:	0.01
Maximum:	9.55
Mean:	0.30
Variance:	0.48
Std Deviation:	0.23

Quantiles	
1° Quartil:	0.14
Median:	0.22
3° Quartil:	0.32
	-

Correlation



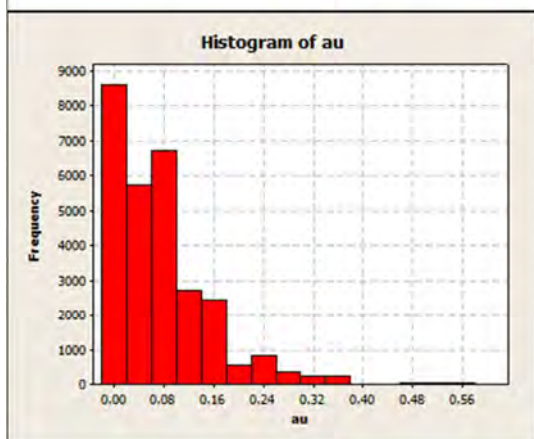
Q-Q Plot



Pedra Branca

Target:	Curiu
Zone:	Total
Variable:	Au
Resource Class:	Meas+Ind

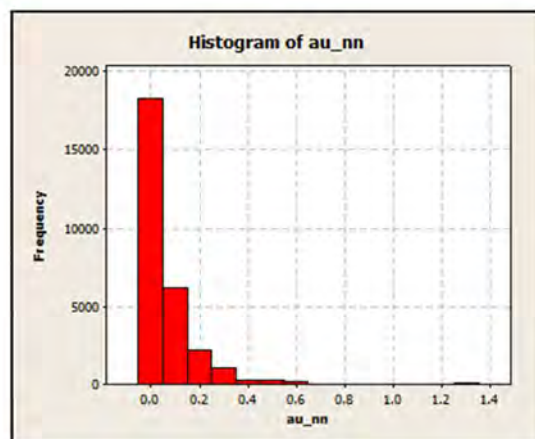
Ordinary Kriging



Sample N°:	28602
Minimum:	0.01
Maximum:	0.57
Mean:	0.0759
Variance:	0.0761
Std Deviation:	0.0058

Quantiles	
1° Quartil:	0.015
Median:	0.059
3° Quartil:	0.104
	-

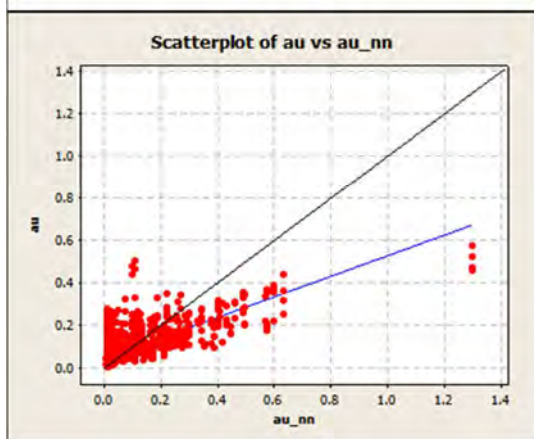
NN-Check



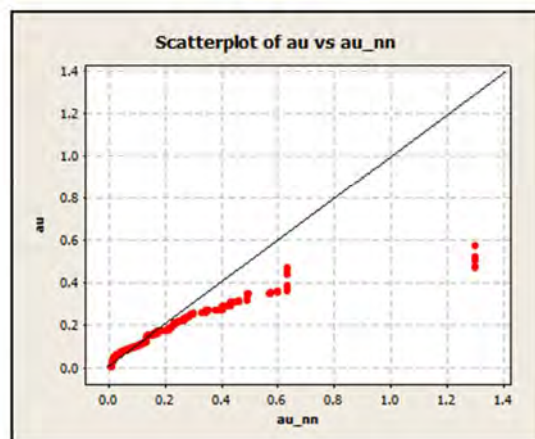
Sample N°:	28602
Minimum:	0.00
Maximum:	1.30
Mean:	0.07
Variance:	0.12
Std Deviation:	0.01

Quantiles	
1° Quartil:	0.01
Median:	0.02
3° Quartil:	0.10
	-

Correlation



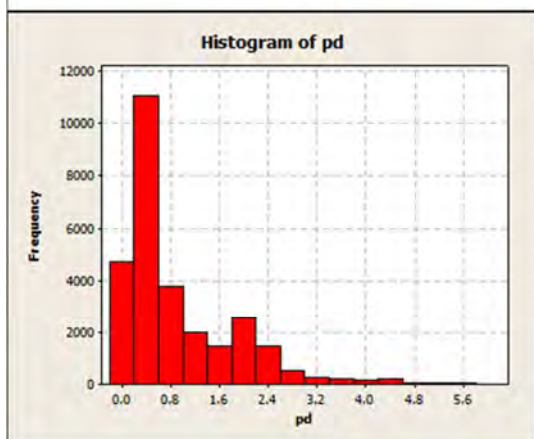
Q-Q Plot



Pedra Branca

Target:	Curiu
Zone:	Total
Variable:	Pd
Resource Class:	Meas+Ind

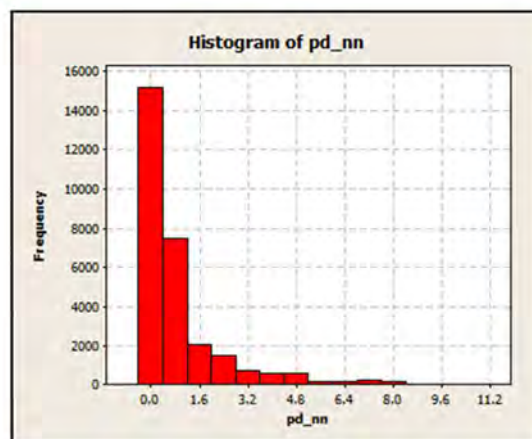
Ordinary Kriging



Sample N°:	28602
Minimum:	0.01
Maximum:	5.93
Mean:	0.92
Variance:	0.96
Std Deviation:	0.93

Quantiles	
1° Quartil:	0.23
Median:	0.51
3° Quartil:	1.39
	-

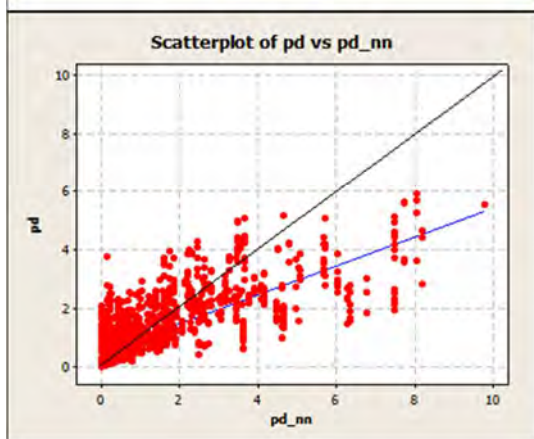
NN-Check



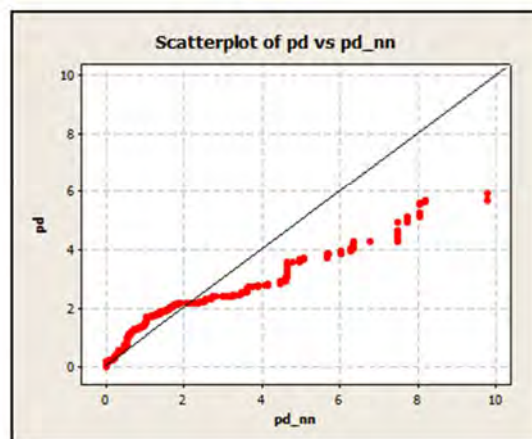
Sample N°:	28602
Minimum:	0.01
Maximum:	9.80
Mean:	0.89
Variance:	1.36
Std Deviation:	1.86

Quantiles	
1° Quartil:	0.17
Median:	0.33
3° Quartil:	0.99
	-

Correlation



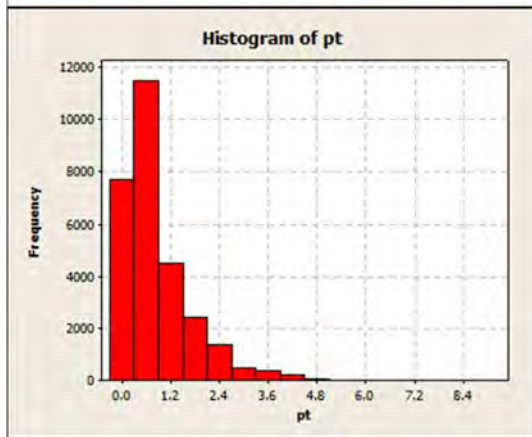
Q-Q Plot



Pedra Branca

Target:	Curiu
Zone:	Total
Variable:	Pt
Resource Class:	Meas+Ind

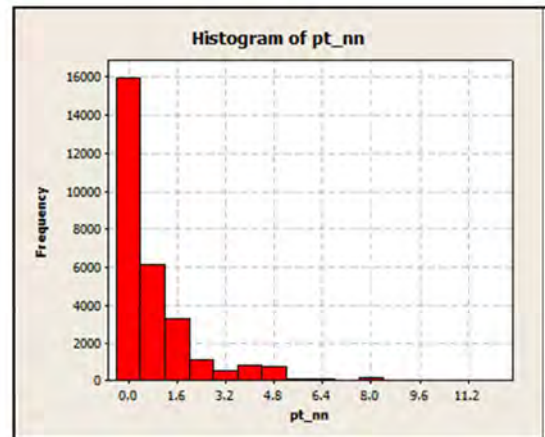
Ordinary Kriging



Sample N°:	28602
Minimum:	0.04
Maximum:	8.52
Mean:	0.86
Variance:	0.84
Std Deviation:	0.71

Quantiles	
1° Quartil:	0.28
Median:	0.59
3° Quartil:	1.14
	-

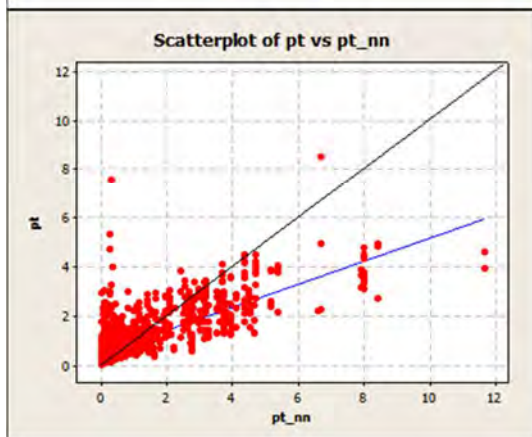
NN-Check



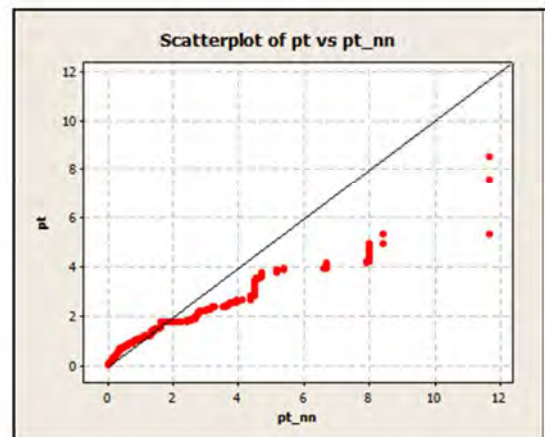
Sample N°:	28602
Minimum:	0.01
Maximum:	11.68
Mean:	0.88
Variance:	1.29
Std Deviation:	1.66

Quantiles	
1° Quartil:	0.15
Median:	0.33
3° Quartil:	1.08
	-

Correlation



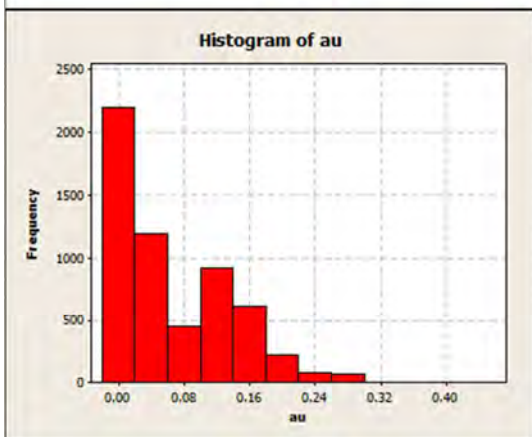
Q-Q Plot



Pedra Branca

Target:	Trapia
Zone:	Total
Variable:	Au
Resource Class:	Meas+Ind

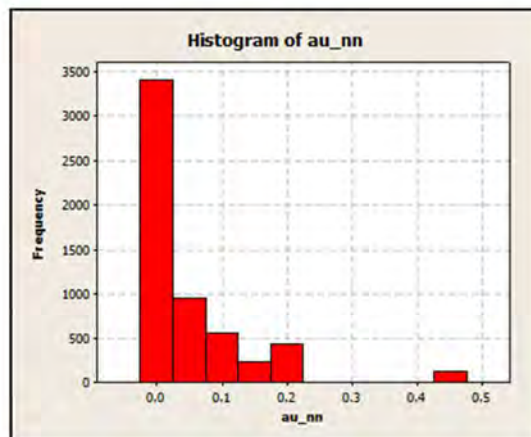
Ordinary Kriging



Sample N°:	5707
Minimum:	0.01
Maximum:	0.39
Mean:	0.0651
Variance:	0.0672
Std Deviation:	0.0045

Quantiles	
1° Quartil:	0.008
Median:	0.031
3° Quartil:	0.113
	-

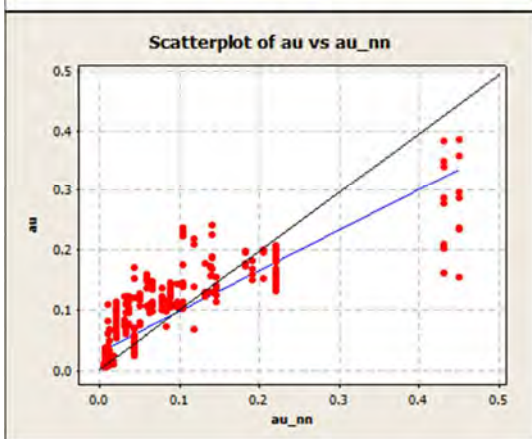
NN-Check



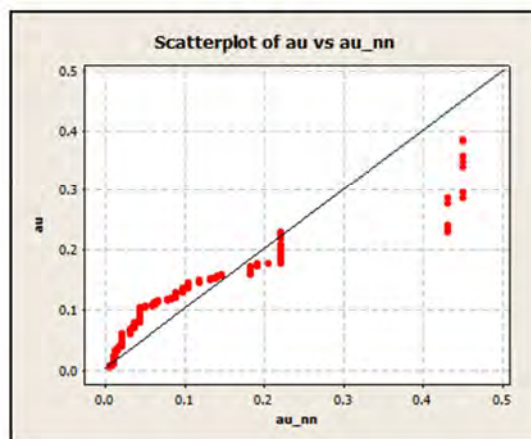
Sample N°:	5707
Minimum:	0.01
Maximum:	0.45
Mean:	0.05
Variance:	0.08
Std Deviation:	0.01

Quantiles	
1° Quartil:	0.01
Median:	0.01
3° Quartil:	0.07
	-

Correlation



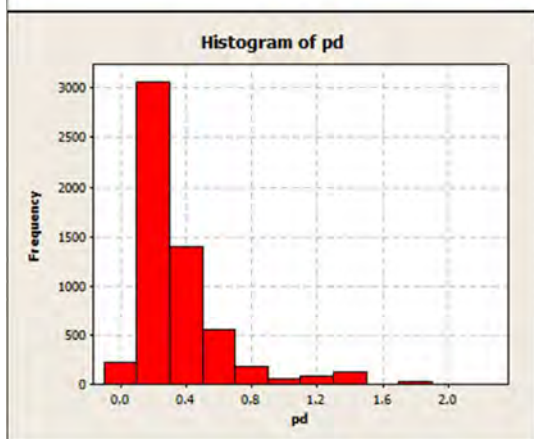
Q-Q Plot



Pedra Branca

Target:	Trapia
Zone:	Total
Variable:	Pd
Resource Class:	Meas+Ind

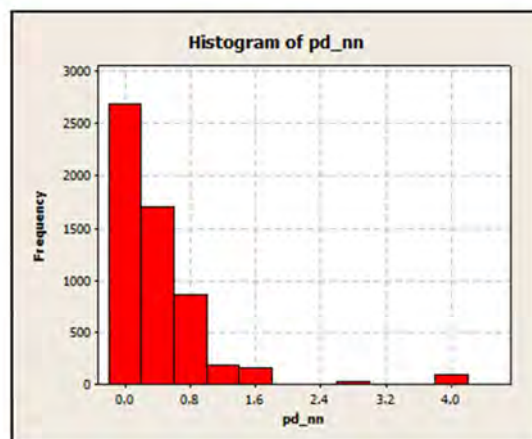
Ordinary Kriging



Sample N°:	5707
Minimum:	0.08
Maximum:	1.98
Mean:	0.36
Variance:	0.28
Std Deviation:	0.08

