

Andrada Mining Limited

Unaudited Interim Financial Results
for the six months ended 31 August 2023

30 November 2023

LSE / NSX: ATM

OTCQB : ATMTF



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INTRODUCTION



WHO WE ARE



FULLY PERMITTED

- Fully permitted with an experienced operational team



MULTI-TECH METALS PRODUCER

- Considerable metals upside potential
- Resource rich in tech-minerals for a low carbon future



WORLD CLASS RESOURCE BASE

- A significant lithium, tin and tantalum resource
- Extensive lithium and tantalum mineralisation
- Potential spodumene upside



DE-RISKED DEVELOPMENT

- Existing operations enable fast-tracked lithium production timeline
- Phased expansion with incremental revenue streams



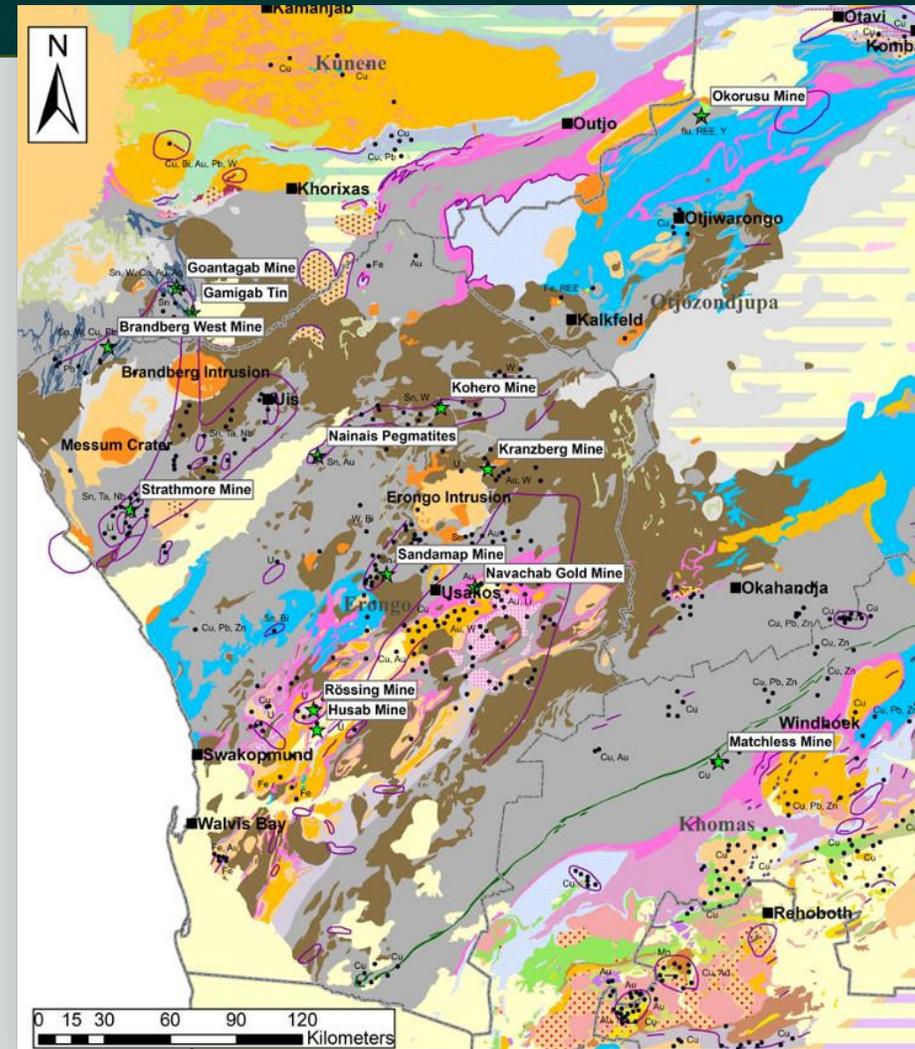
SOCIAL LICENCE TO OPERATE

- Established relationships with government and local communities
- Focus on ESG best practices, guided by international standards (ICMM, IFC)
- A commitment to responsible mining



Erongo: A prolific metallogenic region

- Damara Belt an African **metallogenic jewel**
- High **potential for new discoveries**
- Potential **identification of new mineral systems**
- Region endowed with:
 - Base metal deposits
 - Technology metal deposits
 - Precious metal deposits
 - Nuclear fuels





ANDRADA'S MINING ASSETS



Andrada's mineral licences in the Erongo Region of Namibia.
ML 134, ML 133, and ML 129 occur within a 40 km radius of the Uis town.

