

## MINING FLASHNOTE

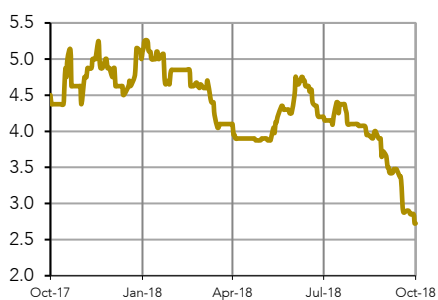
# Jangada Mines plc (JAN AIM)

10 October 2018

### Stock Data

|                 |        |
|-----------------|--------|
| Share Price:    | 2.725p |
| Market Cap (M): | £6.4   |
| EV (M):         | £5.8   |

### Price Chart



### 52 Week Range

|        |        |        |
|--------|--------|--------|
| 2.725p | 2.725p | 5.625p |
|--------|--------|--------|

### Company Summary

Jangada Mining is an AIM listed company operating in Brazil. It acquired the Brazilian platinum group metal assets of Anglo-American in 2013 and declared a JORC (2012) compliant resource.

| MAIN SHAREHOLDERS | HOLDING |
|-------------------|---------|
| Brian McMaster    | 23.4%   |
| Matthew Wood      | 23.4%   |
| Luis Azevedo      | 22.8%   |
| Mark Sumner       | 7.6%    |

Source: Jangada Mines & Bloomberg

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## Jangada Announces High Grade Nickel and Copper Sulphide Mineralisation Containing Cobalt Discovery

### Event

Jangada Mines ("Jangada") has announced that it has identified significant nickel and copper sulphide anomalies at its Pedra Branca PGM project in north-eastern Brazil, which could positively impact its already robust economics.

### Highlights

#### Significant intercepts

- RW014 0.3m @ 2.65% Ni, 0.86% Cu and 0.13% Co from 55m
- CD50 1.8m @ 1.65% Ni, 1.50% Cu and 0.1% Co from 47.2
- PBE05 1m @ 2.30% Ni from 90m
- PBE05 1m @ 1.01% Ni from 84m

### Comment

This is excellent news. The data base contains a further 101 drill holes with nickel grades between 0.5% Ni and 1.00% Ni. Unfortunately, not all samples were assayed for copper and cobalt, but this problem is currently being addressed. When these assays have been completed, a far better assessment of the potential will be able to be made.

There are three key points to be made about this discovery:

1. Although these assays are around 50m down hole, the real depth is probably closer to half this and most of the material above the sulphides will be mined when the oxides are processed. Therefore we expect a low strip ratio.
2. From the initial assessment, it appears that these grades would be payable in their own right, and the mining of these sulphides suggests that the mine life will be extended.
3. At this stage, it is expected that the current plant design will be able to process the sulphide ores with only minor alterations, suggesting that no major additional capital expenditure will be required once the sulphide ore is reached.

At this time, it is believed that the PGM content of the sulphide ore is very low and when the sulphide ore resource is calculated, no significant increase in PGM inventory is expected.

## Research Disclosures

### Peter Rose

Peter has 32 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 11 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

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|                     |  |
|---------------------|--|
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| <b>Sell</b>         | Recommendation implies that expected total return expected over 12 months between current and analysts' target price is negative.                |

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Research disclosure as of 10 October 2018

| Company Name                | Disclosure    |
|-----------------------------|---------------|
| Jangada Mines plc (JAN AIM) | 1, 2, 7, 8, 9 |

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