Quantiles	
1° Quartil:	0.17
Median:	0.27
3° Quartil:	0.43
	-

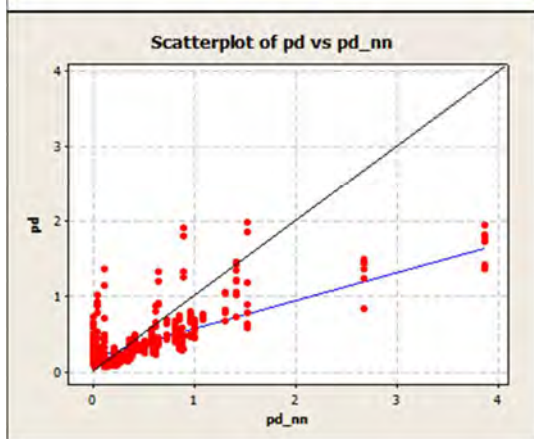
NN-Check



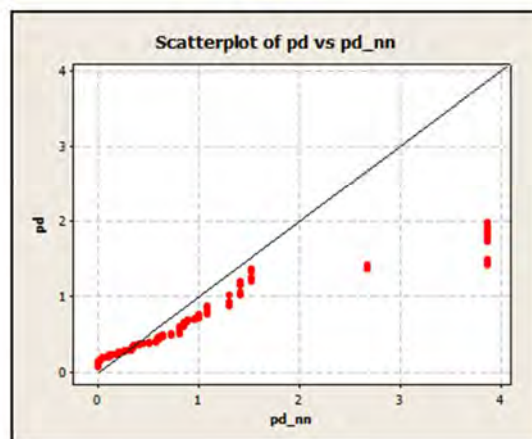
Sample N°:	5707
Minimum:	0.01
Maximum:	3.86
Mean:	0.40
Variance:	0.58
Std Deviation:	0.34

Quantiles	
1° Quartil:	0.02
Median:	0.22
3° Quartil:	0.60
	-

Correlation



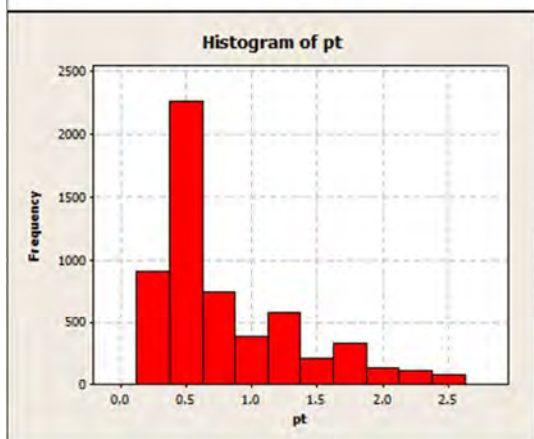
Q-Q Plot



Pedra Branca

Target:	Trapia
Zone:	Total
Variable:	Pt
Resource Class:	Meas+Ind

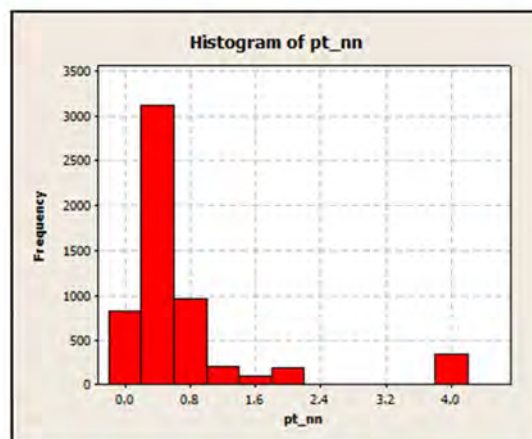
Ordinary Kriging



Sample N°:	5707
Minimum:	0.16
Maximum:	2.60
Mean:	0.80
Variance:	0.53
Std Deviation:	0.28

Quantiles	
1° Quartil:	0.44
Median:	0.58
3° Quartil:	1.11
	-

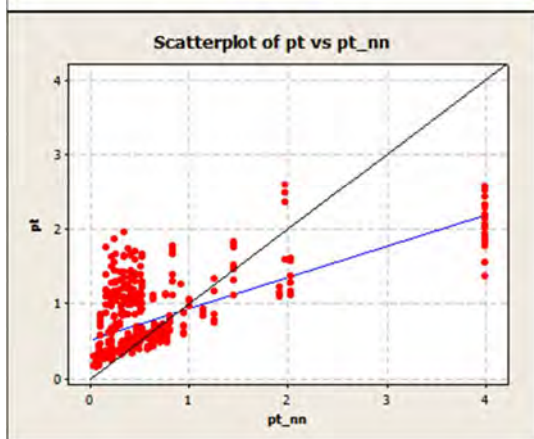
NN-Check



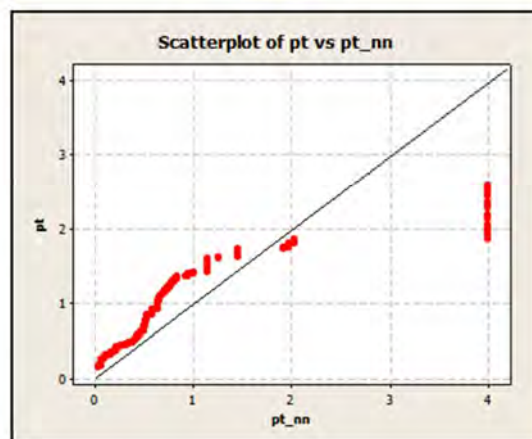
Sample N°:	5707
Minimum:	0.04
Maximum:	3.98
Mean:	0.71
Variance:	0.89
Std Deviation:	0.80

