

12 November 2018

**Jangada Mines plc**  
**(‘Jangada’ or the ‘Company’)**

**32% Reduction in Total Capital Expenditure**  
**and Updated Process Flowsheet**

Jangada Mines plc, a natural resources company developing South America’s largest and most advanced platinum group metals (‘PGM’) project, is pleased to announce a substantial reduction in the preliminary capital expenditure, as a result of the creation of an updated process flowsheet in partnership with Consulmet Metals (Pty) Ltd (“Consulmet”), for its Pedra Branca PGM project (“Pedra Branca” or “the Project”), in the north-east of Brazil.

Pedra Branca currently has a JORC (2012) compliant resource of approximately 1.45 million ounces of PGM+Au at a grade of 1.3g/t PGM+Au (2.5 g/t Pd Eq), 140 million pounds of nickel, 26 million pounds of copper and 6.7 million pounds of cobalt.

**Highlights:**

- Optimised and updated process flowsheet, delivered in partnership with Consulmet, for Pedra Branca has resulted in a significant reduction in projected plant capex costs and overall upfront capex costs:
  - 38% reduction in plant capex to US\$33.8 million (previously estimated at US\$54.2 million)
  - 32% reduction in overall capex figure to US\$43.9 million (previously estimated at US\$64.9 million)
- The updated flowsheet further enhances the already robust economics of Pedra Branca and underpins Management’s confidence in the Project’s potential to be a competitive and profitable mining operation

**Brian McMaster, Chairman of Jangada, said:** “Pedra Branca is the largest and most advanced PGM project in South America and the Jangada team has already demonstrated its potential to generate material returns to investors once in production. Today’s refinement and optimisation of the process flowsheet has delivered an impressive 32% and 38% reduction in plant capex and overall capex, respectively, further enhancing the Project’s potential to provide lucrative returns. As such, we are delighted with today’s result, which is primarily a result of Consulmet’s highly specialist experience in building PGM plants. The team from Consulmet have hit the ground running and their experience and understanding of projects such as Pedra Branca is coming to the fore.

“As we extrapolate the revised capex number into the already robust economic model, the financial merits of Pedra Branca will simply get stronger. Importantly, the revised process flow sheet has demonstrated a simpler and more efficient process route. We anticipate that this will reflect in reduced operating cost metrics that will feed into the ongoing BFS.”

### **Further Information**

Jangada and Consulmet entered into an agreement for the flowsheet development and plant design of the Project as per the Company’s announcement on 27 September 2018.

As part of the initial work programme, Consulmet reviewed all available metallurgical test work results from the Project and produced a preliminary flowsheet for the production of a PGM-rich nickel copper sulphide concentrate and a chrome concentrate. This flowsheet, which demonstrates a notably simpler and more efficient process than previously envisaged, will form the basis of all subsequent test and design work relating to advancing the project toward FEL3 level (commonly known as BFS level) feasibility.

Consulmet’s review coupled with their institutional knowledge and experience in developing PGM and base metal processing plants, has resulted in important changes to the flowsheet which have simplified and improved the efficiency of the overall process.

As part of the Consulmet’s process flowsheet review, an updated capital expenditure estimate has also been calculated by Consulmet. The updated plant capex figure, that has been prepared to a preliminary economic assessment level of accuracy, amounts to US\$33.8 million with an overall upfront capex of US\$43.9 million. These revised numbers compare favourably with the recently completed Preliminary Economic Assessment for Pedra Branca prepared by GE21 in Brazil (as announced on 18 June 2018) which estimated a plant capex of US\$54.2 million and total upfront capex of US\$64.9million.

The updated plant capex estimate amounts to a 38% reduction whilst the impact on total upfront capex is a reduction of 32%.

