

22 December 2023



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**ANDRADA MINING LIMITED**  
("Andrada" or the "Company")

**Q3 Operational update for the period ended 30 November 2023**  
*Production of saleable lithium concentrate from the pilot plant*

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 third quarter ended 30 November 2023 for the financial year 2024 ("**Q3 FY2024**").

**HIGHLIGHTS**

**Operations**

- Over 100% year-on-year ("**YoY**") increase in tin concentrate to 346 tonnes (Q3 FY2023: 145 tonnes).
- Over 100% YoY increase in contained tin metal to 202 tonnes (Q3 FY2023: 87 tonnes).
- Plant utilisation increased to 86% (Q3 FY2023: 63%).
- Production of 10 tonnes on-specification saleable lithium concentrate.
- Lithium pilot plant ("**Pilot Plant**") production ramp up to 250 tonnes per month planned for Q1 CY2024.

**Exploration**

- Reverse Circulation ("**RC**") drilling programme completed on the Lithium Ridge licence area.
  - All holes intersected pegmatites with significant lithium mineralisation along a 6km strike length.
  - Spodumene and petalite identified as the primary minerals.
- Commencement of an exploration programme on Brandberg West licence area.
  - Historically a producer of tin and tungsten with strong indications of copper mineralisation.
- Plans completed for lithium exploration drilling campaigns on all mining licence areas in CY2024.

**Metallurgy**

- On-going metallurgical testwork for production of battery grade lithium hydroxide.
- Preliminary metallurgical investigations on Spodumene Hill and Lithium Ridge material.
- Metallurgical testwork to optimise production at Uis progressing well.

**Sustainability**

- Completion and publication of the 2023 Sustainability Report for the 12 months ended February 2023, highlighting Andrada's contribution of GBP33 million to the Namibian economy since inception.
- Lost Time Injury Frequency Rate ("**LTIFR**") at 2.45 (Q3 FY2023: 5.47) at the end of the quarter compared to 0.86 at the end of Q2 FY2024.
- Increased social engagement during the quarter to align with the objective of contributing to resilient communities.

## Financial

- Average C1<sup>1</sup> operating cash cost at USD 18 917 was within management guidance of between USD17 000 and USD20 000 per tonne of contained tin.
- Average C2<sup>2</sup> operating cost at USD 21 386 was within management guidance for the year of between USD20 000 and USD25 000 per tonne of contained tin.
- All-in sustaining cost (“AISC”) <sup>3</sup> at USD 30 452 was slightly above management guidance of between USD25 000 and USD30 000 per tonne of contained tin.
- Receipt of USD 25million from Orion Mining Finance funding, including a USD12.5 million tin royalty. (See announcement of 16 November for more details of this arrangement).
- Conclusion of the Development Bank of Namibia NAD 100 million funding and receipt of 50% of the funds for the Continuous Improvement 2 (“CI2”) project at Uis Tin Mine. (See announcement dated 5 September 2023).
- Unaudited cash balance on 30 November 2023 of GBP21 million (USD26 million).

## Post-period

### *Production of spodumene concentrate*

- High-grade spodumene concentrate, at a grade of 6.8% Li<sub>2</sub>O (75% spodumene), produced from laboratory-scale flotation tests of two Lithium Ridge exploration samples.
  - The flotation test achieved a Li<sub>2</sub>O recovery of 76% or, specifically, 80% spodumene recovery.

### *Appointment of joint corporate brokers*

- Appointment of Joh. Berenberg, Gossler & Co. KG (“Berenberg”) and WH Ireland Limited (“WHI”) as joint corporate brokers to access a wider investor base and top-tier research capability.

## Anthony Viljoen, Chief Executive Officer, commented:

*"We made significant strides in Q3 towards becoming a multi-technology producer. Drilling confirmed notable lithium intersections at Lithium Ridge, and post-period metallurgical production of spodumene concentrate marked major milestones towards entering downstream lithium markets. We also launched an exploration programme at Brandberg West, with the potential to expand our portfolio to include tungsten and copper.*

*Operational performance improved against the same quarter in FY2023 due to the lower comparative base. We aim to further enhance cost efficiencies by increasing tin production through the CI2 project. The tin royalty will provide the necessary funding to produce up to 2,000 tonnes of contained tin per annum, positioning Andrada as a major global supplier.*

*To further strengthen our investor outreach, we have appointed Berenberg and WHI as joint corporate brokers. Together with our current corporate brokers, Hannam & Partners, these appointments give us extensive reach into the UK and European capital markets."*