Quantiles	
1° Quartil:	0.27
Median:	0.45
3° Quartil:	0.68
	-

Correlation

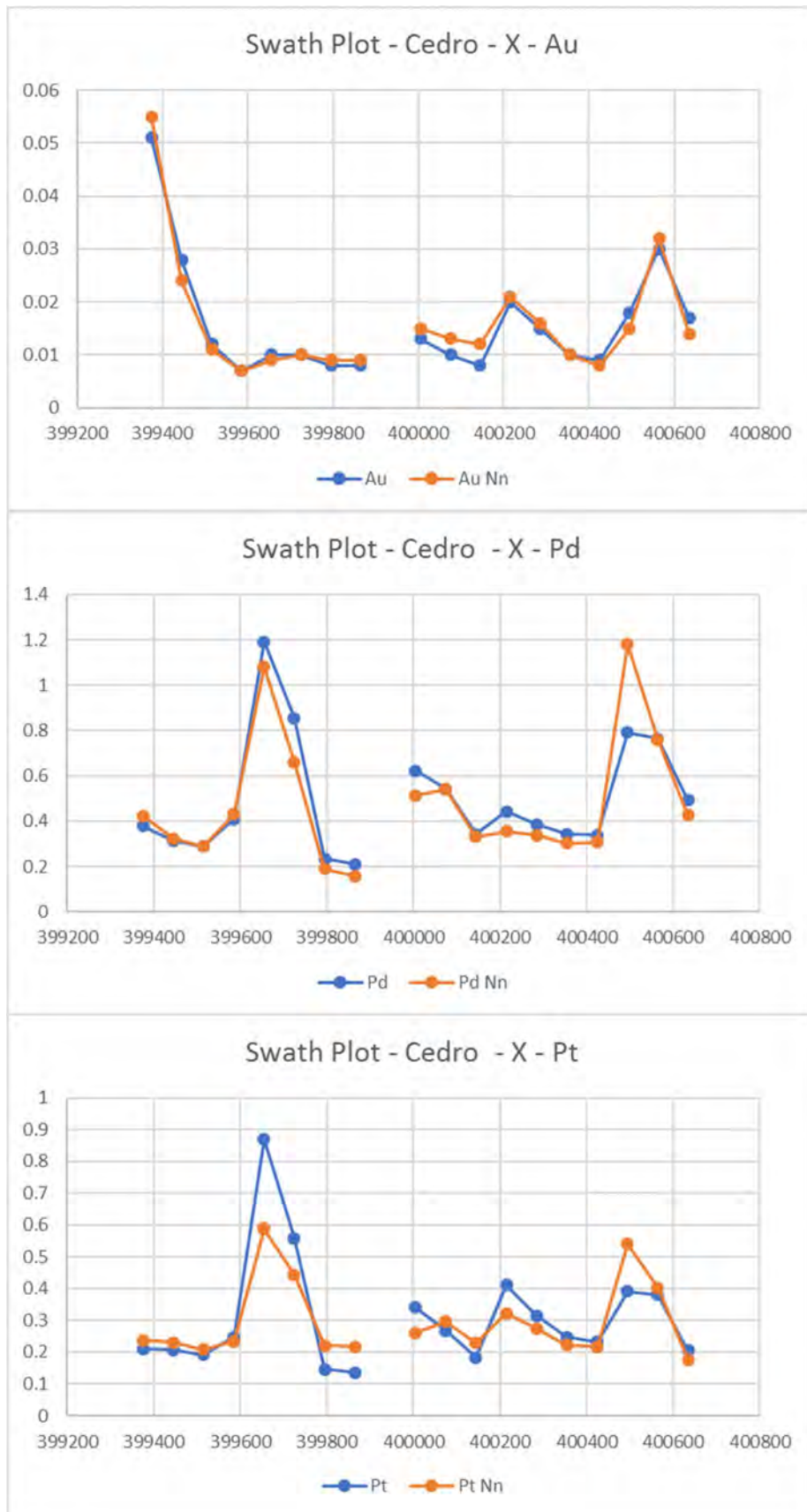


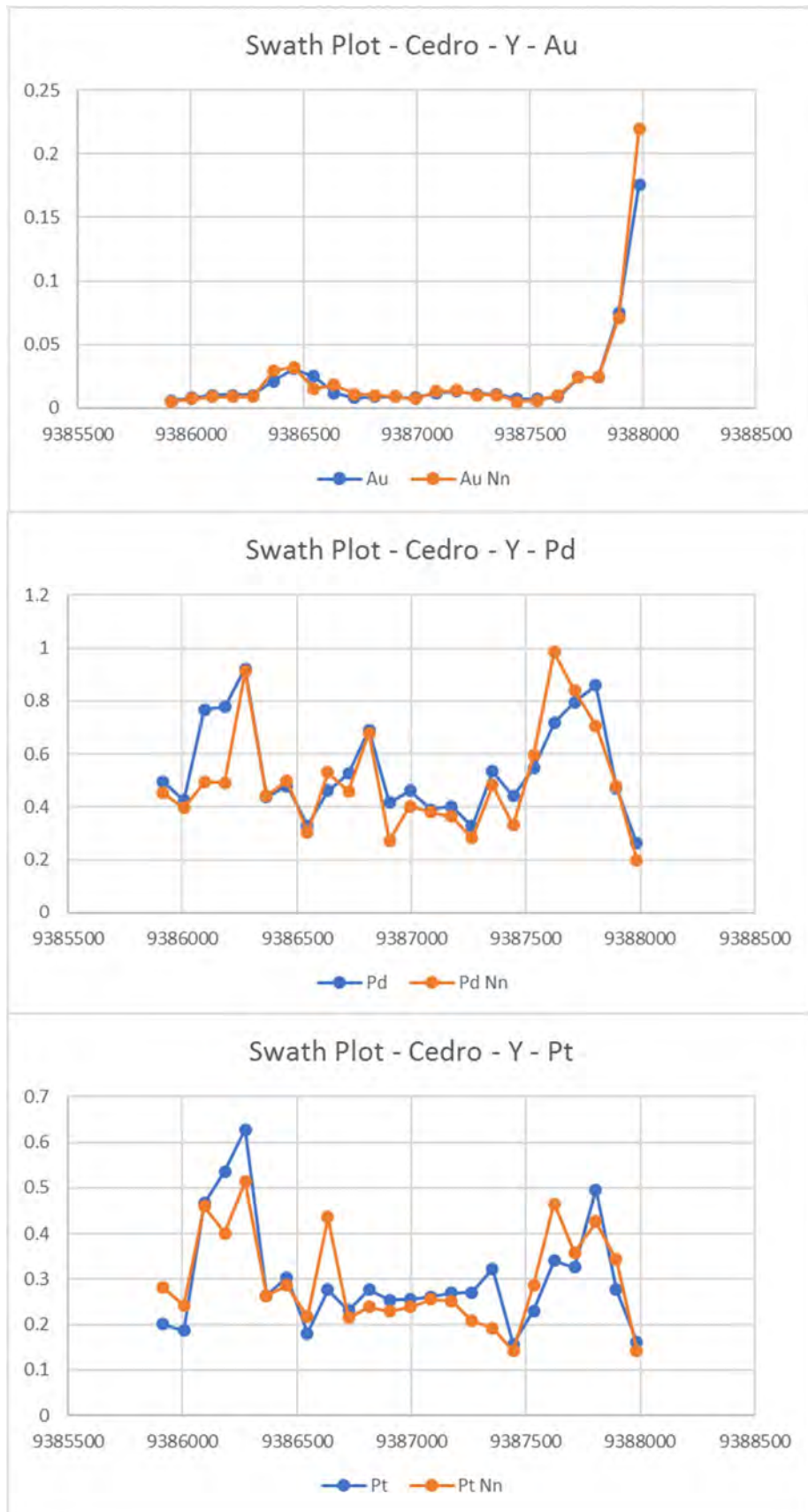
Q-Q Plot

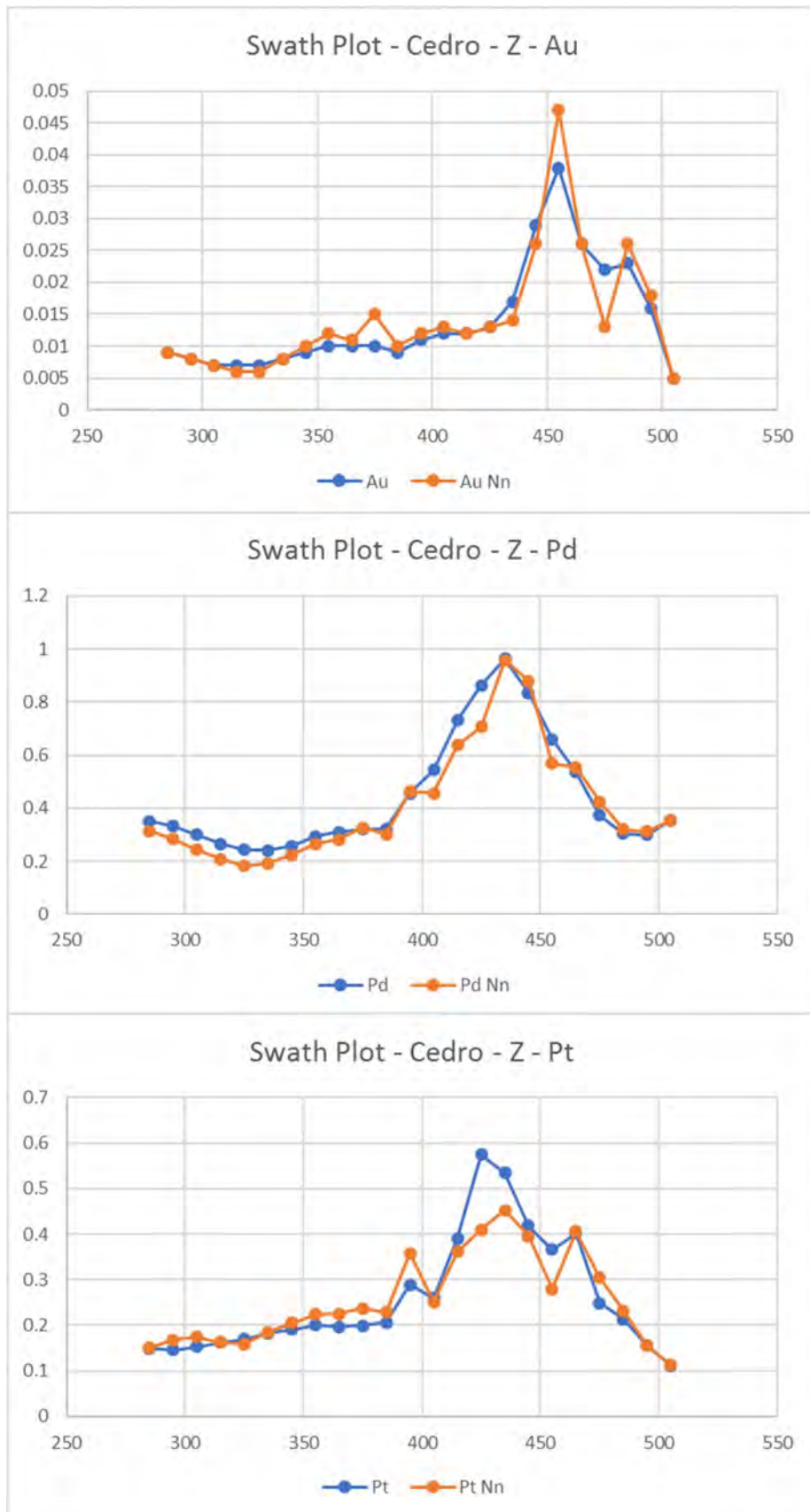


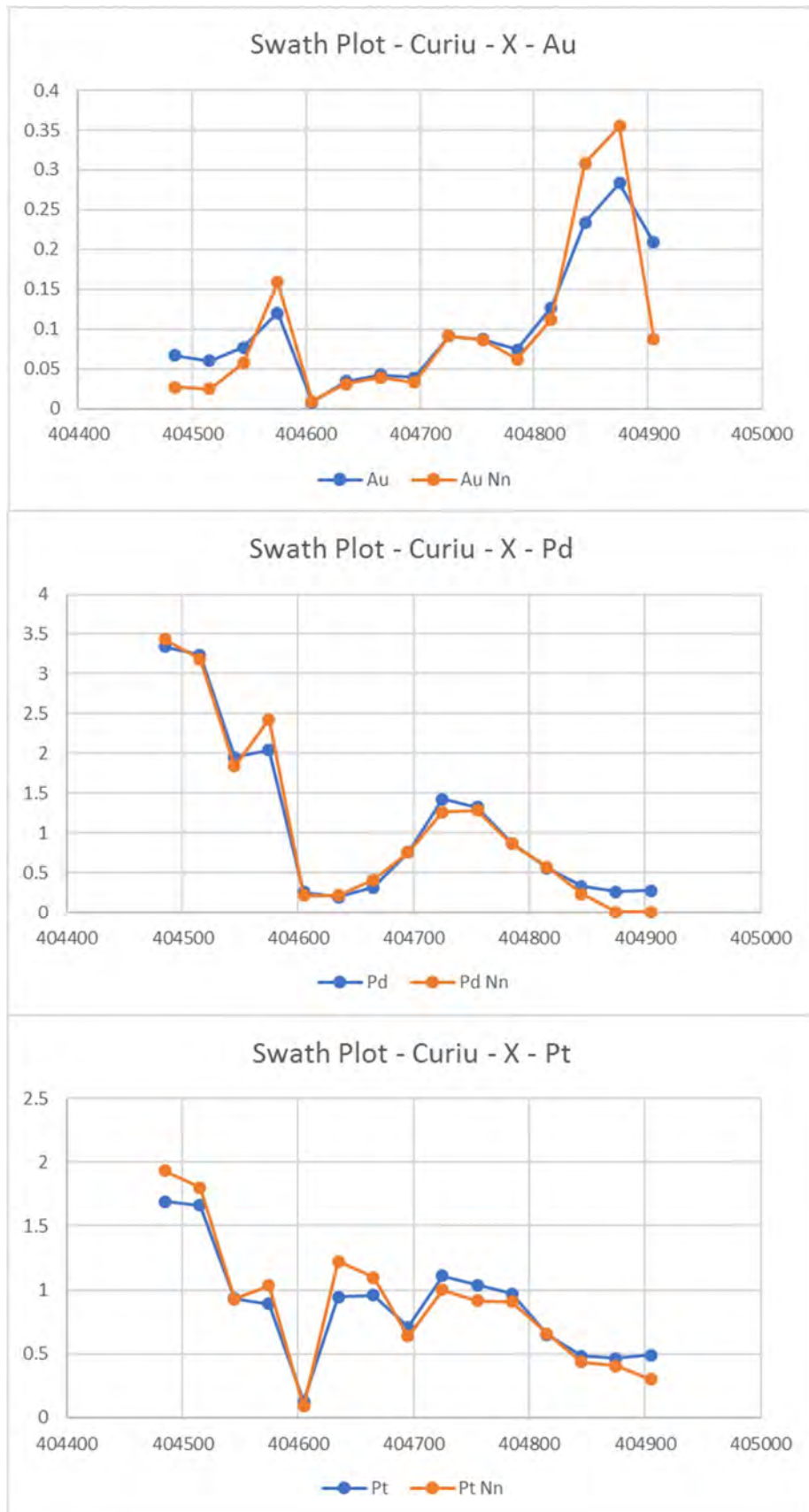
Appendix F

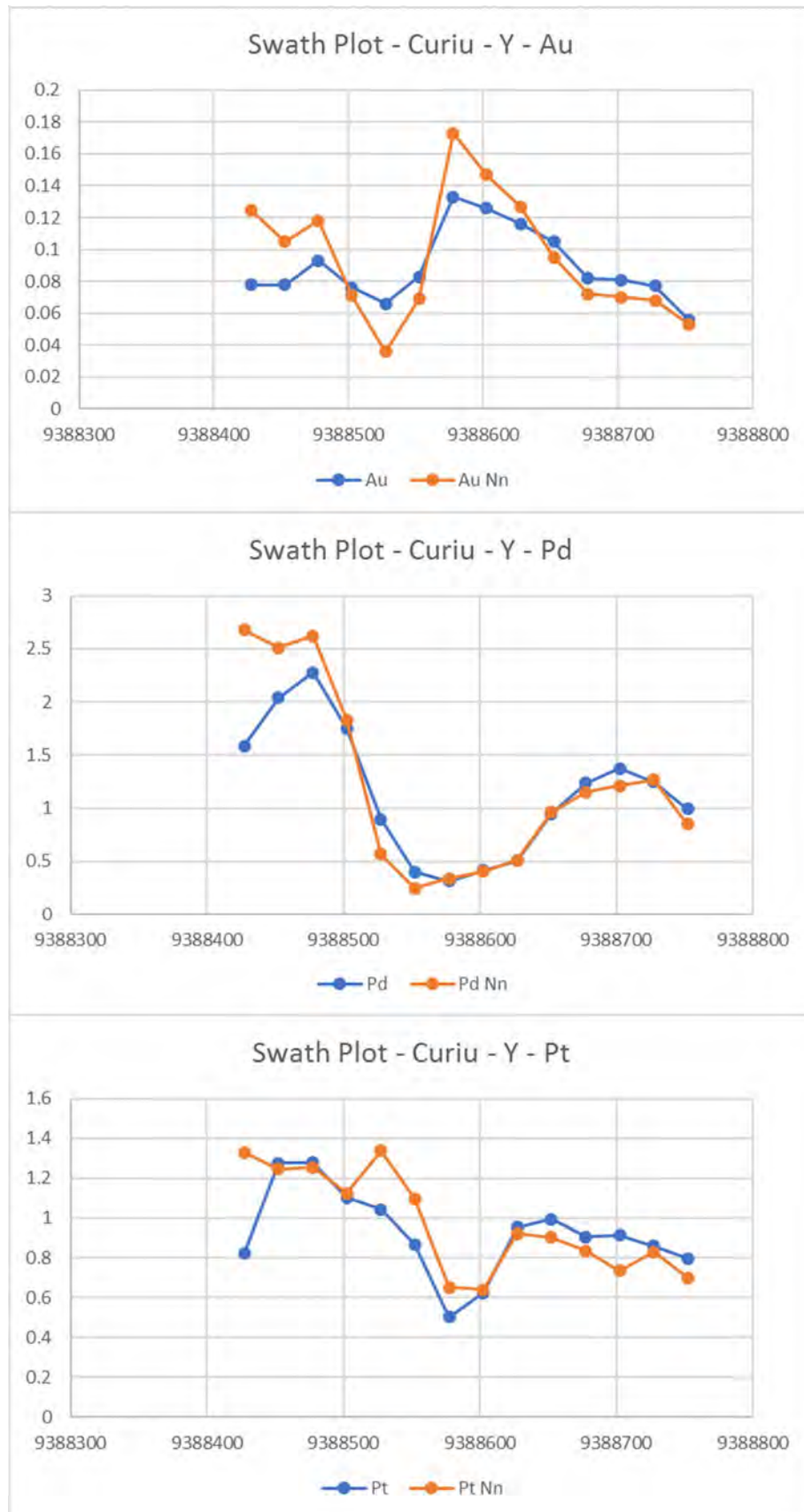
Swath Plot

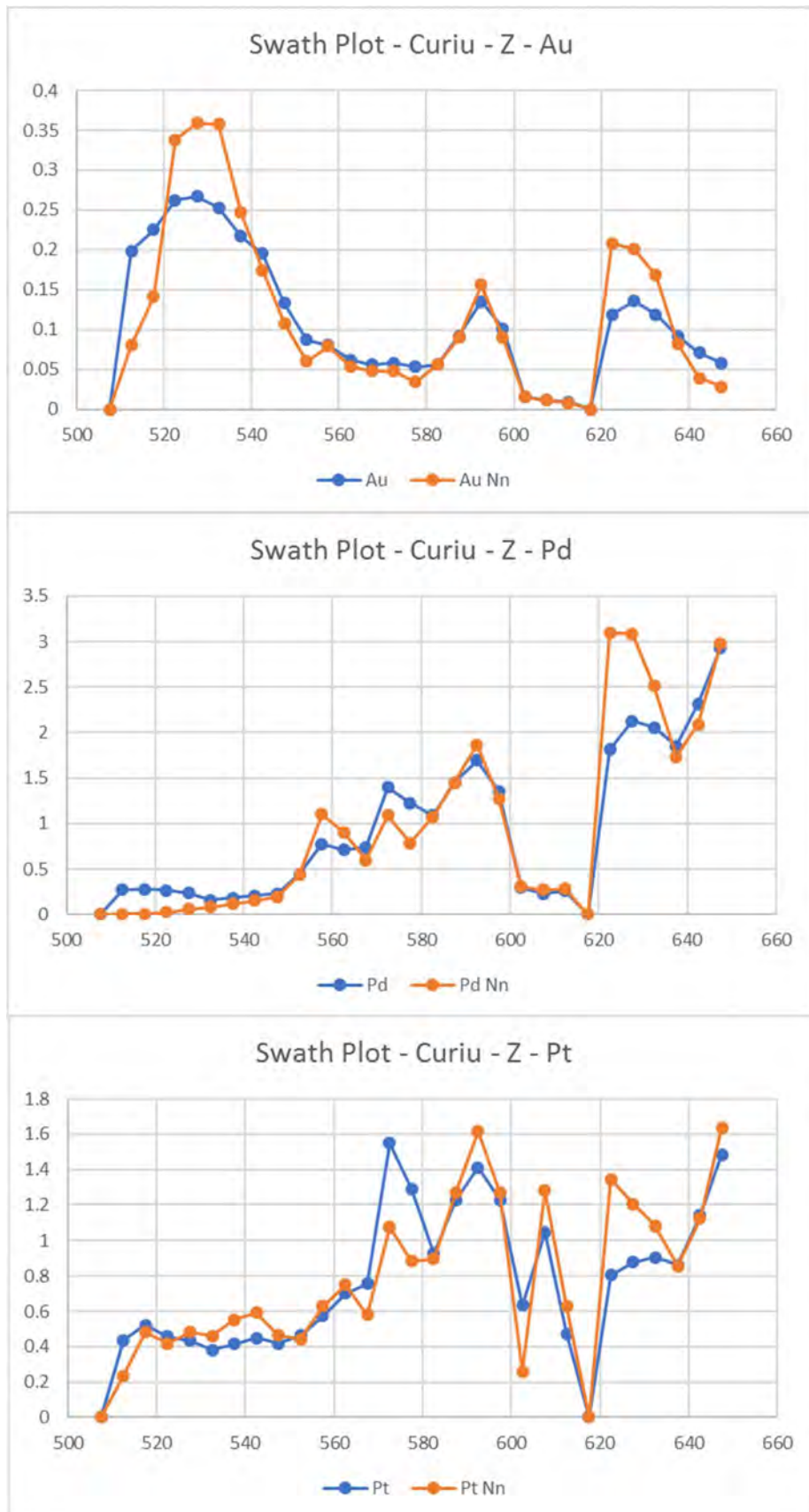


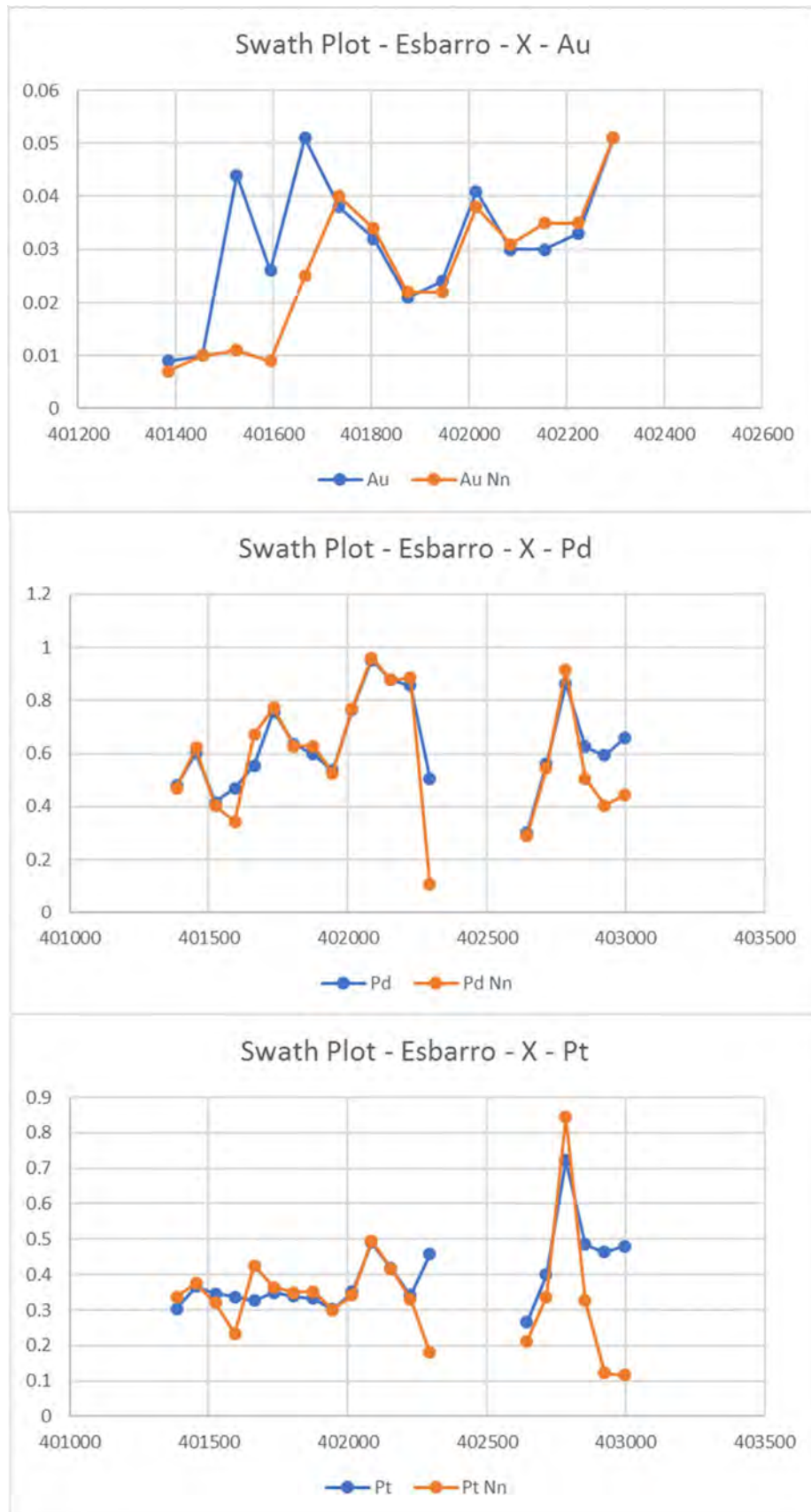




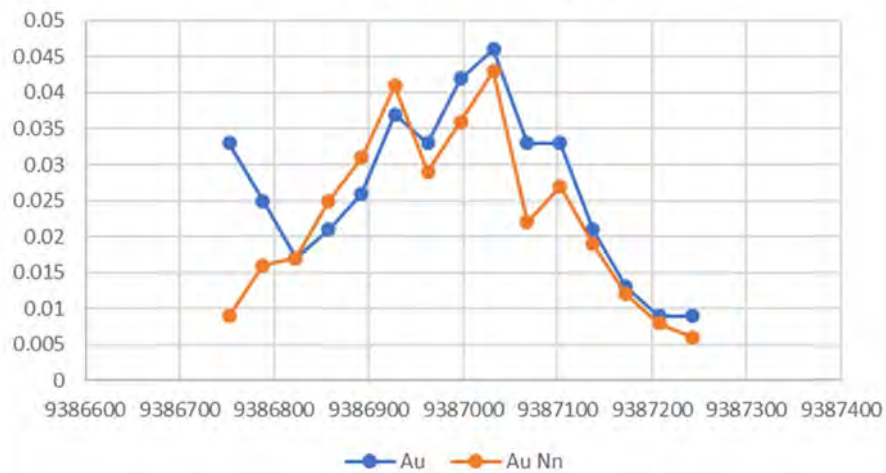




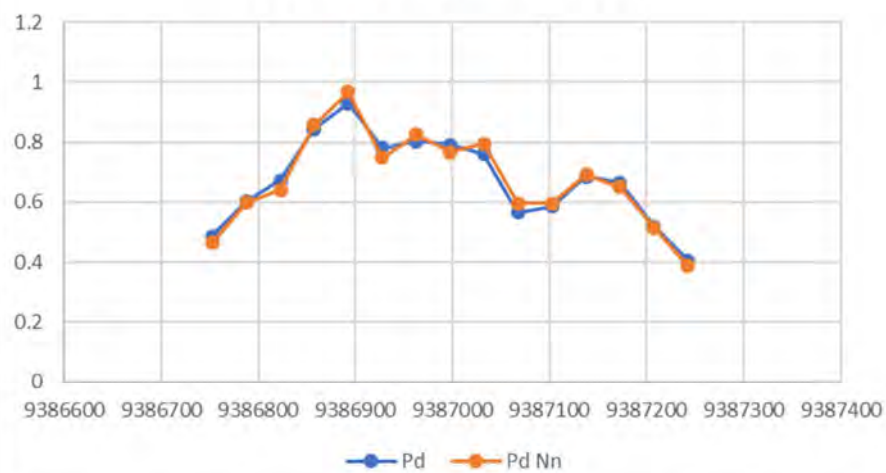




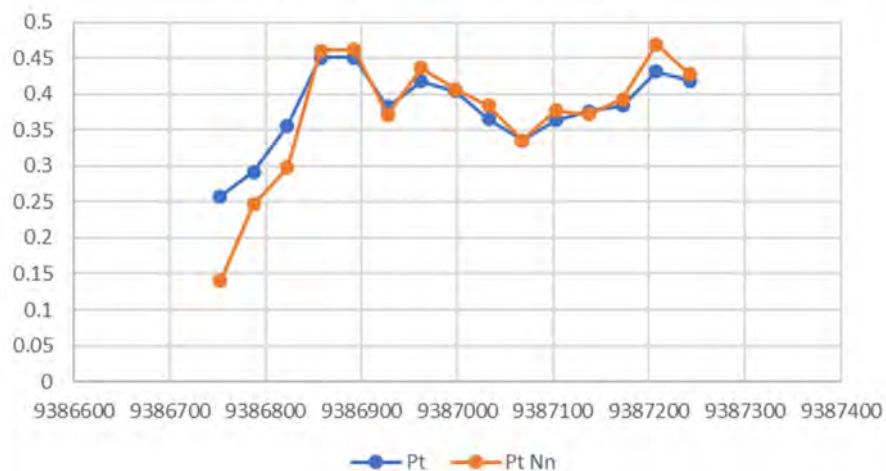
