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21 June 2024

ANDRADA MINING LIMITED

("Andrada" or the "Company")

Operational update for the quarter ended 31 May 2024

Andrada Mining Limited (**AIM: ATM, OTCQB: ATMTF**), the African technology metals mining company with a portfolio of mining and exploration assets in Namibia, hereby provides an unaudited operational update for the quarter ended 31 May 2024 ("**Q1 FY2025**").

HIGHLIGHTS

Operations

- Year-on-year ("**YoY**") increase in ore processed to 237 976 tonnes (Q1 FY2024: 217 189 tonnes).
- YoY increase in tin concentrate production to 364 tonnes (Q1 FY2024: 359 tonnes).
- YoY increase in contained tin production to 223 tonnes (Q1 FY2024: 216 tonnes).
- Plant availability increased to 93% (Q1 FY2024: 91%).
- Production of nine tonnes of saleable tantalum concentrate, constituting a 14% increase quarter-on-quarter ("**QoQ**"). Of this, five tonnes were shipped to AfriMet during the quarter per the offtake agreement
- YoY increase in realised tin price from USD 25 149 to USD30 839 per tonne of contained tin.

Financial

As set out below, management has maintained its guidance on costs despite the introduction of the Orion royalty charges and ongoing mining cost increases. The mine and plant performance are expected to remain stable during the financial year as the pre-concentration circuit and Continuous Improvement 2 ("**CI2**") initiatives are implemented. The enhanced plant performance, following the completion of the expansion programme, is expected to reduce operational costs.

- Management guidance on quarterly average C1¹ costs is maintained at between **USD17 000 and USD20 000** per tonne of contained tin. USD18 899 recorded in Q1 FY2025, which is within the guidance range.
- Management guidance on quarterly average C2² costs is maintained between **USD20 000 and USD25 000** per tonne of contained tin. USD23 452 recorded in Q1 FY2025, which is within the guidance range.

- Management guidance on quarterly average all-in sustaining cost (“AISC”) is maintained between **USD25 000 and USD30 000** per tonne of contained tin. USD28 774 recorded in Q1 FY2025, which is within the guidance range.
- Unaudited cash balance on 31 May 2024 was GBP11.9 million (USD15.2 million).

Anthony Viljoen, Chief Executive Officer, commented:

“Exposing planned ore zones has reduced our stripping ratio at Uis, to 1.5:1 as at the end of May 2024. Coinciding favourably with our expansion of both tin concentrate and contained tin production, we are ideally positioned to capitalise on the tin price rally that began in April 2024. Despite the plant outages during the quarter, I am pleased to confirm that all the issues were resolved and will not repeat in the future.

We successfully produced and delivered our first five-tonne consignment of tantalum to AfriMet during the quarter, with the second consignment produced and targeted for shipment in the second quarter. This is an important milestone for the Company, that places us firmly on the path to becoming a multi-mineral producer of critical metals. We look forward to a continuation of this supply agreement.

Given the diversity of the minerals within our mining licences, we have broadened the scope of our strategic process beyond just the Uis mining licence. The expansion of the scope has the potential to unlock multiple partnership opportunities across our portfolio of assets. This process is progressing well, and we look forward to providing an update.

We remain highly optimistic for the remainder of the year based on the value that will be unlocked across the portfolio.”

OPERATIONAL REVIEW

TIN

Review of performance

Ore processed increased by 10% YoY but remained unchanged QoQ at 238kt. The plant processing rate was slightly lower at 134 tph, compared to 135 tph in Q1 FY2024 and 137 tph in Q4 FY2024, mainly due to plant outages during the quarter. The outages resulted from a malfunction in the ore preparation section, which was expediently repaired, it did not have a material impact on operations and is not expected to recur. Consequently, the tin concentrate production decreased to 364 tonnes (Q4 FY2024: 371 tonnes), resulting in a decrease in contained tin to 223 tonnes (Q4 FY2024: 231 tonnes). However, the YoY tin concentrate and contained tin tonnages marginally increased, reflecting the positive impact of the FY 2023 expansion project.

