

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

25 January 2023

**Jangada Mines plc ('Jangada' or 'the Company')**  
**Corporate Update**

Jangada Mines plc, a natural resources development company with interests in Brazil and elsewhere, is pleased to provide an update on activities with regards to the Company's projects and investments.

The Company's strategy remains to acquire, develop and invest in projects primarily targeting commodities and technologies related to the renewable energy sector, where companies such as Jangada, which have an established track record and ability to finance projects, can make significant Return On Investments in targeted project selection. Commodity markets related to the EV/critical minerals space have been very strong over the last 18 months, endorsing the Company's strategy, while bulk commodities such as iron ore, have been more volatile and under pressure.

As previously reported, Jangada's Pitombeiras project's commodity suite is iron ore, vanadium, and titanium. The headline 100.3% post-tax Internal Rate of Return, a US\$96.5 million post-tax Net Present Value (8% discount rate), a US\$145.9 million post-tax undiscounted operating cash flow, and a 13-month payback, were announced earlier this year, with the pricing for the economic evaluation used being, Fe/V2O5 concentrate was US\$165.64/t, US\$120/t for the Fe component and US\$45.64 for the V2O5. A price of US\$220/t was used for the TiO2. With the Measured, Indicated and Inferred resource of 8.26Mt from only 3 of 8 known magnetic targets being targeted, there remains potential resource upside. With the above project economics and the fact that the asset is technically and geologically sound, discussions with international and local off takers were progressed throughout 2022.

Given the volatility of bulk commodities and market uncertainty in the global demand for iron ore, it became apparent that the optimal course was to progress with local end-users/steel producers, whereby the Company's supply (once developed and extracted) would be blended into the mix of a larger processor. These discussions were hindered in H2 2022 as Brazil entered election season, which curtailed many on-ground investment and business decisions, but this hindrance has now subsided with the election of President Lula.

Despite current iron ore market conditions, the Pitombeiras project is viewed by the Board as high quality, as demonstrated in the economic studies, and has elicited significant interest. The Board continues to keep discussions live with in-country offtake partners. At this stage, the Company has not progressed the titanium to feasibility status because without an off-take arrangement for the iron ore, the Titanium is inaccessible and accordingly, the project is dependent upon favourable iron ore market conditions.

In addition to Pitombeiras, the Company has progressed with two additional investment opportunities, namely targeting strategic minerals and metals, has borne fruit with its investments in Blencowe Resources PLC (LON:BRES) ('Blencowe') and Fodere Titanium Limited ('Fodere').

*Blencowe investment*

The acquisition of a significant interest in Blencowe, which principal asset is the 100% owned Orom-Cross graphite project in Uganda, is exciting. Blencowe has a JORC resource of 24.5Mt @ 6.0% TCG based on drilling undertaken on less than 5% of the project area, part of which already benefits from a 21-year mining licence. A Pre-Feasibility Study on the project published in July 2022 reported a Net Present Value of US\$482m based on the existing 14-year mine life and outlined capex to first production of US\$62m, average EBITDA of US\$100m per annum and a return of US\$1.1bn in free cash over the 14-year life.

More recently, it completed metallurgical test work that exceeded its objectives with concentrate grades consistently ranging between 95-98%, which are battery grade. The results not only continue to underpin Orom-Cross concentrate as high quality in all key areas relevant to end users, but the test work has highlighted that it can now deliver these end results on a much greater scale of raw material as processed.

Graphite demand is increasing rapidly, being the major component of EV batteries. The Board truly believes that this is one of the markets most discounted assets in terms of pricing and that its 9.5% holding, plus 7,625,000 warrants at 8p, in Blencowe will translate into outstanding long-term value potential.

#### *Fodere investment*

Equally, Fodere, in which the Company holds a 7.7% interest, is making excellent strides forward as it advances its commercialisation strategy focused on producing titanium dioxide and vanadium from waste materials. It is constructing a pilot plant in South Africa which will have a production capacity in excess of 22,000 tons to produce titanium dioxide, vanadium pentoxide along with alumina oxide and magnesium sulphate as by-products. The expectation is for the pilot plant to be operational by Q2 2023. Furthermore, underpinning its potential, Jeffry N. Quinn, the former head of Tronox, an international vertically integrated producer of titanium dioxide and inorganic chemicals, has joined the board of Fodere as Director.

The multi commodity portfolio approach particularly targeting net zero related commodities is the main driver of Jangada's strategy and one that the Board is actively committed to. Vanadium redox flow batteries allow for static energy storage from renewable energy generators such as wind and solar farms whose numbers have, and are forecast to, increase exponentially, with international climate change protocols needed to be adhered to across the world to satisfy net zero commitments. Graphite is the largest mineral component of an EV battery and again its demand profile is forecast to rapidly increase in line with the adoption of EVs and the phasing out of normally aspirated engines. While mining minerals required for this transition is a necessity, so too is the need for technology driven innovations focused on recycling to deliver a fully circular economy. With the Pitombeiras Project and the Company's investments in Blencowe Resources PLC and Fodere Titanium Limited, its portfolio approach has given Jangada exposure to all of the above. This strategy of project acquisition remains at the forefront of the Company's plans.

The Company continues to evaluate multiple deals in commodities, particularly associated with renewables and the battery metals space. As detailed, developing this pipeline is a central pillar to the Company's development, and the Board is hopeful of completing further transactions in the not-too-distant future. Given the Board's, in particular Luis Azevedo's in region connections and history of success in identifying value accretive projects, South America remains the preference for portfolio expansion, although this is not exclusive.

**Brian McMaster, Executive Chairman of Jangada said,**"Jangada has a highly experienced Brazilian centric legal, financial and operational management team able to source and execute on projects. The Board and team have a proven track record of being able to find high value low-cost opportunities, such as the acquisition of the Pedra Branca Platinum Group Metals Project, which was vended to TSX listed, ValOre Metals. Pitombeiras is technically sound and has excellent upside potential, the Board is just waiting for the right pricing environment to push the button on its development.

"The investments in Blencowe and Fodere both look extremely exciting, and the Company's acquisition and investment pipeline remains highly active, with a deal anticipated in the coming months. We maintain a strong treasury, with the ultimate aim being to deliver shareholder value in spite of individual challenges and price volatility, and the Board remains highly incentivised owning 42.7% of the equity in the Company. I look forward to updating the market as soon as we have further news on our existing projects as well as new acquisitions."

**\*\*ENDS\*\***

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