Swath Plot - Esbarro - Y - Au

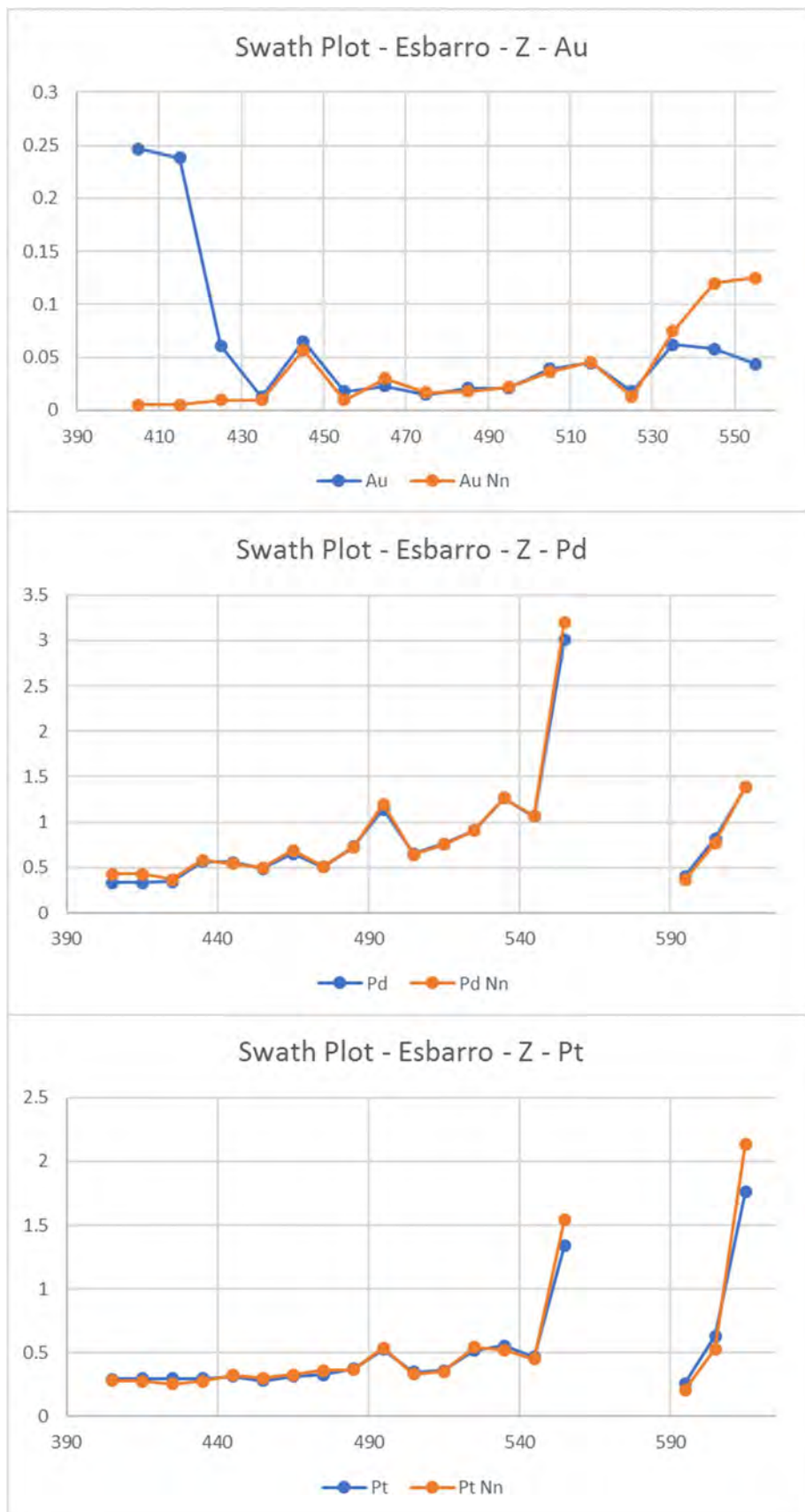


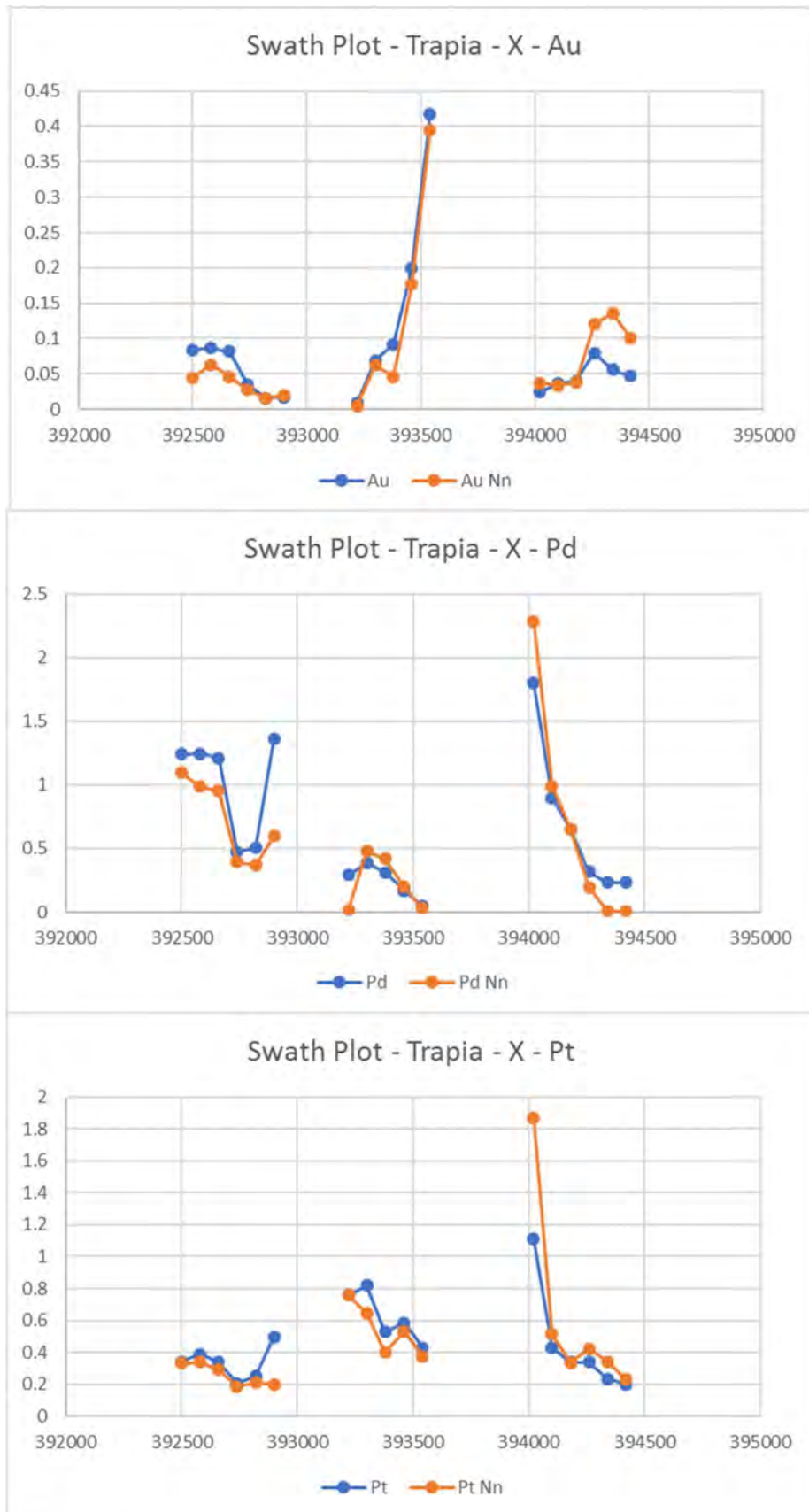
Swath Plot - Esbarro - Y - Pd

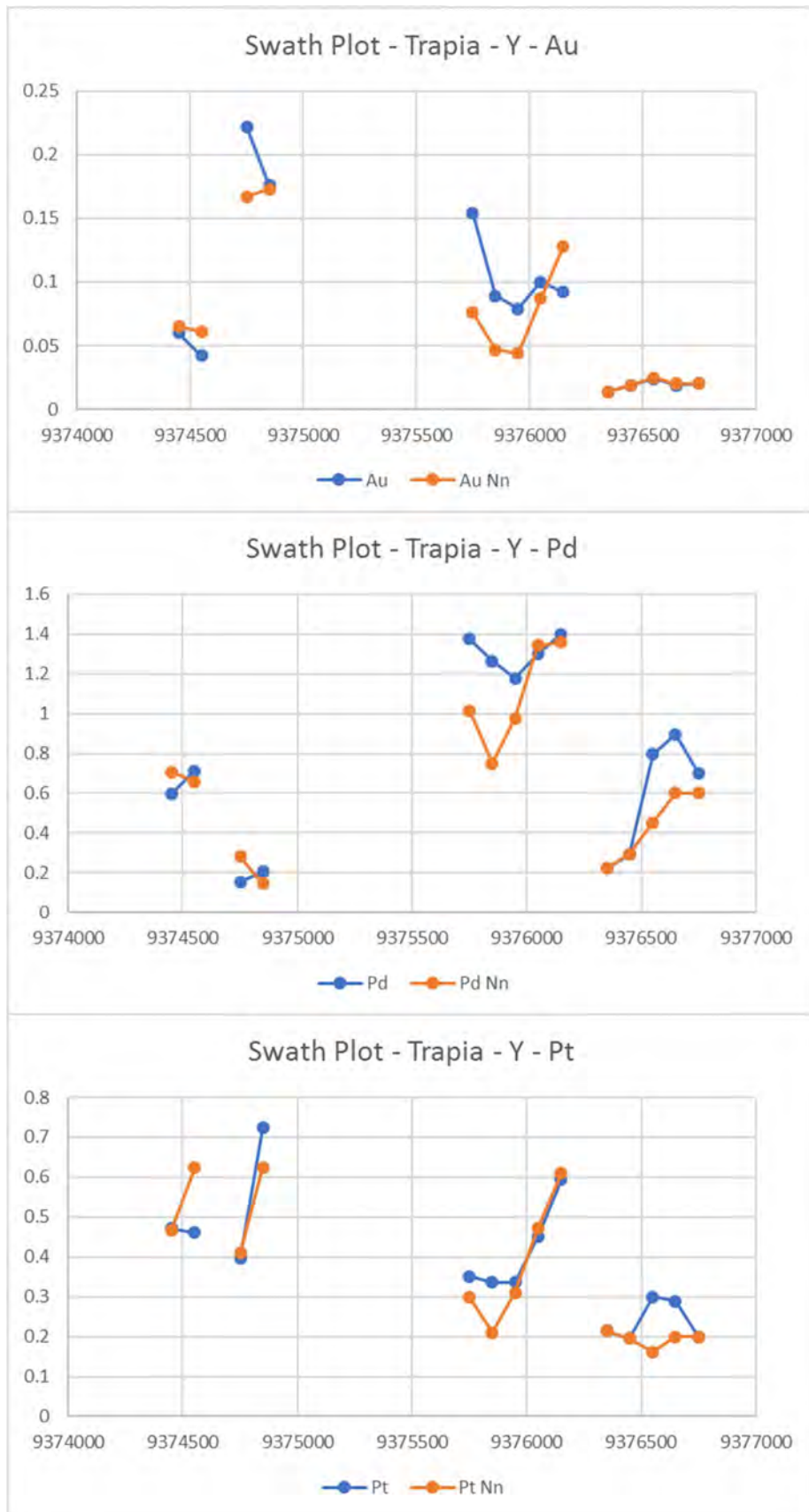


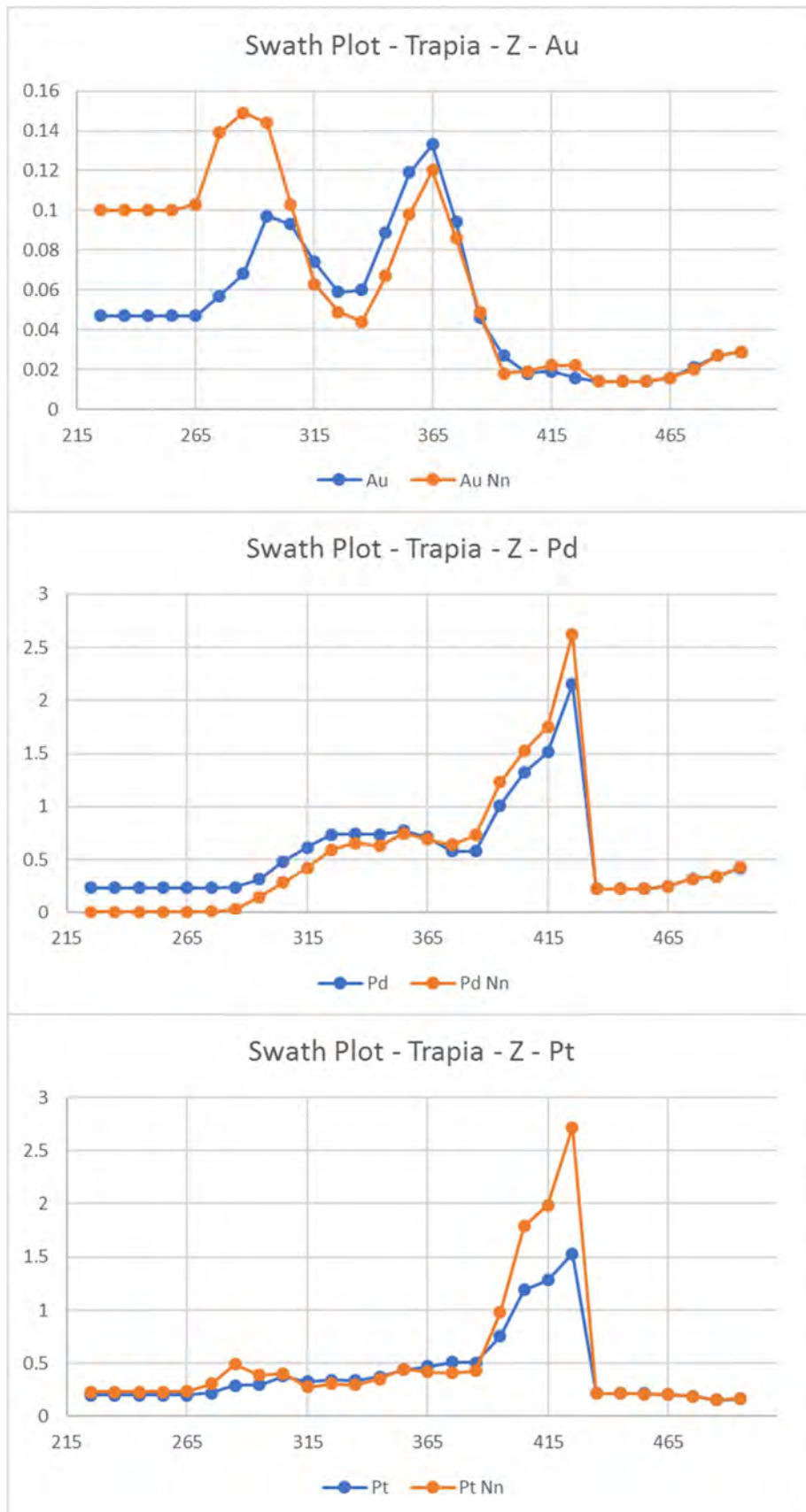
Swath Plot - Esbarro - Y - Pt











PART VII

OVERVIEW OF BRAZIL'S MINERAL RIGHTS REGIME

1. MINERAL LEGISLATION

Overview

Mining activities in Brazil are primarily regulated by the Mining Code of 1967 and the Mining Code Regulation (the "Regulation") of 1968.