Table 1: Uis Mine unaudited TIN production and cost performance

Description	Unit	Q1 FY2024	Q4 FY2024	Q1 FY2025	YoY % Δ	QoQ % Δ
Feed grade	% Sn	0.151	0.137	0.141	-7%	3%
Plant processing rate	tonnes per hour	135	137	134	-1%	-2%
Ore processed	tonnes	217 189	238 022	237 976	10%	0%
Tin concentrate	tonnes	359	371	364	1%	-2%
Contained tin	tonnes	216	231	223	3%	-3%
Tin recovery*	%	70	72	69	-1%	-4%
Plant availability	%	91	89	93	2%	4%
Plant utilisation	%	79	89	87	10%	-2%
Uis mine C1 operating cost ¹	USD/t contained tin	15 741	16 273	18 899	20%	16%
Uis mine C2 operating cost ²	USD/t contained tin	18 235	18 775	23 452	29%	25%
Uis mine AISC ³	USD/t contained tin	21 377	27 800 ⁴	28 774	35%	4%
Tin price achieved	USD/t contained tin	25 149	26 125	30 839	23%	18%
Average stripping ratio	Ratio	2.6:1	4.3:1	2.4:1		

1. C1¹ refers to operating cash cost per unit of production excluding selling expenses and sustaining capital expenditure associated with Uis Mine.
2. C2² refers to operating cash cost is C1 plus selling expenses including logistics, smelting and royalties.
3. All-in sustaining cost³ incorporates all costs related to sustaining production; capital expenditure associated with developing and maintaining the Uis operation as well as pre-stripping waste mining costs.
4. ⁴ Updated figure incorporating the Orion tin royalty payment that was reconciled and paid post Q4 FY2024.

*Tin recovery includes stockpiles.

Pre-concentration circuit expansion update

The XRT ore sorters from TOMRA and the crusher circuit from Metso are expected in H2 CY2024 and construction of the pre-concentration circuit is targeted for completion in Q1 CY2025 with commissioning commencing in April 2025.

MetC Engineering has commenced the detailed plant design in line with the planned project timelines. The ore sorting pre-concentration circuit will be installed parallel to the front end of the existing processing plant to minimise disruptions to the tin and tantalum production.

The CI2 programme initiatives are ongoing and have also been aligned with the plant expansion project timeline to ensure optimal production output. Development of the lithium pilot plant paves the way for integration into the existing tin processing plant.

Further assessment and modelling of the integrated plant has resulted in an increase in the planned petalite production tonnage from 30 000tpa to between 40 000tpa and 50 000tpa. Studies on the integration of the lithium circuit are underway and are designed to target the production of petalite using near infra-red ore-sorting to process discard material from the XRT ore sorters (*see announcement dated 12 March 2024*).

TANTALUM

Approximately nine tonnes of tantalum concentrate were produced during the quarter, an increase of 14% from approximately eight tonnes produced during Q4 FY2024. The Company has supplied AfriMet with a five-tonne consignment and has received a 90% provisional payment. A second consignment has been produced and targeted for shipment in Q2 FY2025. Tantalum prices have been increasing steadily since mid-May because of the conflict in the Democratic Republic of Congo which has restricted supply from selected key mining areas. Furthermore, recent increased purchasing interest from smelters is expected to support the elevated prices.

Tantalum production		
Description	Unit	Q1 FY2025
Tantalum concentrate	tonnes	9
Contained Ta ₂ O ₅	kg	865
Tantalum concentrate grade	%	10
Tantalum recovery	%	3

LITHIUM

Lithium Pilot Plant

The facility has been primarily utilised for bulk sampling campaigns, and there has been limited commercial production during the quarter. Commercial petalite production for off-take agreements will be undertaken through the extension circuit that will be added to the current plant following the completion of the pre-concentration circuit (*see announcement dated 12 March 2024*).

FINANCIAL REVIEW

COST OVERVIEW

The C1 cost of USD18 899 was within management guidance YoY but comparatively higher QoQ due to the once-off plant outages that have been rectified. The combination of processing and inflationary mining cost increases resulted in the double-digit increase QoQ. The C2 cost at USD23 452 was also within management guidance despite the increase in the Orion royalty provision by over 100% to USD 352 763. The royalty rate is expected to be 5.13% until 2 600 tonnes per annum of tin concentrate production rate is achieved in CY2025.

