

Registered number: 09663756



JANGADA MINES PLC

**HALF YEAR UNAUDITED FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018**

COMPANY INFORMATION

Directors	Brian McMaster – Executive Chairman Luis Azevedo – Non-Executive Director Louis Castro – Independent Non-Executive Director Nick von Schirnding - Independent Non-Executive Director
Company Secretary	Clive Hopewell
Registered Office	20 North Audley Street London W1K 6WE United Kingdom
Registered number:	09663756
Auditors	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH United Kingdom
Legal advisers as to English law	Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP United Kingdom
Legal advisers as to Brazilian law	FFA Legal Av. Jornalista Ricardo Marinho, 360 Sala 113, Ed. Cosmopolitan 22631-350 Barra da Tijuca, Rio de Janeiro Brasil
Nominated & Financial Adviser	Strand Hanson Limited 26 Mount Row London W1K 3SQ United Kingdom
Broker	Brandon Hill Capital Limited 1 Tudor Street London EC4Y 0AH United Kingdom
Registrars	Computershare Investor Services Plc The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom
Stock Exchange	London Stock Exchange - AIM Stock Code - JAN
Website	www.jangadamines.com

Jangada Mines Plc / EPIC: JAN.L / Market: AIM/ Sector: Mining

Jangada Mines Plc ('Jangada' or the 'Company')

Unaudited Interim Results to 31 December 2018

Jangada Mines plc, a natural resources company developing South America's largest and most advanced platinum group metals ('PGM') and nickel project, is pleased to announce its unaudited interim results for the six-month period ended 31 December 2018.

Chairman's Statement

The Jangada story continues to evolve as our understanding of the Pedra Branca PGM Project ('Pedra Branca' or 'the Project') in Brazil deepens. Not only have we continued to strengthen the Project's economics having worked on an updated flowsheet that reduced its estimated overall CAPEX, we have also strengthened the resource with resources including nickel, copper sulphide, vanadium and titanium across the total project area.

Earlier in the year, we announced an increase in the JORC (2012) Compliant Resource to 1.45 million ounces of PGM+Au, 140 Mlb of nickel, 26 Mlb of copper and 6.7 Mlb of cobalt. This was followed in June 2018 by the release of a Preliminary Economic assessment ('PEA') that confirmed Pedra Branca's potential to become a robust, low CAPEX and OPEX, shallow, open pit operation demonstrating an Net Present Value (7%) of US\$192 million, an Internal Rate of Return of 67% and 1.6-year payback. In October 2018, we announced the identification of significant nickel and copper sulphide anomalies at the Project immediately beneath the existing PGM and base metal resource. Subsequently, we published an independent nickel and copper maiden JORC resource estimate.

In November 2018, the anticipated overall CAPEX of the Project was reduced by 32% to US\$43.9 million (previously estimated at US\$64.9 million) following the creation of an updated process flowsheet in partnership with Consulmet Metals (Pty) Ltd ('Consulmet'), which demonstrated a simpler and more efficient process route. We anticipate that this will be reflected in reduced operating cost metrics that will feed into the Bankable Feasibility Study ('BFS').

Post period end in January 2019, we updated the market on our Q1 2019 work programme focussed on progressing the BFS through to completion of the verification stage. We are hopeful that this will confirm the economic and technical viability of the Project and that the results will be available early in Q2. In January 2019, we also announced a significant upgrade to the JORC (2012) compliant resource, resulting in the substantial increase in the size and categorisation of the resources at Pedra Branca to 74.84 million tonnes of classified ore, 3.05 million ounces of palladium equivalent and 2.17 million ounces in PGM+gold.

In February 2019, we provided an update on our vanadium exploration activities at the Ptombeiras West vanadium deposit having completed an expanded outcrop sampling campaign. Results from 72 samples confirmed continuous high-grade vanadium, titanium and iron grades at surface, with grades reported as high as 1.1 % vanadium (V₂O₅), 14.3 % titanium (TiO₂) and 61.4 % iron (Fe). The average sample grades included 0.91 % vanadium (V₂O₅), 10.7 % titanium (TiO₂) and 53 % iron (Fe); average grades for vanadium and titanium were three times higher than initially anticipated by management. A 300m diamond core drilling programme intended to confirm deposit continuity and extent is underway with preliminary results expected soon.