In Brazil, mineral resources are the property of the Federal Government. The ores and other mineral resources constitute property distinct from surface property. Exploration and mining activities can be executed by private entities through an authorization or a concession granted by the Federal Government, thereby offering to the concessionaire the guarantee of ownership of the mining product.

The Mining Code and its Regulation provide for the rights related to mineral resources, the legal regimes for their exploration and development, and also establish the norms on government inspection of the mineral industry. Furthermore, the Code and its Regulation establish, among other things, the concept and classification of mines, exploration, mining, surface owner rights, sanctions, and cancellation.

The Departamento Nacional de Produção Mineral ("DNPM") regulates the Brazilian regime.

Pursuant to the provisions set out in the Mining Code and the Regulation, the exploration and development regimes of the mineral substances in Brazil relevant to the Company are:

- (a) Concession Regime: This system entails the operations aimed at the industrial development of the deposit, from the extraction of the mineral substance to its processing. Work under the concession regime depends upon an ordinance of the Executive Secretary to the Ministry of Mines and Energy (MME);
- (b) Authorization Regime: This system refers to the work required for the definition of the deposit, its evaluation and the feasibility of economic development. Work under the authorization regime depends upon the issuance of a mineral exploration permit granted by the Director of the DNPM.

The authorization and concession regimes are applied to organized and large size mining ventures, respectively aiming at: (i) the exploration work, in the first stage; and (ii) the economic development of the deposit (mining), in the second stage.

Exploration Phase

Under Brazilian law, mineral exploration means the performance of the work required for defining and evaluating the deposit, and determining the feasibility of its economic exploitation.

Application Process and Priority Rights

Once an application has been made in relation to an area considered "free", the applicant is granted priority in obtaining title to that area.

The area will be considered free when:

- (i) the area is not bound to any other exploration permit, permit registration, mining concession, mine manifest, aerial geological recognizance permission, or any extraction registration by the federal, state and municipal agencies of the direct administration or by independent governmental agencies;
- (ii) the area is not the object of a previous application for an exploration permit, or in cases where there is a previous application, such previous application was dismissed;
- (iii) the area is not the object of a previous permit registration request, or if tied to a permit, the registration of such permit will be requested within 30 days of its issuance date;
- (iv) the area is not the object of a previous extraction registration request filed by any federal, state and municipal agencies or by independent agencies;

- (v) the area is not tied to a request for renewal of an exploration permit, presented in time and which is pending approval;
- (vi) the area is not tied to an exploration permit with a final report which is presented in time and pending approval; and
- (vii) the area is not bound to an exploration permit with a final report approved and the legal right to request the mining concession still in force.

Area size

Mineral exploration permits are limited to the following maximum areas:

- (i) 2,000 hectares for deposits of metalliferous mineral substances, mineral fertilizers, coal, diamond, bituminous and pyrobituminous rocks, turf and salt-gem;
- (ii) 50 hectares for deposits of sands, gravels and grits for the immediate use in the construction industry; rocks and mineral substances for paving blocks, curbstones, gutters, posts and the like; clay used to manufacture ceramics; rocks, stamped for immediate use in construction industry and limestone used as soil corrective element in agriculture; mineral waters, bottled and drinking waters; sands for industrial use; feldspar; gems (except diamonds); ornamental stones and micas;
- (iii) 1,000 hectares for deposits of mineral external rocks and other substances not indicated in items (i) and (ii) above; and
- (iv) 10,000 hectares for deposits of minerals indicated in item (i) above for areas located in the Amazônia Legal.

Duration and Renewal

Mineral exploration permits are valid and legally in force for a minimum of one year and a maximum of three years from the date of issuance and can be renewed for the same term at the discretion of the DNPM, upon the request of the titleholder. Exploration permits are valid for two years in the cases of prospecting of mineral substances indicated in (ii) above. For the exploration of other substances, permits are valid for three years.

In order to renew a permit, the DNPM takes into consideration the development of the work performed to date. The request for renewal of the permit must be presented 60 days prior to the expiration date of the original permit or the previous renewed permit. As to the renewal request, a report must be presented of the work already carried out, indicating the results achieved, as well as reasons justifying continued work. The renewal of the permit does not depend on the publication of a new permit, but only on the publication of the decision to renew.

Renewal Report

The report must be prepared under the technical responsibility of a legally qualified professional and contain various information including the quality of the mineral substance and definition of the deposit, reports on industrialization assays, a demonstration of the economic feasibility of the deposit and information for the calculation of the reserve, such as the density, area, volume and content.

The final exploration report must conclude the feasibility or non-feasibility of the exploitation development, or for the non-existence of the deposit. The holder of an exploration permit who does not present a final report within the date established by the regulations will be fined. Nevertheless, the exemption from presentation of the report is permitted in certain cases of permit relinquishment by the titleholder. The DNPM must confirm the relinquishment, provided it happened in one of the two following either (i) at any time, if the titleholder has not been successful at entering the area, despite all the efforts made, including judicial means; or (ii) before one-third (1/3) of the term of duration of the *exploration permit has expired*.

Titleholder obligations

The titleholder of an exploration permit shall be obliged to:

- (i) perform work only within the area specified in the authorization;
- (ii) respect the rights of third parties, indemnifying them for damage and losses caused;
- (iii) communicate to the DNPM the discovery of any mineral substance not included in the authorization;

- (iv) remove the substances extracted from the area of the permit for analysis and industrial experiments only with prior authorization of the DNPM and in accordance with the applicable environmental legislation;
- (v) start the work within 60 days of the date of the publication of the permit in the Official Gazette of the Federal Executive or as from the judicial ingress in the area to be explored;
- (vi) not interrupt the work without justification for more than three consecutive months or for more than 120 non-consecutive days;
- (vii) compensate the surface owner or possessor for the occupation of the land and for damage or loss caused by the work; and
- (viii) present a final prospecting report.

As well as the fee to be paid for obtaining the mineral exploration permit, the titleholder must also pay to the DNPM an annual fee per hectare. The fee depends on the substance being explored, the location and size of the area, as well as other conditions.

Titleholder rights

The titleholder of an exploration permit may undertake the required work and necessary auxiliary services, as well as work on land of private or public domain included in the area indicated on the exploration title. The titleholder is assured the right of free passage on the private property, including the soil and subsoil in the title area, as well as in neighbouring areas, for performance of the respective work.

The titleholder of a set of exploration permits for the same mineral substance in neighbouring or close areas is entitled and authorized to present a single research plan and final report, involving and covering the whole set.

Transferability

The mineral exploration permit is a title that can be assigned, totally or partially, to anyone who is in a condition to execute the work under such permit in accordance with the applicable legislation. The applications for exploration permits are also transferable, once the respective priority right is assured. The transfer of the permit must be communicated to the DNPM for approval and registration. It will only be legally valid after such procedure is complete.

Sanctions

Failure to comply with the obligations derived from exploration permits, depending on the seriousness of the infraction, may result a warning, fine or forfeiture imposed by the DNPM.

Utilization Bill

It is possible to extract a limited amount of mineral substances before the mining concession is granted, by means of a Utilization Bill under specific conditions established in the legislation. Extraction may only occur if the interested party has obtained a proper environmental license, and has entered into an agreement with the surface owner as to the extraction work.

Security of tenure

After the completion of prospecting work in accordance with the legal provisions and after the approval of the final report by the DNPM, the titleholder shall have the exclusive right to request a mining concession for the area. In this case, the concession can only be refused if the mining work is considered harmful to the public or compromises interests that are more relevant than industrial exploitation.

After the filing of the application for the mining concession and after the approval of the mine's development plan by the DNPM, the mining concession is granted.

Mining Concession

Application

Application for a mining concession is made by the holder of an exploration permit. The application must contain details of:

- (i) the development plan; and
- (ii) finance to conduct the development.

The concession will not be granted if mining is considered harmful to the public or if the Government considers that it compromises interests which are more relevant than industrial exploitation. In the latter case, the holder of the exploration permit is entitled to be indemnified by the Government for the expenses incurred with prospecting work, if the final report has been approved.

Requirements

The mining concession shall only be granted when:

- (i) the area has already been prospected and mining is considered technically and economically feasible by the DNPM;
- (ii) the respective final prospecting report has already been presented and approved by the DNPM;
- (iii) the mining area to be exploited has been considered technically and economically feasible by the DNPM and adequate for the extraction and processing of the deposits, duly observing the limits of the area indicated in the exploration permit; and
- (iv) the competent environmental agency has issued the corresponding environmental license. Area size

The applicant must specify the size of the area required for mining within the area granted for exploration. The DNPM has the unconditional authority and power to establish the size of the mining area.

Duration

Brazilian mineral legislation does not establish the duration of mining concessions. The concessions remain in force until the complete exhaustion of the deposit.

Transferability

The mining concessions are personal titles. They can be assigned, totally or partially, and are granted by the Executive Secretary to the Ministry of Mines and Energy to companies that wish to operate in mineral business activities

Rights

The holder of a mining concession:

- (i) has the exclusive right to execute the mining work for the mineral substances specified and indicated in the concession title and within the authorised area. However, if another substance is found in the authorised area, the titleholder may request an addendum to the concession, so that the new substance is also included in the concession;
- (ii) has the right to temporarily suspend mining work;
- (iii) may obtain easements on the property where the mine is located, as well as on bordering and neighbouring properties, with prior indemnification; and
- (iv) may divide the concession into 2 or more distinct concessions, provided that it is not harmful for the development of the deposit.

Obligations

The titleholder of the mining concession has the following obligations:

- (i) to start the mining work as per the development plan, within six months from the date of the publication of the concession in the Official Gazette of the Republic;

- (ii) to execute the work in accordance with the development plan approved by the DNPM;
- (iii) to extract solely the substances indicated in the concession;
- (iv) to communicate to the DNPM the discovery of a mineral substance not included in the concession title;
- (v) to carry out the work in accordance with regulatory norms;
- (vi) to offer the management of the work to a duly qualified professional;
- (vii) not to make it difficult nor impossible to use and exploit the deposit in the future;
- (viii) to be responsible for the damage and loss caused to third parties, resulting from the mining work;
- (ix) to promote and improve safe and healthy lodgings at the location;
- (x) to avoid deviation of water and to drain the amount that can cause harm and loss to neighbours;
- (xi) to avoid air or water pollution resulting from the mining work;
- (xii) to protect and preserve the water sources, as well as to use them according to the technical instructions and requirements when dealing with mineral water deposits;
- (xiii) to observe and comply with all the provisions of the inspection entities;
- (xiv) not to interrupt the mineral activities without notice to the DNPM;
- (xv) to keep the mine in good condition when temporarily suspending the mining work;
- (xvi) to restore the areas degraded by the mining work; and
- (xvii) advise of the discovery of radioactive minerals.

Sanctions

Failure to comply with requirements may result in warnings, fines or forfeiture being imposed by the DNPM. Forfeiture must be precedent by an administrative proceeding. A request for reconsideration can be made to the Executive Secretary to the Ministry of Mines and Energy against the decisions of the Ministry of Mines and Energy or to the courts.

Compensation and Royalties

Exploration Phase compensation

The holder of a mineral exploration permit must pay the surface owner or the squatter of the area subject to the mineral exploration permit rent for occupation of the land and compensation for any damage and loss caused or that may be caused as a result of the exploration work.

The payment cannot exceed the maximum net income from the area occupied for exploration. Compensation for damage caused cannot exceed the assessed value of the property actually occupied. However, in the event the damages caused by the exploration activities should turn make land impracticable for agricultural or breeding activities, compensation may reach the assessed value of the property.

The holder of a mineral exploration permit and the surface owner or the squatter, as applicable, can reach an agreement to determine the values for rent and occupation. If there is no agreement a judicial procedure may be claimed to determine the values.

Mining Phase compensation

With regard to the concession and licensing regimes, the landowner is assured the right to participate in the results of the mining work. The value of such participation has been set at 50 per cent. on the total amount due and payable to the states, municipalities and the Federal District, as royalties for the exploitation of the mineral resources. Therefore, the value is calculated on the net income from the sale of the mineral product obtained after the last stage of processing and before its industrialisation. Payment to the surface owner of the percentage in the mining results must be done on a monthly basis pledged separately from the property. The surface owner, however, may waive such participation, and can assign or pledge the right of receiving installments in the future.

Royalties

The Federal Constitution has established that the states, municipalities, Federal District and the bodies of the direct administration of the Union (such as the DNPM) are entitled to a percentage of the results of exploitation of mineral resources, or, alternatively, to receive royalties ("financial compensation") for said exploitation.

The level of financial compensation has been set at a maximum of 3 per cent. on the net income from the sale proceeds of the mineral product obtained after the last stage of processing and before its industrialisation.

When assessing the net sales, certain deductions are permitted including various taxes, Social Security Financing Contributions, contributions to the Profit Participation Program and insurance and freight charges.

The following different participation levels have been established for the mineral substances:

- (i) aluminium, manganese, salt-gem and potassium ores – 3 per cent.;
- (ii) iron, fertilizers, coal and other mineral substances – 2 per cent.;
- (iii) precious coloured stones and gems that can be polished, carbonized stones and precious metals – 0.2 per cent.; and
- (iv) gold – 1 per cent.

The Financial compensation is divided as follows:

- (i) 23 per cent. to the states (or the Federal District) where mining activities are performed;
- (ii) 65 per cent. to the municipality where mining activities are performed; and
- (iii) 12 per cent. to DNPM.

Environmental legislation

The Brazilian Federal Constitution reserves a special chapter on environmental protection. The federal, state and municipal governments and also the government of the Federal District of Brazil are empowered and obliged to defend and protect the environment.

Law No. 9605 of February 12, 1998, defines environmental crimes and infractions, as well as establishes liability and applicable sanctions. The main features of such law are:

- (i) the establishment of high monetary penalties;
- (ii) the extension of liability for environmental damage to directors, auditors, managers and attorneys-in fact; and
- (iii) the disregard of the legal entity by a Court of Law whenever it is an obstacle to payment of environmental damages, if agents of the company were aware of criminal conduct and did not attempt to hinder it.

Brazilian environment legislation provides that any mineral activity shall be subject to:

- (i) licensing;
- (ii) environment impact assessment; and
- (iii) restoration of degraded areas.

Companies which carry on activities considered as potentially polluting or utilizing natural resources, such as mining, shall be registered with the Brazilian Environmental and Renewable Natural Resources Institute.

A preliminary environmental license must be obtained prior to the planning stage. An Environmental Impact Assessment ("EIA") must be executed, and the respective Environmental Impact Report ("RIMA") must also be produced at this time. The EIA/RIMA must be submitted for approval by the competent environmental agency, together with a plan for recovery of degraded areas.

At the development stage, the installation license may only be obtained after an Environmental Control Plan ("PCA") is presented to the competent environmental agency.

At the mining stage, another license must be obtained, namely the operation license. It is issued by the competent environmental agency after the satisfactory implementation of the PCA.