The mine completed its accelerated push-back initiative at the end of February 2024 resulting in an average stripping ratio of 2.6:1 for the quarter improving to 1.5:1 by the end of May 2024. The lower stripping ratio resulted in a lower increase in AISC QoQ relative to the 35% increase YoY before the implementation of the accelerated push-back required to expose planned ore zones. The LOM stripping ratio is expected to be 3.5:1

BANK WINDHOEK FUNDING UPDATE

Andrada confirms that the administrative processes related to the finalisation of the conditional NAD175 million (GBP7.6 million) agreements between the subsidiary Uis Tin Mining Company (PTY) Ltd and Bank Windhoek Limited (“BWL”), are progressing as planned. The requisite offer documents were signed by the Company and BWL within the conditional 30-day period. The Company is pleased to confirm that the deal teams for all parties have been engaged and several workstreams have commenced. The Company anticipates concluding the funding agreement by Q3 CY 2024

CASHFLOW MANAGEMENT

Cash decreased from GBP17.5 million (USD22.2 million) at the end of February 2024 to GBP11.9 million (USD15.2 million) on 31 May 2024 mainly due to payments for the pre-concentration circuit project and increased volume of ore stockpiles in preparation for the expanded plant capacity. The conclusion of the BWL agreement will potentially provide GBP7.6 million (USD9.7 million) towards general working capital, ongoing exploration, metallurgy and study workstreams.

Finally, discussions with regards to other funding options with several global lenders are ongoing with the objective to enhance the optionality on project execution. All near-term projects are fully funded.

TIN HEDGE

In view of recent tin price volatility and to minimise financial risk, the Company concluded a hedging instrument with Standard Bank Namibia Limited in respect of the first 20 tonnes of contained tin shipped every month in the period from June 2024 to May 2025. The price under this agreement is fixed at USD33 000 per tonne.

A tin price rally started in April 2024 due to a combination of supply tightness resulting from decreased exports from Myanmar and Indonesia as well as declining inventory in China. Speculative interest has also contributed to the rally, with experts cautioning against an excessively bullish view of future pricing. The LME tin spot price was USD25 450 on 2 January 2024, increasing to above USD30 000 on 10 April and peaking at USD35 275 on 22 April 2024. The average daily price from April 2024 to date has been approximately USD32 700, with a figure of USD30 900 applicable for the quarter. The uncertainty in pricing informed the decision to enter into the hedging agreement. Based on contained tin production in FY 2024 the hedge is over approximately 30% of the quarterly production.

STRATEGIC PROCESS

The Company continues to engage with its Strategic Process with the primary objective to enhance shareholder value through partnerships to develop its assets. Given the diversity of the minerals within the Company's mining licences, Andrada has now expanded the Strategic Process to explore multiple potential partnerships with varied investors, across all assets in its portfolio. The Company is confident that this strategy will unlock greater long-term value.

The Company will provide updates in due course.

GLOSSARY OF ABBREVIATIONS

CY	Calendar year for the 12 months ending December
FY	Financial year for the 12 months ending March
GBP	British pound sterling
LOM	Life of mine
NAD	Namibian dollar
Q1	First quarter ending May
Q4	Fourth quarter ending February
USD	United States dollar

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About Andrada Mining Limited

Andrada Mining Limited, formerly Afritin Mining Limited, is a London-listed technology metals mining company with a vision to create a portfolio of globally significant, conflict-free, production and exploration assets. The Company's flagship asset is the Uis Mine in Namibia, formerly the world's largest hard-rock open cast tin mine and currently being re-developed as a major tin-tantalum-lithium producer.

An exploration drilling programme is currently underway with the aim of expanding the tin resource over the fourteen additional, historically mined pegmatites that occur within a 5 km radius of the current processing plant. The Company has set a mineral resource target of 200 Mt to be delineated within the next 5 years. The existing mine, together with its substantial mineral resource potential, allows the Company to consider economies of scale.

Andrada is managed by a board of directors with broad industry knowledge and a management team with extensive commercial and technical skills. Furthermore, the Company is committed to the sustainable development of its operations and the growth of its business. This is demonstrated by the way the leadership team places significant emphasis on creating value for the wider community, investors, and other key stakeholders. Andrada has established an environmental, social and governance system that has been implemented at all levels of the Company and aligns with international standards.