The Market

The nickel price has strong long-term fundamentals due to increasing demand from the stainless-steel market and the emerging electric vehicle battery sector. In line with this, it has shown resilience in recent months, where commodity prices have been impacted by volatile macroeconomics. Likewise, vanadium is trending for similar reasons in tandem with production output from China dropping.

Financials

In September 2018, we agreed a total fundraise package of £2.1 million to advance the Project towards a BFS, quantifying the value of the nickel sulphide deposit, additional hydrology and metallurgy test work and exploration drilling at the vanadium project. This included a placing to raise £1.05 million before expenses and an agreement with Consulmet to accept shares in lieu of cash on completion of work undertaken at the Project, , as well as a 12-month unsecured loan facility from Celtic Capital Pty Limited, as trustee for Celtic Capital Trust for up to US\$1.0 million, which remains undrawn.

Post period end, we announced that SilverStream SEZC ('SilverStream'), a dedicated precious metal streaming and royalty business with investments across Australasia, North and South America, had acquired the existing 1% Net Smelter Royalty on the Project from Solitario Zinc Corp. Having recognised the value in Pedra Branca, we are delighted to welcome SilverStream as a partner.

Outlook

We remain focused on advancing and expanding the breadth of the exciting Pedra Branca Project and further strengthening its already robust economics. The BFS is the next major milestone, which we are on track to deliver in Q2 2019, alongside other value-driving activities in the coming months. I am confident that we have the right team to maintain the high level of activity needed to achieve this and would like to thank both them, and our shareholders for their continued support.



Brian McMaster
Executive Chairman
27 February 2019

JANGADA MINES PLC

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	Notes	Unaudited Six months to 31 December 2018 \$'000	Unaudited Six months to 31 December 2017 \$'000	Audited Year ended 30 June 2018 \$'000
Project costs		-	(24)	(73)
Administration expenses		(764)	(594)	(1,534)
Loss from continuing operations		(764)	(618)	(1,607)
Finance expense		-	(163)	(34)
Loss before tax		(764)	(781)	(1,641)
Tax expense	5	-	-	-
Loss from continuing operations and total loss for the period		(764)	(781)	(1,641)
Other comprehensive income:				
Items that will or may be classified to profit or loss:				
Currency translation differences arising on translation of foreign operations		(32)	15	9
Total comprehensive loss attributable to owners of the parent		(796)	(766)	(1,632)
Loss per share attributable to the ordinary equity holders of the Company during the period				
- Basic and diluted (cents)	6	(0.0)	(0.0)	(0.0)

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CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Notes	Unaudited 31 December 2018 \$'000	Unaudited 31 December 2017 \$'000	Audited 30 June 2018 \$'000
Assets				
Non-current assets				
Exploration and evaluation assets	7	563	247	324
Property, plant and equipment		3	9	4
		566	256	328
Current assets				
Other receivables		44	110	22
Cash and cash equivalents		718	800	198
		762	910	220
Total assets		1,328	1,166	548
Liabilities				
Current liabilities				
Trade payables		254	10	74
Loans and borrowings		58	-	58
Accruals & other payables		68	152	153
Total liabilities		380	162	285
Issued capital and reserves attributable to owners of the parent				
Share capital	8	125	102	102
Share premium	8	4,181	2,844	2,844
Translation reserve		(25)	13	7
Retained earnings		(3,333)	(1,955)	(2,690)
Total equity		948	1,004	263
Total equity & liabilities		1,328	1,166	548