PART VIII

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

- 1.1 The Company and the Directors accept responsibility for the information contained in this document, including individual and collective responsibility, for the Company's compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.
- 1.2 Crowe Clarke Whitehill LLP, whose address appears on page 6 of this document, accepts responsibility for the information contained in Parts III – V of this document. To the best of the knowledge and belief of Crowe Clarke Whitehill LLP (who have taken all reasonable care to ensure that such is the case) the information contained in Parts III – V of this document is in accordance with the facts and makes no omission likely to affect the import of such information.
- 1.3 GE21 whose address appears on page 6 of this document, accepts responsibility for the information contained in Part VI of this document. To the best of the knowledge and belief of GE21 (who have taken all reasonable care to ensure that such is the case) the information contained in Part VI of this document is in accordance with the facts and makes no omission likely to affect the import of such information.

2. INCORPORATION AND STATUS OF THE COMPANY

- 2.1 The Company was incorporated in England and Wales on 30 June 2015 under the name of Jangada Mines plc with registered number 09663756 as a public limited company with limited liability under the 2006 Act.
- 2.2 The liability of the members of the Company is limited.
- 2.3 The principal legislation under which the Company operates is the 2006 Act and the regulations made thereunder.
- 2.4 The registered office of the Company is at 5 Fleet Place, London, EC4M 7RD, telephone number: 020 7203 5203.
- 2.5 The Company Secretary of the Company is Clive Hopewell of Charles Russell Speechlys, telephone number: 020 7203 5203.

3. THE SUBSIDIARIES

- 3.1 The Company acts as the holding company of the Group.
- 3.2 The Company has the following subsidiary which is a limited liability company incorporated in Brazil:

		<i>Percentage of issued share capital owned by the Company</i>
<i>Name</i>	<i>Field of Activity</i>	
Pedra Branca do Brasil Mineracao S.A.	Mining of ores	99.99%*

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

- 3.3 The Company acquired its 22,574,327 shares (referred to as quotas) in Pedra Branca, representing a holding of 99.99 per cent. in the share capital of Pedra Branca, through the following transactions:

- 3.3.1 On 30 April 2016, the Company acquired 61.54 per cent. of the shares held in Pedra Branca from Garrison Capital;
- 3.3.2 On 16 February 2017, the Company acquired the additional shares created in Pedra Branca, as noted in 3.4(b) below, from Garrison Capital; and
- 3.3.3 On 16 February 2017, the Company acquired the additional shares created in Pedra Branca, as noted in 3.4(c) below, from Anglo Platinum Brasil S.A (prior to winding up of Anglo Platinum Brasil S.A.).
- 3.4 Between 30 April 2016 and 16 February 2017, the share capital of Pedra Branca increased from 8,188,929 shares to 22,574,328 shares as a result of:
- (a) the merger of a group company, Minerals Solitario do Brazil, into Pedra Branca;
 - (b) Garrison Capital acquired additional shares in Pedra Branca to the value of US\$193,721;
 - (c) a shareholder of Pedra Branca, Anglo Platinum Brasil S.A. capitalizing the balance of a historic "Advancement for Future Capital Increase" for Pedra Branca (which had to be completed prior to the dissolution of Anglo Platinum Brasil S.A.).

4. SHARE CAPITAL OF THE COMPANY

- 4.1 The issued share capital of the Company, at the date of this document and immediately following Admission, is and will be as follows:

	<i>Issued and credited as fully paid (£)</i>	<i>Number of Ordinary Shares of 0.04 pence each</i>
At the date of this document	£60,000	150,000,000
On Admission	£79,006	197,515,600

- 4.2 On incorporation, the share capital of the Company was £0.03 divided into three ordinary shares of £0.01 each, of which all three shares were issued credited as fully paid to the subscribers to the Memorandum of Association.
- 4.3 Each of the three subscribers subsequently subscribed for an additional 1,666,666 shares of £0.01 each in the share capital of the Company (in aggregate 4,999,998 ordinary shares) ("Additional Subscriber Ordinary Shares"), of which one quarter of the nominal value was paid up to an aggregate amount of £12,501. The Additional Subscriber Ordinary Shares were issued in accordance with the following ordinary and special resolutions of the Company passed on 9 May 2017, which:
- 4.3.1 generally and unconditionally authorised the Directors in accordance with section 551 of the Act to allot Ordinary Shares in the Company up to an aggregate nominal value of £50,000, such authority to expire on the date falling 12 months following the date of this resolution; and
 - 4.3.2 empowered the Directors pursuant to section 571 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority referred to in paragraph 4.3.1 in respect of the allotment of the Additional Subscriber Ordinary Shares.
- 4.4 In December 2016, the Company issued the Convertible Loan Notes in order to facilitate the Company's working capital requirements. Pursuant to the Convertible Loan Notes, each of Sagert Road Investments LLC and Craig Hubler Profit Sharing Plan has the option to convert their respective principal balances owed by the Company into fully paid Ordinary Shares in the Company at the Placing Price at any point before 15 December 2017. On 11 May 2017, the Company passed the following ordinary and special resolutions to facilitate the possible conversion by either party of the principal balance owed to it by the Company into Ordinary Shares, which:
- 4.4.1 generally and unconditionally authorised the Directors in accordance with section 551 of the Act to allot Ordinary Shares in the Company up to an aggregate nominal value of

£312,000 (US\$400,000), such authority to expire on the date falling 12 months following the date of this resolution; and

- 4.4.2 empowered the Directors pursuant to section 571 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority referred to in paragraph 4.4.1 in respect of the allotment of Ordinary Shares under the Convertible Loan Notes.

Neither of the Convertible Loan Notes has been converted into Ordinary Shares in the Company as part of the Admission process, and therefore the full amount of each remains outstanding. Immediately following Admission (and therefore prior to 15 December 2017), the Company intends to fully settle, in cash, the principal and interest outstanding under the Convertible Loan Notes, totalling, in aggregate, US\$480,000.

- 4.5 On 19 May 2017, the Company obtained from Companies House its section 761 Trading Certificate.

- 4.6 Prior to Admission the share capital of the Company was re-organised by way of the following steps, such steps having been approved by the Company:

- 4.6.1 the Company capitalised fees owed to each of Brian McMaster and Luis Azevedo, as Directors of the Company, and Matthew Wood, as a previous director of the Company, to the aggregate value of £9,999.99, and accordingly issued 333,333 Ordinary Shares of £0.01 each to Brian McMaster, Luis Azevedo and Matthew Wood. Each of Brian McMaster and Luis de Azevedo transferred these shares to Gemstar Investments Limited and Flagstaff International Investments Limited respectively, whilst Matthew Wood retained them in his personal capacity;

- 4.6.2 the 6,000,000 ordinary shares of £0.01 each, constituting the entire issued share capital of the Company, were subdivided on a 25:1 ratio into 150,000,000 ordinary shares of £0.0004 each; and

- 4.6.3 each of Gemstar Investments Limited, Flagstaff International Investments Limited and Whistling Kite Equity Limited transferred 5,000,000 Ordinary Shares held by them in the Company to Adelheid Holdings LLC (an entity 100 per cent. beneficially owned by Mark Sumner), resulting in Adelheid Holdings LLC holding 15,000,000 Ordinary Shares (representing a 10 per cent. shareholding in the Company prior to Admission). The transfers were made as compensation for fundraising work undertaken by Mr Sumner for the Company prior to Admission;

- 4.6.4 Matthew Wood transferred 1,583,325 Ordinary Shares held by him in the Company (in his personal capacity) to a close family member; and

- 4.6.5 Whistling Kite Equity Limited (of which Matthew Wood is the 100 per cent. beneficial owner) transferred 27,666,675 Ordinary Shares, in aggregate, held by it to two close family members of Matthew Wood.

- 4.7 The Placing Shares, the Garrison Fee Shares, the St Brides Fee Shares and the Beaufort Warrants will be issued in accordance with the following ordinary and special resolutions of the Company passed at a General Meeting of the Company held on 19 May 2017 (and to the extent required in relation to the Placing Shares and the Beaufort Warrants, those resolutions referenced in paragraph 4.10), which:

- 4.7.1 generally and unconditionally authorised the Directors in accordance with section 551 of the Act to allot Ordinary Shares in the Company up to an aggregate nominal value of £19,255, such authority to expire on 19 November 2017 (being the date falling 180 days from the date of the resolutions); and

- 4.7.2 empowered the Directors pursuant to section 571 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority referred to in paragraph 4.7.1 in respect of (i) the allotment of up to 38,000,000 Ordinary Shares in connection with the Placing; (ii) the allotment of up to 2,355,600 Ordinary Shares to satisfy the Garrison Fee Shares; (iii) the allotment of up to 160,000 Ordinary Shares to satisfy the St Brides Fee Shares; and (iv) the issue of up to 7,620,624 Ordinary Shares in respect of the Beaufort Warrants; and

- 4.7.3 approve the adoption of the articles of association of the Company (the “Articles”), the principal terms of which are summarised in paragraph 5 of this Part VII.
- 4.8 At the General Meeting of the Company held on 19 May 2017, the following ordinary and special resolutions were also passed, which:
- 4.8.1 generally and unconditionally authorised the Directors from the date of Admission and in accordance with section 551 of the 2006 Act to allot securities comprising equity securities (as defined by section 560 of the 2006 Act):
- (a) up to an aggregate nominal amount of £57,155 to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary; and
 - (b) pursuant to the authority referred to in paragraph 4.8.1 (a) as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities of up to an aggregate nominal amount of £30,483,
- provided that these authorities shall, unless renewed, varied or revoked by the Company, expire on the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.
- 4.9 The Options under the Share Option Scheme were granted by the Company pursuant to the following ordinary and special resolutions which were passed at the General Meeting of the Company held on 2 June 2017, which:
- 4.9.1 generally and unconditionally authorised the Directors in accordance with section 551 of the 2006 Act to exercise all or any of the powers of the Company to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company (such shares and rights being together referred to in this resolution as **Relevant Securities**):
- (a) up to an aggregate nominal value of £6,100 to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company); and
 - (b) pursuant to the authority referred to in paragraph 4.9.1(a) as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities of up to an aggregate nominal amount of £6,100,
- provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities to be allotted after the expiry of such period and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.; and
- 4.10 In addition to the authorities granted by the Company to the Directors on 19 May 2017 in relation to the Placing Shares and the Beaufort Warrants, the following ordinary and special resolutions were passed at the General Meeting of the Company held on 20 June 2017 (so as to enable the Directors to (i) allot all of the Placing Shares free of pre-emption rights (such number of Placing Shares being larger than initially estimated on 19 May 2017); and (ii) allot relevant securities free of pre-emption rights in respect of the Beaufort Warrants for a period of five years from 20 June 2017 (being the exercise period of the Beaufort Warrants):
- 4.10.1 generally and unconditionally authorised the Directors in accordance with section 551 of the Act to allot Ordinary Shares in the Company up to an aggregate nominal value of £5,848.25 (such authority to expire on the date being the date falling five years from the date of the resolutions); and

- 4.10.2 empowered the Directors pursuant to section 571 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority referred to in paragraph 4.10.1.
- 4.11 The provisions of Section 561(1) of the 2006 Act (which, to the extent not disapplied pursuant to Section 571 of the 2006 Act), confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash, apply to the authorised but unissued share capital of the Company except to the extent disapplied as described in paragraphs 4.3.2, 4.4.2, 4.7.2, 4.8.1(b), 4.9.1(b) and 4.10.2. Subject to certain limited exceptions, unless the approval of shareholders in a general meeting is obtained, the Company must normally offer Ordinary Shares to be issued for cash to holders of existing Ordinary Shares on a *pro rata* basis.
- 4.12 The new Ordinary Shares in issue following Admission will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission on the Ordinary Share capital.
- 4.13 As outlined, on Admission, the Beaufort Warrants in respect of 7,900,624 Ordinary Shares will be issued to Beaufort Securities. Further details are provided in paragraph 11.7 of this Part VIII.
- 4.14 No Ordinary Shares are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 4.15 Save as disclosed above:
- 4.15.1 no share or loan capital of the Company has been issued or is proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
 - 4.15.2 no share or loan capital of the Company is under option or is the subject of an agreement, conditional or unconditional, to be put under option; and
 - 4.15.3 no commission, discounts, brokerage or other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company.

5. ARTICLES OF ASSOCIATION

- 5.1 The following is a description of the rights attaching to the Ordinary Shares based on the Company's Articles of Association (the **Articles**) and English law. This description does not purport to be complete and is qualified in its entirety by the full terms of the Articles.

5.1.1 **Voting**

Subject to disenfranchisement in the event of:

- (a) non-payment of calls or other monies due and payable in respect of Ordinary Shares; or
- (b) non-compliance with a statutory notice requiring disclosure as to beneficial ownership of Ordinary Shares,

and, without prejudice to any special rights or restrictions as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the Articles, on a show of hands every shareholder who is present in person (including by corporate representative) and every proxy present who has been duly appointed to vote on the resolution shall have one vote, and on a poll every shareholder who is present in person (including by corporate representative) and every proxy present who has been duly appointed to vote on the resolution shall have one vote for every Ordinary Share held.

5.1.2 **Dividends**

The Company may by Ordinary Resolution declare dividends but no dividend shall exceed the amount recommended by the Directors. Except insofar as the rights attaching to, or the terms of issue of, any shares otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned

and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. If in the Directors' opinion the profits of the Company justify such payments, the Directors may pay interim dividends of such amounts and on such dates and in respect of such periods as they think fit. Any dividend unclaimed after a period of 12 years from the date it became due for payment shall be forfeited and shall revert to the Company.

5.1.3 **Transferability of Ordinary Shares**

All transfers of shares which are in certificated form may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. All transfers of shares which are in uncertificated form may be effected by means of a relevant system (as defined in the Articles).

The Directors may, in the case of shares in certificated form, in their absolute discretion refuse to register any transfer of shares (not being fully-paid shares) and they may also decline to register the transfer of a share upon which the Company has a lien, provided that any such refusal does not prevent dealings in partly-paid shares from taking place on an open and proper basis. In addition, the Directors may, subject to the Crest Regulations, refuse to register a transfer of shares (whether fully-paid or not) in favour of more than four persons jointly or made to or by an infant or patient within the meaning of the Mental Health Act 1983.

The Directors may decline to recognise any instrument of transfer relating to shares in certificated form unless the instrument of transfer is duly stamped, is in respect of only one class of share and is lodged at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (or if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so).

5.1.4 **Variation of rights**

Where the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provision of the Statutes, be varied or abrogated either with the written consent of the holders of three-fourths in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. At every such general meeting the necessary quorum shall be two or more persons holding or representing by proxy (which proxies are authorised to exercise voting rights) not less than one-third in nominal value of the issued shares of the class (excluding any shares of that class held in treasury) (but so that at an adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum). The special rights attached to any class of share sharing preferential rights shall not, unless otherwise expressly provided by the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith but in no respect in priority thereto or the purchase or redemption by the Company of any of its own shares.

5.1.5 **Changes in capital**

Subject to the Statutes and to any special rights previously conferred on the holders of any shares or class of shares, the Company may issue redeemable shares. Subject to the provisions of the Statutes and to any special rights previously conferred on the holders of any existing shares, any share may be classified and issued with such preferred, deferred or other special rights or subject to such restrictions as the Company may determine by ordinary resolution (or, in the absence of any such determination, as the Directors determine). The Company may by ordinary resolution consolidate and divide all or any of its share capital into shares of a larger amount and sub-divide its shares, or any of them, into shares of a smaller amount (subject to the provisions of the Statutes).

Subject to the provisions of the Statutes, the Company may reduce its share capital, or any capital redemption reserve, share premium account or other undistributable reserve in any manner. The Company may also, subject to the requirements of the Statutes, purchase its own shares (including any redeemable shares).

5.1.6 **Untraced Shareholders**

Subject to the Statutes, the Company may sell any shares of a member or the shares of a person entitled thereto who is untraceable, if during a period of 12 years, at least three dividends in respect of the shares in question have become payable and the cheques or warrants for all amounts payable to such member or person in respect of his shares have remained uncashed or mandated dividend payments have failed and the Company has received no communication from such member or person. The net proceeds of sale shall belong to the Company but the member or person who had been entitled to the shares shall become a creditor of the Company in respect of those proceeds.

If on three consecutive occasions notices sent to a member have been returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the Transfer Office a new registered address or a postal address within the United Kingdom for the service of notices or shall have informed the Company, in such manner as may be specified by the Company, of an address for the service of notices by electronic communication.

5.1.7 **Non-UK Shareholders**

There are no limitations in the Articles on the rights of non-UK shareholders to hold, or exercise voting rights attaching to, Ordinary Shares. However, no shareholder is entitled to receive notices from the Company (whether electronically or otherwise), including notices of general meetings, unless he has given a postal address in the UK or an address for the service of notices by electronic communication to the Company to which such notices may be sent.

5.1.8 **Annual General Meetings**

An annual general meeting shall be held once in every year, at such time and place as may be determined by the Directors, and must not be more than 15 months apart. An annual general meeting shall be called by not less than 21 clear days' written notice.