## OPERATIONAL REVIEW

**Table 1: Unaudited Uis Mine quarterly production and cost performance**

Description	Unit	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q3 FY 2023 <sup>1</sup>	YoY % Δ	QoQ % Δ
Feed grade	% Sn	0,144	0,152	<b>0,134</b>	0,140	1%	-12%
Plant processing rate	tph	135	138	<b>138</b>	107	29%	0%
Ore processed	t	214 467	232 154	<b>228 234</b>	90 278	153%	-2%
Tin concentrate	t	359	398	<b>346</b>	145	139%	-13%
Contained tin	t	216	238	<b>202</b>	87	132%	-15%
Tin recovery*	%	70	67	<b>66</b>	68	-3%	-4%
Plant availability	%	91	92	<b>89</b>	73	22%	-3%
Plant utilisation	%	79	83	<b>86</b>	63	37%	4%
Uis mine C1 operating cost <sup>2</sup>	USD/t contained tin	15 741	19 560	<b>18 917</b>	30 907	-39%	-3%
Uis mine C2 operating cost <sup>3</sup>	USD/t contained tin	18 235	22 252	<b>21 386</b>	33 207	-36%	-4%
Uis mine AISC <sup>4</sup>	USD/t contained tin	21 377	26 671	<b>30 452</b>	38 570	-21%	14%
Tin price achieved	USD/t contained tin	25 149	25 183	<b>24 749</b>	22 625	9%	-2%

<sup>1</sup> Production period includes a five - week shutdown of the processing plant from 7 September 2022 - 13 October 2022 which was required to complete the construction and commissioning of the expanded crushing and tin concentrating circuits.

<sup>2</sup>C1 refers to operating cash cost per unit of production excluding selling expenses and sustaining capital expenditure associated with Uis Mine.

<sup>3</sup>C2 operating cash cost is the C1 amount including selling expenses (logistics, smelting and royalties).

<sup>4</sup>All-in sustaining cost (AISC) 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.

\*Tin recovery includes stockpiles

Tin concentrate production increased by 139% to 346 tonnes (Q3 FY2023: 145 tonnes) resulting in a 132% increase in contained tin to 202 tonnes YoY. The plant processing rate increased by 29% YoY reflecting the improvement in productivity resulting from the modular plant expansion in Q3 FY2023. It is important to highlight that the significant variances YoY are due to the low production volumes in Q3 FY2023 arising from the planned plant outages to implement the expansion project.

### Lithium and tantalum development

#### Lithium Pilot Plant

Approximately 10 tonnes of saleable concentrate were produced in October 2023. The production rate is expected to increase to 250 tonnes per month by the end of March 2024. By the end of February 2024, the Company aims to produce concentrate for initial commercial sales into the spot market, a goal which the Directors believe is a realistic prospect. Initial internal estimates suggest that the petalite concentrate from the Pilot Plant could be priced between USD1 600 and USD2 200 per tonne in the current spot market (pricing provided for guidance purposes only). Importantly, Andrada has commenced production of petalite concentrate for metallurgical testwork to determine appropriate specifications for the lithium battery refinery market.

#### Tantalum Circuit

Optimisation of the circuit is ongoing to improve productivity. The Company is on track to supply tantalum to AfriMet on a quarterly basis, commencing March 2024.

## EXPLORATION

### Lithium Ridge drilling results

Lithium Ridge infill channel sampling programme confirmed the presence of continuous mineralisation at surface over a 6 km strike length of multiple mineralised pegmatites. The initial RC drilling programme confirmed the continuation of mineralisation at depth within several pegmatites. The primary lithium minerals identified through drilling were spodumene and petalite with notable lithium contents at grades exceeding 2% Li<sub>2</sub>O. (See announcement dated 29 August 2023, 6 September 2023 & 18 September 2023).

### Lithium CY 2024 exploration strategy

The exploration programme plan for CY2024 was completed during the quarter, with the aim of enhancing the understanding of mineralisation on all the Company's mining licences. (See announcement dated 27 November 2023).

These plans include:

- **Uis (ML134):** Resource validation drilling over the Northern and Central pegmatite clusters to enhance the current Mineral Resource Estimate ("**MRE**") classification of tin, as well as to establish the mineral potential for lithium and other technology metals.
- **Lithium Ridge (ML133):** High-density drilling campaign at the historical *TinTan* mine for the development of a maiden MRE, and to enhance understanding of the lithium mineralisation within the identified high priority pegmatites.
- **Spodumene Hill (ML129):** Drilling programme to delineate the higher grade spodumene zones within the B1 and C1 pegmatites, as well as on the mapped satellite bodies surrounding the main mineralised units.