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	Share capital \$'000	Share premium \$'000	Translation reserve \$'000	Retained earnings \$'000	Total equity attributable to owners \$'000
Balance as at 1 July 2018	102	2,844	7	(2,690)	263
Total comprehensive loss for the half-year					
Loss for the half-year	-	-	-	(764)	(764)
Other comprehensive loss	-	-	(32)	-	(32)
Total comprehensive loss for the half-year	-	-	(32)	(764)	(796)
Transactions with owners in their capacity as owners					
Shares issued	23	1,337	-	-	1,360
Share options issued	-	-	-	121	121
Total transactions with owners	23	1,337	-	121	1,481
Balance at 31 December 2018	125	4,181	(25)	(3,333)	948
Balance as at 1 July 2017	102	2,844	(2)	(1,336)	1,608
Total comprehensive loss for the half-year					
Loss for the half-year	-	-	-	(781)	(781)
Other comprehensive income	-	-	15	-	15
Total comprehensive loss for the half-year	-	-	15	(781)	(766)
Transactions with owners in their capacity as owners					
Shares options issued	-	-	-	162	162
Balance at 31 December 2017	102	2,844	13	(1,955)	1,004
Total comprehensive loss for the half-year					
Loss for the half-year	-	-	-	(860)	(860)
Other comprehensive loss	-	-	(6)	-	(6)
Total comprehensive loss for the half-year	-	-	(6)	(860)	(866)
Transactions with owners in their capacity as owners					
Shares options issued	-	-	-	125	125
Total transactions with owners	-	-	-	125	125
Balance at 30 June 2018	102	2,844	7	(2,690)	263

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CONDENSED UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	Unaudited 31 December 2018 \$'000	Unaudited 31 December 2017 \$'000	Audited 30 June 2018 \$'000
Cash flows from operating activities			
Loss before Tax	(764)	(781)	(1,641)
Add back: depreciation	1	3	4
Non-cash share option charge	121	162	287
Decrease/(increase) in other receivables	(22)	117	205
(Decrease)/increase in trade and other payables	95	(457)	(390)
Net cash outflow from operating activities	(569)	(956)	(1,535)
Investing activities			
Development of exploration and evaluation assets	(239)	(247)	(324)
Net cash outflow from investing activities	(239)	(247)	(324)
Financing activities			
Share capital issue	1,360	-	-
Proceeds from related party borrowings	-	(58)	-
Repayment of convertible loan notes	-	(400)	(400)
Net cash from financing activities	1,360	(458)	(400)
Net movement in cash and cash equivalents	552	(1,609)	(2,259)
Cash and cash equivalents at beginning of period	198	2,450	2,450
Movements in foreign exchange	(32)	(11)	7
Cash and cash equivalents at end of period	718	800	198

JANGADA MINES PLC

NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

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 20 North Audley Street, London W1K 6WE. The Company's principal activities are the provision of mining services.

2. Accounting Policies

Basis of preparation

The interim unaudited financial information for the period ended 31 December 2018 has been prepared in accordance with IAS 34 Interim Financial Reporting. The results for the period ended 31 December 2018 are unaudited.

The condensed unaudited consolidated financial information for the period ended 31 December 2018 has been prepared on a basis consistent with, and on the basis of, the accounting policies set out in the financial information on the Company set out in the Company's published results for the year to 30 June 2018. The unaudited interim financial statements of the Company have 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 annual report for the year ended 30 June 2019.

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

New and amending Accounting standards

In the period ended 31 December 2018, the Directors have reviewed all the new and revised Standards. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

Accounting standards in issue but not yet effective

IFRS 16 "Leases"

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

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

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

Going concern

As disclosed in the 30 June 2018 financial statements, the Director's secured a fundraising package of £2.1 million, as announced on 27 September 2018, that allows the company to continue to develop the Pedra Branca project and provides general working capital. The Directors are aware that the Group will require further funding to finance the project through its pre-production programme in Brazil. The Directors are confident that the Group will be able to raise funds for such requirements from investors as required although no binding funding agreement is in place at the date of this report. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Group and Company's ability to continue as a going concern.

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

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NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (CONTINUED)

Accounting Policies (continued)

Financial liabilities

The Company classifies its financial liabilities into one category:

Other financial liabilities

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

Exploration and evaluation assets

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

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

3. Critical accounting estimates and judgements

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

Judgements

As discussed in Note 2 there exists a material uncertainty which may cast significant doubt about the Group and Company's ability to continue as a going concern. The Directors are confident that the Company will be able to raise the required funds and therefore have concluded that the financial statements should be prepared on a going concern basis.

