

## MINING FLASHNOTE

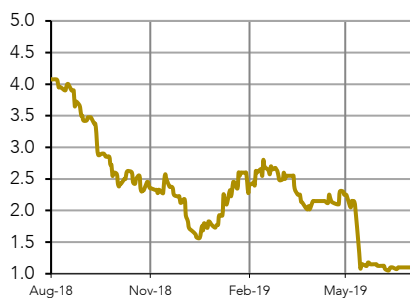
# Jangada Mines plc (JAN AIM)

17 July 2019

### Stock Data

Share Price:	1.125p
Market Cap (M):	£2.7
EV (M):	£2.1

### Price Chart



### 52 Week Range

4.4p	1.125p
0.975p	

### Company Summary

Jangada Mining was developing an open surface PGM + Nickel project at Pedra Branca, Brazil which is currently concluding the BFS stage.

MAIN SHAREHOLDERS	HOLDING
Brian Mc Master	20.3%
Matthew Wood	20.3%
Luis Azevedo	19.8%
Mark Summer	6.4%

Source: Jangada Mines & Bloomberg

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## Jangada Announces Proposed Disposal of the Pedra Branca Project and Notice of General Meeting

### Event

Jangada Mines plc ("Jangada") has announced that further to its announcement of 28 May 2019, it has now entered into a binding Share Purchase Agreement with ValOre and PBBM Holdings Ltd., a wholly-owned subsidiary of ValOre for the sale, subject to satisfaction of a number of conditions, of 100% of its interest in Pedra Branca do Brasil Mineração Ltda., the entity that holds the Pedra Branca Project, to ValOre.

### Comment

The disposal of the Pedra Branca project is deemed to be of sufficient size relative to that of the Group to constitute a disposal resulting in a fundamental change of business pursuant to Rule 15 of the AIM Rules and Completion is, therefore, conditional upon the approval of Shareholders.

Accordingly, on 17 July 2019, the Company will be posting a circular (the "Circular"), along with a Form of Proxy, to shareholders convening a General Meeting to be held at the offices of Bird & Bird LLP, 12 New Fetter Lane, London EC4A 1JP at 10.00 a.m. on Friday, 2 August 2019. The Notice convening the General Meeting and setting out the Resolution to be considered at it is set out at the end of the Circular.

### Key Sections

Following the announcement of the agreement entered into with ValOre on the 28 May 2019, The Company has now entered into a binding Share Purchase Agreement with ValOre and the Purchaser. The Company is the registered and beneficial owner of 23,862,321 quotas of Pedra Branca, which represents 99.99% of all outstanding quotas of Pedra Branca (the "Purchased Shares"), while FFA Holding & Mineração Ltda. ("FFA") is the registered and beneficial owner of 1 quota of Pedra Branca, which represents 0.01% of all outstanding quotas of Pedra Branca (the "FFA Share"). Under the terms of the Share Purchase Agreement, Jangada has agreed to sell the Purchased Shares to the Purchaser and FFA has agreed to transfer the FFA Share to ValOre.

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

1. the issuance and allotment to Jangada of the:
  - a. Initial Consideration Shares on the date of closing of the Disposal ("Completion");
  - b. Post-Closing Consideration Shares in six equal tranches commencing on the date falling six months after Completion and ending on the date falling thirty six months after Completion, subject to any adjustment as further described in Part 2 of the Circular; and

2. cash payments to Jangada in the aggregate of C\$3M, as follows:
  - a. C\$250,000, which has been received by Jangada;
  - b. C\$750,000 payable on Completion;
  - c. C\$1M on, or before, 3 months after Completion; and
  - d. C\$1M on, or before, 6 months after Completion.

The issue of the Consideration Shares would give Jangada an interest of approximately 33 per cent. in the current share capital of ValOre as enlarged by the issue of the Consideration Shares, but prior to the issue of the new common shares in ValOre pursuant to the VO Equity Raise. On Completion, Jangada will have the right to nominate two individuals to the ValOre Board with one nominee to be appointed immediately and one nominee to be appointed as an observer to the ValOre Board, with the intention that such observer shall be appointed to the ValOre Board at the annual general meeting of ValOre following Completion. The two nominees will also be nominated for re-election at the annual general meeting of ValOre in 2020. Subsequently, Jangada's right to nominate up to 2 directors may be extended if mutually agreed in writing by ValOre, Jangada and each of the nominee board members.

## Research Disclosures

### Peter Rose

Peter has 33 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 12 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.

## Research Disclaimers

Research disclosure as of 17 July 2019

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

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