5.1.9 **General Meetings**

The Directors may, whenever they think fit, and in accordance with the 2006 Act, convene a general meeting. The Directors must convene one on the requisition of members under the 2006 Act and, if it fails to do so within the time allowed, any of the requisitionists may convene the meeting. A general meeting of the Company shall be called by notice of at least such length as is required in the circumstances by the 2006 Act and, in particular, a general meeting, other than an annual general meeting, may be called by notice of not less than 14 clear days' notice.

5.1.10 **Return of Capital**

On a winding up or other return of capital, the holders of Ordinary Shares are entitled *pari passu* amongst themselves, in proportion to the number of shares held by them and to the amounts paid up or credited as paid up thereon, to share in the whole of any surplus assets of the Company remaining after the discharge of its liabilities.

5.1.11 **Pre-emption Rights**

There are no rights of pre-emption under the Articles of the Company in respect of transfers of issued Ordinary Shares.

In certain circumstances, the Company's shareholders may have statutory pre-emption rights under the 2006 Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment to existing shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would

be set out in the documentation by which such shares would be offered to the Company's shareholders.

5.1.12 ***Sanctions on Shareholders***

A member loses his rights to vote in respect of his shares if and for so long as he or any other person appearing to be interested in those shares fails to comply with a request by the Company under the 2006 Act requiring him to give particulars of any interest in those Ordinary Shares within 14 days. In the case of shareholdings representing 0.25 per cent. or more of the issued shares of the class concerned, the sanctions which may be applied by the Company include not only disenfranchisement but also the withholding of the right to receive payment of dividends and other monies payable on, and restrictions on transfers of, the shares concerned.

5.1.13 ***Directors Fees***

The Directors (other than those holding executive office with the Company or any subsidiary of the Company) shall be entitled to remuneration for their services in such amount as the Directors may determine, not exceeding in aggregate £500,000 per annum (or such higher amount as the Company may by ordinary resolution determine). In addition, any Directors who are resident outside the UK and not holding full-time salaried employment in the Company or any subsidiary of the Company, may be paid such extra remuneration as the Directors may determine. Any Director who holds executive office or who serves on any committee, or who otherwise performs services outside the ordinary duties of a Director, may be paid such remuneration or extra remuneration by way of salary, commission or otherwise as the Directors may determine.

The Directors may also be paid all such reasonable expenses as they may incur in attending and returning from meetings of the Company or of the Directors or any Committee or otherwise in or about the business of the Company or the proper exercise of their duties.

The Company may also fund a Director's expenditure (and that of a director of any subsidiary) for the purposes permitted under the Statutes and may do anything to enable a Director (or a director of any subsidiary) to avoid incurring such expenditure as provided in the Statutes.

5.1.14 ***Directors' Conflicts of Interest***

A Director must declare to the other Directors any situation in which he has, or could have, a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the Company unless it relates to a contract, transaction or arrangement with the Company or the matter has been authorised by the Directors or the situation cannot reasonably be regarded as likely to give rise to a conflict of interest.

The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:

- (a) any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties);
- (b) a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

A Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the Directors (subject in any such case to any limits or conditions to which such approval was subject).

5.1.15 **Votes and Directors' Interests**

A Director who is in any way, whether directly or indirectly, interested in a proposed or existing contract, transaction or arrangement with the Company must declare the nature and extent of that interest to the other Directors unless it cannot reasonably be regarded as likely to give rise to a conflict of interest.

A Director shall not vote, and shall not be counted in a quorum, in respect of any contract, transaction, arrangement or any other proposal in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest (otherwise than by virtue of shares or debentures or other securities of or otherwise in or through the Company), except that this prohibition shall not apply to:

- (a) The giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) The giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) Any contract or arrangement by a Director to participate in the underwriting or sub-underwriting of any offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription, purchase or exchange;
- (d) Any contract or arrangement concerning any other company in which the Director and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the 2006 Act) representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such company. For the purpose of this paragraph, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder;
- (e) Any arrangement for the benefit of Directors or employees of the Company or any directors or employees of its subsidiaries which does not award him any privilege or benefit not generally awarded to the other persons to whom such arrangement relates;
- (f) Any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of *inter alia* any Directors of the Company;

and the Company may by ordinary resolution suspend or relax any such prohibitions or ratify any transaction not duly authorised by reason of a contravention of a prohibition.

5.1.16 **Retirement**

At each annual general meeting of the Company all of the Directors shall retire from office by rotation. A retiring Director shall be eligible for re-election, and if so re-elected shall be treated as continuing in office without a break.

5.1.17 **Borrowing Powers**

The Articles provide that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Company and for the time being owing to persons outside the Company shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to four times the Adjusted Capital and Reserves calculated in accordance with the Articles.

6. INTERESTS OF THE DIRECTORS

- 6.1 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 2006 Act) in the issued share capital of the Company or the existence of which could, with reasonable diligence, be ascertained by any Director as at the date of this document and as expected to be immediately following Admission are as follows:

Name	At the date of this document			Immediately following Admission		
	No. of Ordinary Shares	% of Issued Share Capital	No. of Ordinary Shares over which Options are granted	No. of Ordinary Shares	% of Enlarged Share Capital	No. of Ordinary Shares over which Options are granted
Brian McMaster ⁽¹⁾	45,000,000	30.0	3,000,000	46,177,800	23.4	3,000,000
Luis Azevedo ⁽²⁾	45,000,000	30.0	2,000,000	45,000,000	22.8	2,000,000
Nicholas von Schirnding	–	–	1,000,000	–	–	1,000,000
Louis Castro	–	–	1,000,000	–	–	1,000,000

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

⁽²⁾ Held through Mr Azevedo's wholly-owned vehicle, Flagstaff International Investments Ltd

- 6.2 Other than the abovementioned Ordinary Shares and Options, no Director or any person connected with any said Director other than those members of the Concert Party that are not directors, holds any interest in Ordinary Shares or any related financial product related to Ordinary Shares.
- 6.3 Save as disclosed above, none of the Directors (or persons connected with the Directors within the meaning of section 252 of the 2006 Act) has any interest, whether beneficial or non-beneficial, in any share or loan capital of the Company.
- 6.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 6.5 Save as disclosed above, and save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or under-performed.
- 6.6 None of the Directors or any person connected with them (within the meaning of section 252 of the 2006 Act) is interested in any related financial product referenced to the Ordinary Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Ordinary Shares including a contract for difference or a fixed odds bet).

7. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

7.1 *Executive Director*

- 7.1.1 Brian McMaster entered into an agreement with the Company to act as Executive Chairman on 23 June 2017 with effect from the date of the agreement. The appointment is for an indefinite period subject to 12 months' notice by either party at any time and also subject to the Articles. Mr McMaster will receive an annual salary of £120,000 payable in monthly instalments in arrears. This fee will be reviewed annually and any increase will be entirely at the discretion of the Company. He will not be entitled to any bonus, pension or other benefits. He is subject to confidentiality obligations and provisions relating to conflicts of interest. In the event of termination of his appointment, however caused, he has agreed he will not be entitled to any compensation for the loss of office. Mr McMaster is able to hold securities in any company listed on a recognised stock exchange, provided Mr McMaster discloses to the Company any holdings of 5 per cent. or more of the share capital in such company. Mr McMaster is prohibited, for a period of 12 months after termination of his employment, from (i) soliciting or enticing away from the Company the business or custom of a customer or

prospective customer; and (ii) offering to employ any person, who was employed or engaged by the Company at the level which could materially damage the interests of the Company if they were involved in any competing business and with whom he had dealt in the 12 months prior to termination of his employment. Mr McMaster is prohibited, for a period of six months after termination of his employment, from being involved with the provision of goods or services to a customer, who, during the 12 months prior to his termination, was a customer of the Company.

7.2 **Non-Executive Directors**

- 7.2.1 Luis Azevedo entered into an agreement with the Company to act as its Non-Executive Director on 23 June 2017 with effect from that date. The appointment is for a period of three years subject to three months' notice by either party at any time and also subject to the Articles. Luis will receive an annual fee of £60,000 payable in monthly instalments in arrears. This fee will be reviewed annually and any increase will be entirely at the discretion of the Company. He will not be entitled to any bonus, pension or other benefits. He is subject to confidentiality obligations and provisions relating to conflicts of interest. In the event of termination of his appointment, howsoever caused, he has agreed he will not be entitled to any compensation for loss of office. Mr Azevedo is prohibited from (i) engaging in business which is in any way similar to the business of the Company for a period of 12 months after termination of his employment; (ii) soliciting or canvassing business from, or seek to do business with, any person or company who at any time during the last 12 months of his appointment was a customer or client of the Company; and (iii) employ any employee of the Company who has substantial knowledge of confidential aspects of the business and who could materially damage the Company if they were involved in any capacity in any competing business.
- 7.2.2 Nicholas von Schirnding entered into an agreement with the Company to act as its Non-Executive Director on 23 June 2017 with effect from that date. The appointment is for a period of three years subject to three months' notice by either party at any time and also subject to the Articles. Mr von Schirnding will receive an annual fee of £36,000 payable in monthly instalments in arrears. This fee will be reviewed annually and any increase will be entirely at the discretion of the Company. He will not be entitled to any bonus, pension or other benefits. He is subject to confidentiality obligations and provisions relating to conflicts of interest. In the event of termination of his appointment, howsoever caused, he has agreed he will not be entitled to any compensation for loss of office. Mr von Schirnding is prohibited from (i) engaging in business which is in any way similar to the business of the Company for a period of 6 months after termination of his employment; (ii) soliciting or canvassing business from, or seek to do business with, any person or company who at any time during the last 12 months of his appointment was a customer or client of the Company; and (iii) employ any employee of the Company who has substantial knowledge of confidential aspects of the business and who could materially damage the Company if they were involved in any capacity in any competing business.
- 7.2.3 Louis Castro entered into an agreement with the Company to act as its Non-Executive Director on 23 June 2017 with effect from that date. The appointment is for a period of three years subject to three months' notice by either party at any time and also subject to the Articles. Mr Castro will receive an annual fee of £36,000 payable in monthly instalments in arrears. This fee will be reviewed annually and any increase will be entirely at the discretion of the Company. He will not be entitled to any bonus, pension or other benefits. He is subject to confidentiality obligations and provisions relating to conflicts of interest. In the event of termination of his appointment, howsoever caused, he has agreed he will not be entitled to any compensation for loss of office. Mr Castro is prohibited from (i) engaging in business which is in any way similar to the business of the Company for a period of 6 months after termination of his employment; (ii) soliciting or canvassing business from, or seek to do business with, any person or company who at any time during the last 12 months of his appointment was a customer or client of the Company; and (iii) employ any employee of the Company who has substantial knowledge of confidential aspects of the business and who could materially damage the Company if they were involved in any capacity in any competing business.

- 7.3 The aggregate remuneration and benefits in kind, paid by the Company to the Directors in respect of the financial period ended 30 June 2016 was £nil. It is estimated that under the arrangements currently in force at the date of this document, the aggregate remuneration payable and benefits in kind to be granted to the Directors for the financial period ending 30 June 2017 by the Company will be approximately £10,000.

8. ADDITIONAL INFORMATION ON THE DIRECTORS

- 8.1 The names of all companies and partnerships of which the Directors have been a director or partner at any time in the five years preceding the date of this document and indicating whether they are current or past are set out below:

<i>Director</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Brian McMaster	Bounty Mining Limited Brazphos Pty Ltd Fat Hog Pty Ltd Five Star Diamonds Limited FSD Brazil Limited Garrison Capital Partners Limited Garrison Capital (UK) Limited Garrison Capital (Victoria) Pty Ltd Harvest Minerals Limited Hudson Bay Investments Pty Ltd Nomad Mining Pty Ltd Pedra Branca do Brasil Mineracao Ltda Vega Potash Limited Valor Resources Limited	Alvo Energy Limited Auzfert Pty Ltd Blackstar Petroleum Limited Brazil Graphite Pty Ltd Castillo Copper Limited Copper Range (SA) Pty Ltd Fair Capital Pty Ltd Firestone Energy Limited FSD Management Pty Ltd Garrison Capital Pty Ltd Garrison Equities Pty Ltd Golden Spur Resources Pty Ltd Goldtime Asset Pty Ltd Haranga Resources Limited Hudson Bay Pastoral Pty Ltd IODM Limited Paradigm Metals Limited Paradigm Queensland Pty Ltd Sierra Oil Limited Southland Beef Pty Ltd Surat Gas Pty Ltd The Colonial Copper Company Pty Ltd The Waterberg Coal Company Limited Union Resources Pty Ltd United Grain Farms Pty Ltd Westar Industrial Limited WWHD Property Ltd 333 Sourcing Pty Ltd
Luis Azevedo	Avanco Resources Limited FFA Legal Ltda Five Star Diamonds Limited Harvest Minerals Limited Pedra Branca do Brasil Mineracao Ltda Talon Metals Corporation	Brazil Minerals Inc Brazilian Gold Corporation FSD Brazil Ltd Paringa Resources Ltd
Nicholas von Schirnding	Casa Mining Ltd Fodere Rutile Ortac Resources Limited Pedra Branca do Brasil Mineracao Ltda	Asia Coal Resources Limited Asia Resource Minerals Limited Asia Resource Minerals plc Carajas Copper Company Limited PT Berau Coal Energy Tbk Vallar Investments UK Limited

<i>Director</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Louis Castro	Hollingsworth Minerals Inc. Inception Energy Limited Oryx Management Limited Pedra Branca do Brasil Mineracao Ltda Stanley Gibbons Group plc	Eland Oil & Gas plc Northland Capital Partners Limited Pan European Terminals plc Swan Alley (Nominees) Limited

8.2 None of the Directors has:

- 8.2.1 any unspent convictions in relation to indictable offences;
 - 8.2.2 had any bankruptcy order made against him or entered into any voluntary arrangements;
 - 8.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director;
 - 8.2.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 8.2.5 been the owner of any asset or been a partner in any partnership which owned, any asset which while he owned that asset, or while he was a partner or within the 12 months after he ceased to be a partner in the partnership which owned the asset entered into receivership;
 - 8.2.6 been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies); or
 - 8.2.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.
- 8.3 Save as disclosed in this document, none of the Directors has or has had any interest in transactions effected by the Company since its incorporation which are or were unusual in their nature or conditions or which are or were significant to the business of the Company.
- 8.4 Each of the Directors has given an undertaking not to dispose of any of their Ordinary Shares, save in certain specified circumstances, for the period of 12 months from the date of Admission.
- 8.5 No loans made or guarantees granted or provided by the Company or any Company in the Group to or for the benefit of any Director are outstanding.

9. SIGNIFICANT SHAREHOLDERS

- 9.1 Save as disclosed in sub-paragraph 6.1 above the Company is only aware of the following persons who, at the date of this document and immediately following Admission, represent an interest (within the meaning of DTR Chapter 5) directly or indirectly, jointly or severally in three per cent. or more of the Company's issued share capital or could exercise control over the Company:

<i>Name</i>	<i>At the date of this document</i>		<i>Following Admission</i>	
	<i>No. of Ordinary Shares</i>	<i>% of Issued Share Capital</i>	<i>No. of Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>
Brian McMaster ⁽¹⁾⁽⁵⁾	45,000,000	30.0	46,177,800	23.4
Matthew Wood ⁽²⁾⁽⁵⁾	45,000,000	30.0	46,177,800	23.4
Luis Azevedo ⁽³⁾⁽⁵⁾	45,000,000	30.0	45,000,000	22.8
Mark Sumner ⁽⁴⁾⁽⁵⁾	15,000,000	10.0	15,000,000	7.6

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

⁽²⁾ Includes the Ordinary Shares held by Mr Wood in his own name, those held in his wholly-owned vehicle, Whistling Kite Equity Limited, half of the Garrison Fee Shares to be issued on Admission, and those held by his close family members

⁽³⁾ Held through Mr Azevedo's wholly-owned vehicle, Flagstaff International Investments Ltd

⁽⁴⁾ Held through Mr Sumner's wholly-owned vehicle, Adelheid Holdings LLC

⁽⁵⁾ The above named persons and the close family of Mr Wood form the Concert Party.

- 9.2 None of the Directors, senior management nor any persons named in sub-paragraph 9.1 above has voting rights which are different to any other holder of Ordinary Shares.

10. EMPLOYEES

- 10.1 The number of employees employed in the Group for each of the last two financial years was as follows:

Year ending 30 June 2016

0

Year ending 30 June 2015

0

10.2 **Employee Share Option Scheme**

EMI options will be granted to UK resident employees and unapproved options to all other participants, with the right to acquire Ordinary Shares with an exercise price equivalent to market value of the Ordinary Shares under option, which on the date of grant which, in the case of options granted prior to Admission, will be set at the Placing Price, and for subsequent option grants will be determined by closing price of the Ordinary Shares on the business day immediately prior to the grant of the options.

Options will be subject to vesting and performance criteria and will ordinarily not be capable of exercise before the third anniversary of grant. Vesting and exercise will be subject to performance conditions to be determined by the Board which will it is anticipated would be based on hitting key milestones.