The Directors have considered the criteria of IFRS 6 regarding the impairment of exploration and evaluation assets and have decided based on this assessment that there is no basis to impair the carrying value of its exploration assets (2018: \$563,396, 2017: \$247,000) at this time.

Estimates and assumptions

The Company measures share options at fair value. For more detailed information in relation to the fair value measurement of such items, please refer to note 9.

4. Segment information

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

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

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NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (CONTINUED)

5. Tax expense

	Six months ended 31 December	Six months ended 31 December	Year ended 30 June
	2018	2017	2018
	\$'000	\$'000	\$'000
Loss on ordinary activities before tax	(764)	(781)	(1,641)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.75%)	(145)	(148)	(312)
Effects of:			
Unrelieved tax losses for the period carried forward	145	148	312
Total tax charge for the period	-	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

6. Earnings Per Share

	Six months ended 31 December	Six months ended 31 December	Year ended 30 June
	2018	2017	2018
	\$'000	\$'000	\$'000
Loss for the period	(796)	(781)	(1,641)
	2018	2017	2018
Weighted average number of shares in issue (basic & diluted)	213,619,678	197,515,600	197,515,600
Loss per share - basic & diluted (cents)	(0.0)	(0.0)	(0.0)

There is no impact from 34,999,996 warrants and 15,250,000 options outstanding at 31 December 2018 (2017: 15,250,000 options) on the loss per share calculation because they are considered anti-dilutive. These options could potentially dilute basic EPS in the future.

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

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NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (CONTINUED)

7. Exploration & Evaluation Assets

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

8. Share Capital

	Six months ended 31 December 2018		Six months ended 31 December 2017		Year ended 30 June 2018	
	Issued Number	Share Capital \$'000	Issued Number	Share Capital \$'000	Issued Number	Share Capital \$'000
At beginning of period ordinary shares of 0.04p each:	197,515,600	102	197,515,600	102	197,515,600	102
Shares Issued as part of placement	38,273,328	23	-	-	-	-
Share issue costs charged to share premium	-	-	-	-	-	-
At end of period: ordinary shares of 0.04p each:	235,788,928	125	197,515,600	102	197,515,600	102

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NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (CONTINUED)

9. Share options	2018 Average exercise price per share option \$	2018 Number of options	2017 Average exercise price per share option \$	2017 Number of options
At 30 June	0.065	15,250,000	0.065	15,250,000
Issued 15 October 2018	0.079	<u>34,999,996</u>	-	<u>-</u>
At 31 December		<u>50,249,996</u>		<u>15,250,000</u>
Vested and exercisable at 31 December	<u>0.065</u>	<u>7,625,000</u>	-	-

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

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

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

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

The model inputs for options granted during the period included:

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

Share options granted during the half year ended 31 December 2018 have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price \$	Share options 31 December 2018	Share options 31 December 2017
15 October 2018	15 October 2020	0.079	34,999,996	-

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

- (a) share price at grant date: 2.58 pence.
- (b) expected price volatility of the company's shares: 50%.
- (c) risk-free interest rate: 2.0%.

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NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (CONTINUED)

10. Subsequent Events

On 23 January 2019, the Company announced SilverStream SEZC ("SilverStream"), a dedicated precious metals streaming and royalty business with investments across Australasia, North and South America, has acquired the existing 1% Net Smelter Royalty ('NSR') on the Pedra Branca project from Solitario Zinc Corp. ("Solitario") (NYSE American: XPL; TSX: SLR).

On 28 January 2019, the Company announced a significant JORC (2012) compliant resource upgrade resulting in substantial increases in the size and categorisation of the resource at its Pedra Branca project.

On 5 February 2019, the Company provided an update on its vanadium exploration activities at the Ptombeiras West vanadium deposit having completed an expanded outcrop sampling campaign. Results from 72 samples confirmed continuous high-grade vanadium, titanium and iron grades at surface, with grades reported as high as 1.1 % vanadium (V_2O_5), 14.3 % titanium (TiO_2) and 61.4 % iron (Fe).

11. Nature Of Financial Information

The unaudited consolidated interim financial information presented above does not constitute statutory financial statements for the period under review.