### Brandberg West (EPL 5445)

Brandberg West has multiple documented mineral occurrences including known concentrations of tin and tungsten. The potential production of tungsten will expand the number of technology metals within the Company's portfolio. Copper mineralisation has also been documented within the mineralised area and will be investigated as a potential by-product. A dual phased development plan to investigate multiple occurrences of mineralisation through sampling and geological mapping will be undertaken to determine potential enrichment trends. (See announcement dated 12 November 2023).

## METALLURGY

### Lithium production focus

The primary lithium minerals at Andrada's three mining licences are petalite and spodumene, although their distribution varies across the licence areas. The explored pegmatites on Uis are petalite-dominant but are spodumene-dominant on Lithium Ridge and Spodumene Hill. Andrada's lithium development strategy will incorporate the production of both petalite and spodumene concentrates, enabling multiple off-take options for both the industrial (glass-ceramics) and chemical (battery) concentrate markets. The Company is implementing metallurgical testwork to assess the possibility of producing battery grade lithium hydroxide as well as to optimise production from Uis, Spodumene Hill and Lithium Ridge.

## SUSTAINABILITY

Andrada's progress against its five-year sustainability strategy, remains on track. During the quarter under review, the Company increased its social engagement in line with a pledge to fortify local communities. The Company continued implementing safety campaigns to further instil and improve safety performance.

There were no fatalities, but two lost time injury incidents occurred during the quarter resulting in an increased LTIR of 2.45 at the end of the quarter under review, compared to 0.86 at the end of Q2 FY2024. However, the performance was an improvement on the 5.47 rate at the end of Q3 FY2023. These incidents were thoroughly investigated to ensure sufficient mitigation measures. Quarterly independent audits continue to be conducted to address any identified safety gaps.

The Company completed its Biodiversity Assessment and Climate Change Scenario Analysis to provide vital insights for biodiversity preservation and climate-related resilience planning. Concurrently, the Andrada sustainability team has been reviewing the Global Industry Standard on tailings management to minimise environmental impact and mitigate risks. These combined efforts place the Company in a good position to address any future challenges with foresight and responsibility.

## FINANCIAL

All costs in the quarter decreased YoY due to the economies of scale from higher volumes and improved efficiencies. Although the C1 and C2 costs decreased quarter-on-quarter remaining within the management guidance, the AISC was approximately 2% higher at USD30 452. The latter is expected to decrease to within management guidance as production volumes increase.

Andrada received the USD 25million Orion funding including a USD12.5 million tin royalty. Furthermore, the NAD 100 million funding from DBN was finalised during the quarter, with receipt of 50% of the funds for the C12 project at Uis Tin Mine. The Company is targeting contained tin production of up to 2 000 tonnes to achieve the tin royalty tonnage.

The combined cash and cash equivalent balance on 30 November 2023 was GBP21 million (USD26 million).

## CORPORATE

The strategic process to identify an appropriate partner to participate in the lithium development is progressing well. Further updates on the strategic process will be communicated in due course as appropriate.

## POST-PERIOD

### High-grade spodumene concentrate produced through flotation

Laboratory – scale flotation test work was undertaken on two samples selected from exploration drill chips produced during reverse circulation drilling. The aim of these tests was to investigate lithium mineral composition and recovery potential in an area of the Lithium Ridge licence where significant spodumene occurrence had been observed during exploration. The samples yielded a weighted average feed grade of 1.69% Li<sub>2</sub>O and 15.2% spodumene, a weighted average concentrate grade of 6.8% Li<sub>2</sub>O or 75% spodumene and a weighted average recovery 76% Li<sub>2</sub>O or 80% spodumene.

### Appointment of Joh. Berenberg, Gossler & Co. KG and WH Ireland Limited as corporate brokers

The Company has appointed Berenberg and WHI as joint corporate brokers as of 19 December 2023. Berenberg's research expertise and global investor reach will enhance awareness of Andrada's value proposition, while WHI provides access to a new segment of investors. Berenberg and WHI will work alongside Hannam and Partners Advisory Limited, the Company's existing corporate broker, positioning us for continued growth and success

## GLOSSARY OF ABBREVIATIONS

<b>CY</b>	Calendar year for the 12 months ending December
<b>FY</b>	Financial year for the 12 months ending March
<b>GBP</b>	British pound sterling
<b>LTIFR</b>	Lost time injury frequency rate
<b>NAD</b>	Namibian dollar
<b>Sn</b>	Symbol for tin
<b>t</b>	Tonnes
<b>USD</b>	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.

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 extensive 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 manner in which 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.