One half of the Options granted prior to Admission will vest 60 days following Admission, with the balance vesting 90 days following the commencement of trial mining production. All Options granted prior to Admission will have an expiry date of 31 December 2019 and as noted above, are exercisable at the Placing Place.

If a change of control of the Company happens prior to exercise, option holders will be entitled to exercise such proportion of their Options as is equivalent to the proportion of the vesting period which has expired on the date of the change of control, subject to the Board's discretion.

Leaver provisions will apply to all options such that option holders who leave other than by reason of injury, ill health, permanent incapacity, death, or the sale of any subsidiary which they work for ("Good Leavers") will immediately lose all of their options, whether vested or not. Good Leavers will retain and be entitled to exercise a proportion of their options which is equal to the proportion of their vesting period which has expired on the date of leaving, in the period of 90 days following leaving and if not

exercised by that point, they will lapse, save in the case of death, where the personal representatives of the deceased will have up to 12 months to exercise any vested options.

Whilst it is not expected that the EMI Options will give rise to any tax liabilities, the tax position unapproved option holders will depend on the local tax position in their home jurisdiction. All option holders will be required to indemnify the Company for any tax liabilities (including any primary or secondary social security contributions) arising to the Company in connection with their options.

As at the date of this document, certain Directors, senior management and employees hold, and will hold on Admission, in aggregate, 9,000,000 Options. A further 6,250,000 Options have been granted to certain consultants and advisers to the Company.

11. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiaries within the period of two years immediately preceding the date of this document or were entered into prior to this but contain provisions which are, or may be, material:

11.1 Placing Agreement

The Placing Agreement dated 23 June 2017 between the Company, the Directors, Strand Hanson and Beaufort Securities whereby Beaufort Securities was appointed as agent of the Company to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. Pursuant to the Placing Agreement, the Company and its Directors have given certain warranties and the Company certain indemnities to Strand Hanson and Beaufort Securities regarding, *inter alia*, the accuracy of information in this Document. The Placing is not underwritten. The Placing Agreement is conditional, *inter alia*, on Admission taking place no later than 29 June 2017 or such later date as may be agreed by the Company, Strand Hanson and Beaufort Securities and the Company and its Directors complying with certain obligations under the Placing Agreement. Under the Placing Agreement, the Company had agreed to pay to Beaufort Securities a commission of 7.5 per cent. of the aggregate value of the Placing Shares at the Placing Price, together with all costs and expenses and VAT thereon, where appropriate. In addition, Beaufort Securities is to be issued 7,900,624 Warrants as part of the Placing Agreement.

Strand Hanson and Beaufort Securities are entitled, in certain limited circumstances, to terminate the Placing Agreement prior to Admission and to the payment of its outstanding costs on such termination.

11.2 Nominated Adviser Agreement

A Nominated Adviser Agreement dated 23 June 2017 between the Company and Strand Hanson pursuant to which the Company has appointed Strand Hanson to act as its nominated adviser to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay Strand Hanson a corporate finance fee (part of which is due on completion of the Admission and the Placing) and pay an annual retainer fee (quarterly in advance). The Agreement contains certain undertakings by the Company and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable regulations. The Agreement continues for a minimum period of 12 months and is subject to termination, *inter alia*, by either the Company or Strand Hanson Limited on the giving of not less than three months' prior written notice.

11.3 Broker's Agreement

A Broker's Agreement dated 23 June 2017 between the Company and Beaufort Securities pursuant to which the Company has appointed Beaufort Securities to act as its broker for the purposes of the AIM Rules for Companies. The Company has agreed to pay Beaufort Securities Limited an annual retainer of £30,000 (quarterly in advance) and the commission of 7.5 per cent. described above in paragraph 11.1 in relation to the Placing. The Agreement contains certain undertakings by the Company and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable regulations. The appointment continues for a minimum period of 12 months and is subject to termination, *inter alia*, by either the Company or Beaufort Securities on the giving of not less than three months' prior written notice.

11.4 **Relationship Agreement**

The Company has entered into a Relationship Agreement with the individual members of the Concert Party (the **Principal Shareholders**) and Strand Hanson to regulate aspects of the continuing relationship between the Company and the Principal Shareholder so as to ensure that the Company is capable at all times of carrying on its business independently of the Principal Shareholders and that future transactions between the Company and the Principal Shareholders are on arm's length terms and on a normal commercial basis.

The board of directors is to be balanced at all times, with independent directors ("Independent Directors") having the casting vote in event of a split board, otherwise a majority of Independent Directors. If an Independent Director ceases to be either an Independent Director or a Director, one or more new Independent Directors will be appointed as soon as reasonably practicable to the board.

The Principal Shareholders shall not be permitted to (i) vote on any resolution to cancel the Company's admission to trading on AIM without the approval of a majority of the Independent Directors; or (ii) requisition a general meeting of the Company in order to seek to propose a resolution to appoint or remove any Director or officer of the Company or amend the Articles in such a way could reasonably be expected to adversely affect the independence of the Company from the Principal Shareholders.

The Relationship Agreement will terminate at any time when (a) following Admission, the Ordinary Shares cease to be admitted to trading on AIM or (b) the aggregate voting rights attaching to the Principal Shareholder's shareholdings represent less than 20 per cent. of all voting rights attributable to the issued share capital of the Company. In the event that any time thereafter the aggregate voting rights attaching to the Principal Shareholders' shareholdings again represents 20 per cent. or more of all voting rights, the Principal Shareholders shall enter into a new agreement in favour of the Company and Strand Hanson, or the Company's nominated adviser at that time.

11.5 **Lock-in Agreements and Orderly Market Agreements**

Each of the Locked In Shareholders has undertaken to the Company, Strand Hanson and Beaufort Securities that, save in specified circumstances, they will not dispose of any interest in Ordinary Shares held by each of them for a period of 12 months from Admission (**Lock-in Period**). The specified circumstances are:

- any disposal pursuant to acceptance of a general offer made by an offeror (the **Offeror**) to all shareholders of the Company for the whole or a part of the issued share capital of the Company (other than any shares already held by the Offeror or persons acting in concert with the Offeror); or
- subject to the prior approval from AIM Regulation if required by the AIM Rules for Companies, the execution of an irrevocable commitment to accept a general, partial or tender offer made to all shareholders of the Company for the whole or a part of the issued capital of the Company (other than any shares already held by the Offeror or persons acting in concert with the Offeror); or
- any disposal pursuant to an intervening court order; or
- where applicable, by the personal representatives after the death of the Locked-in Shareholder.

Furthermore, each of the Locked In Shareholders has also undertaken to the Company, Strand Hanson and Beaufort Securities not to dispose of their Ordinary Shares for a further 12 month period following the expiry of the Lock-in Period with the consent of Beaufort Securities (or any replacement broker) and then through Beaufort Securities for so long as it remains broker to the Company so as to maintain an orderly market in the Ordinary Shares.

In addition, the beneficial interests of Mark Sumner (held through Adelheid Holdings LLC) in the Company are subject to a 24 month orderly market arrangement, which provides that his Ordinary Shares will not be disposed of during that period without the consent of Beaufort Securities and Strand Hanson, and then only through Beaufort Securities.

11.6 **Convertible Loan Notes**

Prior to Admission, and in order to meet working capital requirements,

- 11.6.1 on 15 December 2016, the Company issued a convertible loan note to Sagert Road Investments LLC, and in return was granted a loan in the amount of US\$300,000, with an interest rate payable of 20 per cent. per annum. The convertible loan note provides that Sagert Road Investments LLC may at any point before 15 December 2017, being the maturity date, and before payment in full by the Company of the loan amount, convert the principal balance into fully paid Ordinary Shares in the Company at the Placing Price of the Company. If Sagert Road Investments LLC exercises its conversion right, no interest shall be payable. If the Company elects to repay in cash the convertible loan note prior to the expiry date, the full amount of interest that would have been accrued over the year is still payable.
- 11.6.2 On 15 December 2016, the Company issued a convertible loan note to Craig Hubler Profit Sharing Plan and in return was granted a loan in the amount of US\$100,000, with an interest rate payable of 20 per cent. per annum. The convertible loan note provides that Craig Hubler Profit Sharing Plan may at any point before 15 December 2017, being the maturity date, and before payment in full by the Company of the loan amount, convert the principal balance into fully paid Ordinary Shares in the Company at the Placing Price of the Company. If Craig Hubler Profit Sharing Plan exercises its conversion right, no interest shall be payable. If the Company elects to repay in cash the convertible loan note prior to the expiry date, the full amount of interest that would have been accrued over the year is still payable.

Neither of the Convertible Loan Notes has been converted into Ordinary Shares in the Company as part of the Admission process, and therefore the full amount of each remains outstanding. Immediately following Admission, the Company intends to fully settle, in cash, the principal and interest outstanding under the Convertible Loan Notes, totalling, in aggregate, US\$480,000.

11.7 **Warrant Instrument**

The principal terms attaching to the warrant instrument entered into by the Company and Beaufort Securities (the "Warrant Instrument"), pursuant to which the Beaufort Warrants will be granted to Beaufort Securities, are as follows:

- the Beaufort Warrants are granted in consideration of the services provided by Beaufort Securities to the Company pursuant to the terms of the Placing Agreement;
- grant of the Beaufort Warrants is conditional upon Admission becoming effective in accordance with the terms of the Placing Agreement;
- Beaufort Securities, as warrant holder, may elect to subscribe for up to 7,900,624 new Ordinary Shares in the Company, for a period of five years from the date of Admission at the Placing Price per Ordinary Share; and
- the Warrant Instrument contains limited warranties and covenants in favour of the warrant holder. Notably, the Company provided an undertaking to maintain sufficient authority to issue Ordinary Shares, without restriction, to satisfy the exercise of the Warrants in full.

11.8 **Garrison Consultancy Agreement**

On 23 June 2017, the Company and Garrison Capital entered into a consultancy services agreement, pursuant to which the Company engaged Garrison Capital to provide it with consultancy services in relation to the business of the Company. The term of the appointment commenced on the date of the agreement and continues for an indefinite period until terminated by either party giving not less than one month's prior written notice. Fees due to Garrison Capital for services rendered are payable monthly upon receipt by the Company of Garrison Capital's invoice.

The Company is entitled to settle any outstanding fees owed to Garrison Capital by issue to it of such number of Ordinary Shares in the Company as shall equal the sum of fees outstanding, based on the Placing Price of the Ordinary Shares on the date of Admission. Pursuant to the terms of this agreement, the Company will issue to Garrison Capital the Garrison Fee Shares on Admission.

11.9 **St Brides Fee Agreement**

On 24 March 2017, the Company engaged St Brides Partners Limited to provide it with public relations consultancy, advice and expertise. Pursuant to the St Brides Fee Agreement, the Company

agreed to issue to St Brides Partners Limited 160,000 new Ordinary Shares in the Company at the Placing Price, by way of part satisfaction of its fee obligations thereunder. In the event that the Placing and Admission does not take place within six months, the Company must pay St Brides Partners Limited the sum of £5,000 in cash to cover services provided.

12. LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Company is aware, which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position or profitability of the Company or the Group.

13. WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, and taking into account the net proceeds of the Placing, the working capital available to the Company and the Group is sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

14. TAXATION

14.1 *Taxation in the United Kingdom*

The following information is based on UK tax law, proposals announced in the 8 March 2017 Budget and HM Revenue and Customs (“**HMRC**”) practice currently in force in the UK. Please note that announcements in the 8 March 2017 Budget are only proposals and have not yet been enacted in UK tax legislation. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

14.1.1 Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- (i) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
- (ii) who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- (iii) who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

14.1.2 Dividends

Where the Company pays dividends, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £5,000 dividend tax allowance. Dividend receipts in excess of £5,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers. As announced in the 8 March 2017 Budget, it is proposed that the dividend nil rate band, currently £5,000 per year, will be reduced to £2,000 per year for dividends received after 6 April 2018.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax or withholding tax imposed.

14.1.3 *Disposals of Ordinary Shares*

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary shares by basic rate taxpayers is 10 per cent. and for upper rate and additional rate taxpayers, the rate is 20 per cent.

For Shareholders within the charge to UK corporation tax, indexation allowance may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

- 14.1.4 Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently being 20 per cent. The rate falls to 19 per cent. after 1 April 2017 and 17 per cent. after 1 April 2020.

14.2 **Further information for Shareholders subject to UK income tax and capital gains tax**

14.2.1 *"Transactions in securities"*

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

14.2.3 *Stamp Duty and Stamp Duty Reserve Tax*

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or stamp duty reserve tax or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

14.2.4 *Ordinary Shares held in certificated form*

No stamp duty or stamp duty reserve tax will generally be payable on the issue of Ordinary Shares.

Neither UK stamp duty nor stamp duty reserve tax should arise on transfers of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

- (A) the Shares are admitted to trading on AIM, but are not listed on any market (with the term "listed" being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- (B) AIM continues to be accepted as a "recognised growth market" as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or stamp duty reserve tax may apply to transfers of Ordinary Shares in certain circumstances.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser. The comments set out above are intended only as a general guide to the current tax position in the UK at the date of this document. The rates and basis of taxation can change and will be dependent on a Shareholder's personal circumstances. Neither the company nor its advisors warrant in any way the tax position outlined above, which, in any event, is subject to changes in the relevant legislation and its interpretation and application.

15. COMPETENT PERSON

- 15.1 The Competent Person has confirmed to each of the Company, Strand Hanson and Beaufort Securities that (i) they have reviewed the information that relates to the information contained in the report on the Company in this document, set out in Part VI "Competent Person's Report", which is contained in a portion of this document other than in such report; and (ii) such information contained in a portion of this document other than such report is, to the best of the Competent Person's knowledge, correct on its facts, accurate, balanced, complete, not inconsistent with such report and contains no material omissions likely to affect its import.
- 15.2 The Competent Person has no material interests in the Company.

16. GENERAL

- 16.1 The gross proceeds of the Placing are expected to be £2.25 million with net proceeds expected to be approximately £1.6 million. The total costs and expenses relating to the Placing and Admission payable by the Company are estimated to be approximately £630,000 (US\$810,000) (excluding VAT).
- 16.2 The Placing Shares are not being offered generally and no applications have or will be accepted other than under the terms of the Placing Agreements and the Placing letters issued pursuant thereto. All the Placing Shares have been placed firm with placees. The Placing is not being guaranteed or underwritten by any person.
- 16.3 Monies received from applicants pursuant to the Placing will be held in accordance with the terms and conditions of the Placing until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 13 July 2017, application monies will be returned to the Placees at their risk without interest.
- 16.4 The Placing Price represents a premium over nominal value of 4.96 pence per Ordinary Share.
- 16.5 Crowe Clark Whitehill LLP of 10 Salisbury Square, London, EC4Y 8EH, United Kingdom has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear and to the inclusion of their reports in this document and accept responsibility for the same pursuant to Annex I paragraph 1.2 of the Prospectus Rules.
- 16.6 Strand Hanson has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- 16.7 Beaufort Securities has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- 16.8 GE21 has given and not withdrawn its consent to the issue of this document with inclusion in it of their report as set out in Part VI of this document and the reference thereto and to their name in the form and context in which it appears and have accepted responsibility for the content of such report

pursuant to Annex I paragraph 1.2 of the Prospectus Rules. GE21 has also confirmed to the Company and Strand Hanson that, to the best of its knowledge and belief, there has been no material change in circumstances to those stated in the Competent Person's Report since the effective date of such report.

- 16.9 The percentage dilution for existing shareholders as a result of the Placing and the issue of the St Brides Fee Shares is 22.9 per cent.
- 16.10 The accounting reference date of the Company is 30 June, which will be changed to 31 December following Admission.
- 16.11 It is expected that definitive share certificates will be despatched by hand or first class post by 13 July 2017. In respect of uncertificated shares, it is expected that Shareholders' CREST stock accounts will be credited at 8.00 am on 29 June 2017.
- 16.12 The Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 16.13 There are no patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.
- 16.14 Save as disclosed in this document, the Group has not made any investments since 31 December 2016 up to the date of this document, nor are there any investments by the Group in progress or anticipated which are significant.
- 16.15 Other than as disclosed in this document and in the unaudited interim historical financial information for the Company for the six months ended 31 December 2016, there have been no significant changes in the trading or financial position of the Company since 30 June 2016, being the date to which the last audited accounts were made up.
- 16.16 CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of shares under CREST. The Company has applied for the issued and to be issued Ordinary Shares to be admitted to CREST and it is expected that the issued and to be issued Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST.
- 16.17 No person directly or indirectly (other than the Company's professional advisers and trade suppliers or as disclosed in this document) in the last 12 months received or is contractually entitled to receive, directly or indirectly, from the Company on or after Admission any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value at the Placing Price or entered into any contractual arrangements to receive the same from the Company at the date of Admission.

17. AVAILABILITY OF THIS DOCUMENT

Copies of this document are available free of charge from the Company's registered office and from the offices of Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission. An electronic version of this document is also available to download from the Company's website: www.jangadamines.com