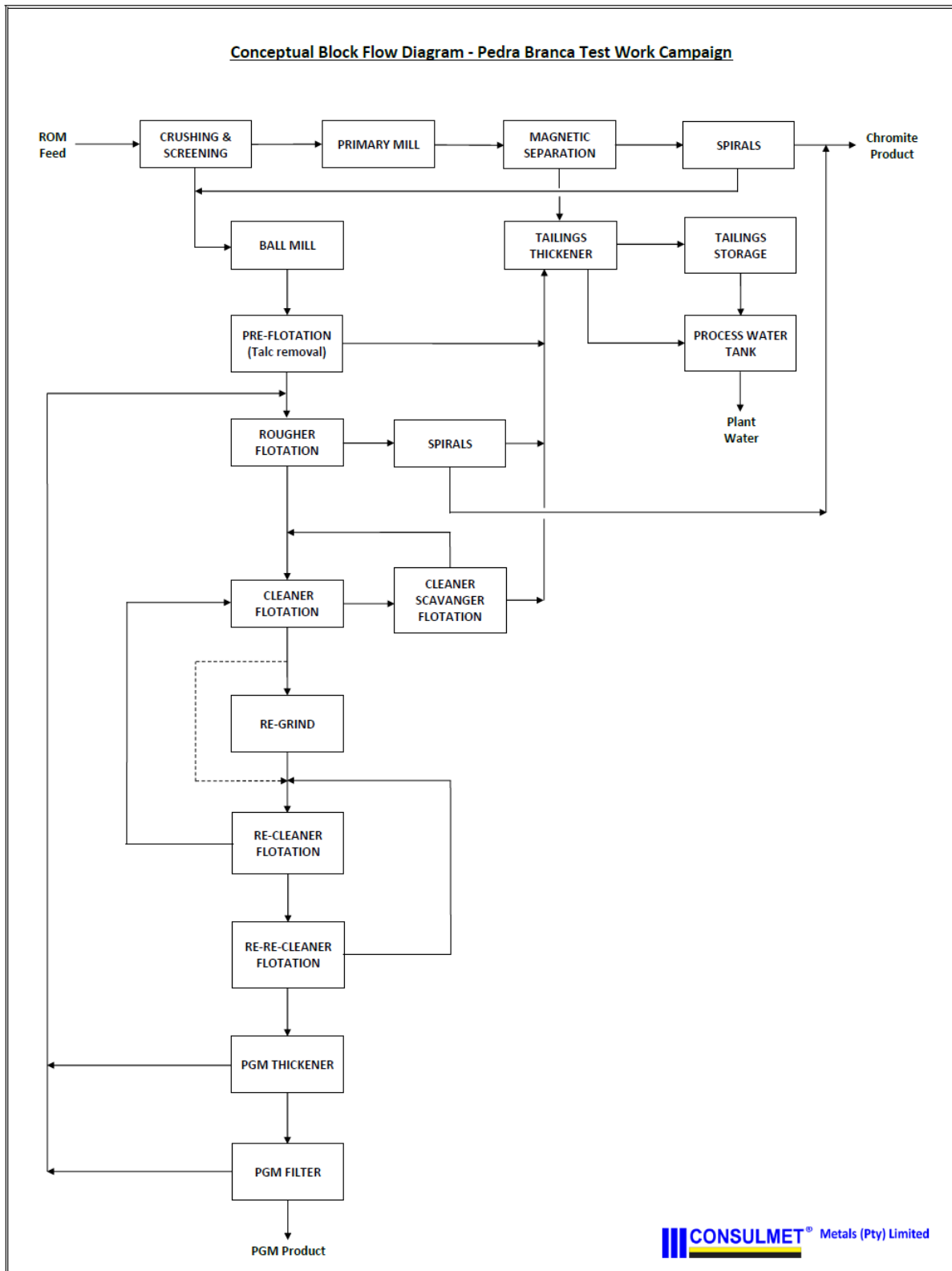


Figure 1. Conceptual Block Flow Diagram for Pedra Branca produced by Consulmet

### About Pedra Branca

Pedra Branca is the largest and most advanced PGM project in South America and currently has a JORC (2012) compliant resource of approximately 1.45 million ounces of PGM+Au at a grade of 1.3g/t PGM+Au (2.5 g/t Pd Eq), 140 million pounds of nickel, 26 million pounds of copper and 6.7 million pounds of cobalt.

The Project is located 280km from the port city of Fortaleza in the northeast of Brazil and holds three mining licences and 42 exploration licences over an area of 48,000 hectares. Previous operators have spent more than US\$35 million on exploration and development activities, which include 30,000 metres of diamond core drilling, geophysical surveys and metallurgical tests. The current resources are at surface and Jangada is currently preparing a pre-feasibility study assuming shallow open pit mining and conventional processing methods.

### **About Consulmet Metals**

Consulmet Metals are a specialist engineering group focussed on fast-tracked design and construction of minerals processing plants on a fixed price basis (EPC/LSTK). They excel in delivering projects in remote locations and developing countries. They have delivered greenfield and brownfield projects in Africa, Australia, Asia, Europe and South America for BHP Billiton, Rio Tinto, Anglo American, mid-tier and junior mining companies.

*This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.*

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**For further information please visit [www.jangadamines.com](http://www.jangadamines.com) or contact:**

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