

## MINING FLASHNOTE

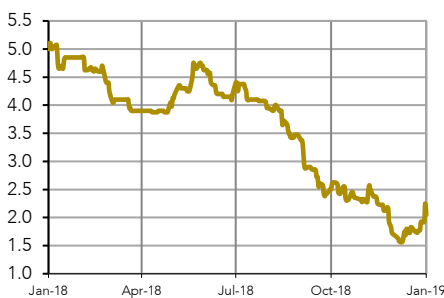
# Jangada Mines plc (JAN AIM)

23 January 2019

### Stock Data

Share Price:	2.075p
Market Cap (M):	£4.9
EV (M):	£4.2

### Price Chart



### 52 Week Range

1.56p	2.075p	5.1p
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### 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 Mc Master	20.3%
Matthew Wood	20.3%
Luis Azevedo	19.8%
Mark Summer	6.4%

Source: Jangada Mine & Bloomberg

## Jangada Announces Royalty Update

### Event

Jangada Mines ("Jangada") has been informed that 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).

Solitario has announced that it has sold two royalties and an option to purchase a third royalty to SilverStream, a private Cayman Island royalty and streaming company. Solitario will receive CDN \$250,000 in cash and CDN \$350,000 in a convertible note as payment for the royalties and option. The royalties cover the 125,000-acre polymetallic Pedra Branca palladium, platinum, gold, nickel, cobalt, a chrome project in Brazil plus an option to purchase a third royalty.

### Comment

The centerpiece of the transaction was described "as the 1% NSR royalty on the Pedra Branca project owned by Jangada Mines, a London-based company that is actively advancing the project".

BHC currently estimates that this royalty is between US\$0.8M and US\$1M pa. However, this estimate is subjective as we are awaiting the results of the second stage metallurgical test work, due in March 2019, which we believe will have a huge impact on the design of the plant and the metallurgical recoveries.

BHC will update our model once these results are released but we expect overall revenues to increase:

- primarily through the production of higher value chromite grades,
- Probably significantly higher gold revenues than those currently in the model.
- Further, given the recent announcement of additional nickel resources under the existing planned open pit, BHC expects the mine life to be extended.

Whilst this is no reflection on Jangada, and currently the start-up date for production is uncertain, it would appear that SilverStream has acquired a bargain.

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## 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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<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 23 January 2019

<u>Company Name</u>	<u>Disclosure</u>
Jangada Mines plc (JAN AIM)	1, 2, 7, 8, 9

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