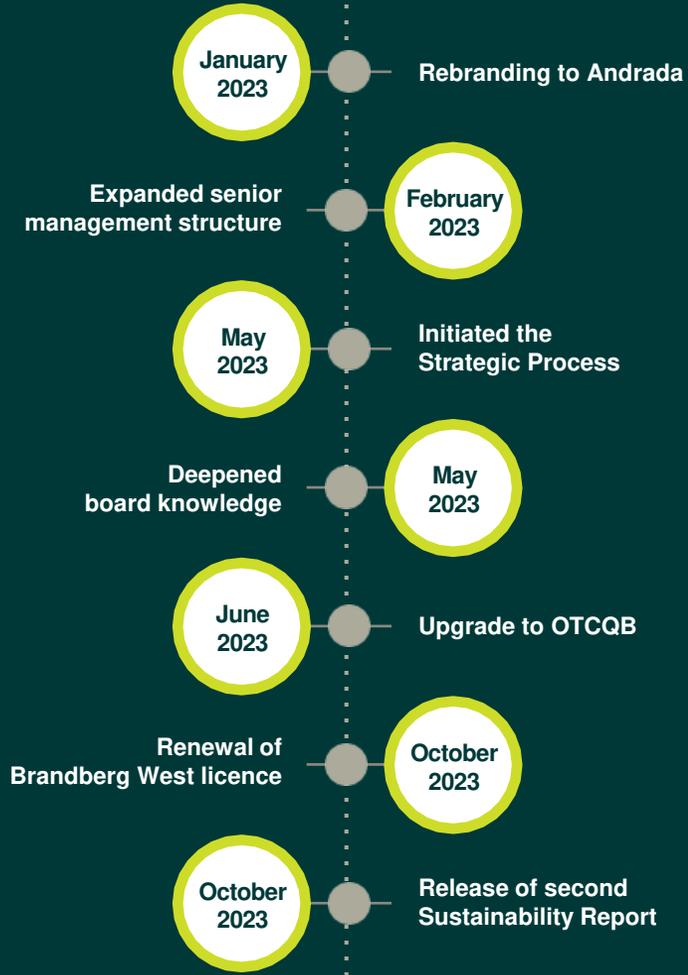
 Mine in production
  Developing Projects
  Exploration

Li Lithium
 Ta Tantalum
 Sn Tin
 Cu Copper
 W Tungsten



MONUMENTAL YEAR: KEY MILESTONES

STRATEGIC



OPERATIONAL

Exploration

- Uis lithium resource upgrade to 81 million tonnes
- Two high-grade lithium discoveries
 - Spodumene Hill up to 2.32% lithium oxide (Li₂O).
 - Lithium Ridge up to 2.13% Li₂O
- Commencement of Brandberg West exploration tin, tungsten and copper mineralisation

Production

- Enhanced production output & efficiencies
- Commencement of the Uis Mine Continuous Improvement II Programme
- Improved safety through intensive campaigns and training

Projects

- Completed the lithium pilot plant
- Completed the tantalum separation circuit

Metallurgy

- Production of initial bulk sample at 4.16% Li₂O
- Commencement of in-house lithium production and testing for both glass-ceramics and battery markets
- Commencement of negotiations and in-house testing for both supply into industrial (glass-ceramics) and chemical (battery) markets

Commercial

- Thaisarco tin supply renewal for three years until 30 November 2026
- AfriMet tantalum supply renewal for 12 months until end of December 2024

FINANCIAL

- Improved revenue
- Improved profitability
- Lower unit costs

Secured non-dilutive funding

- USD 10 million convertible loan
- USD 5 million DBN funding
- USD 25 million Orion Mining funding



FINANCIAL PERFORMANCE REVIEW



KEY OPERATIONAL HIGHLIGHTS



plant processing rate to **136 tph**
(H1 2023: 99 tph)



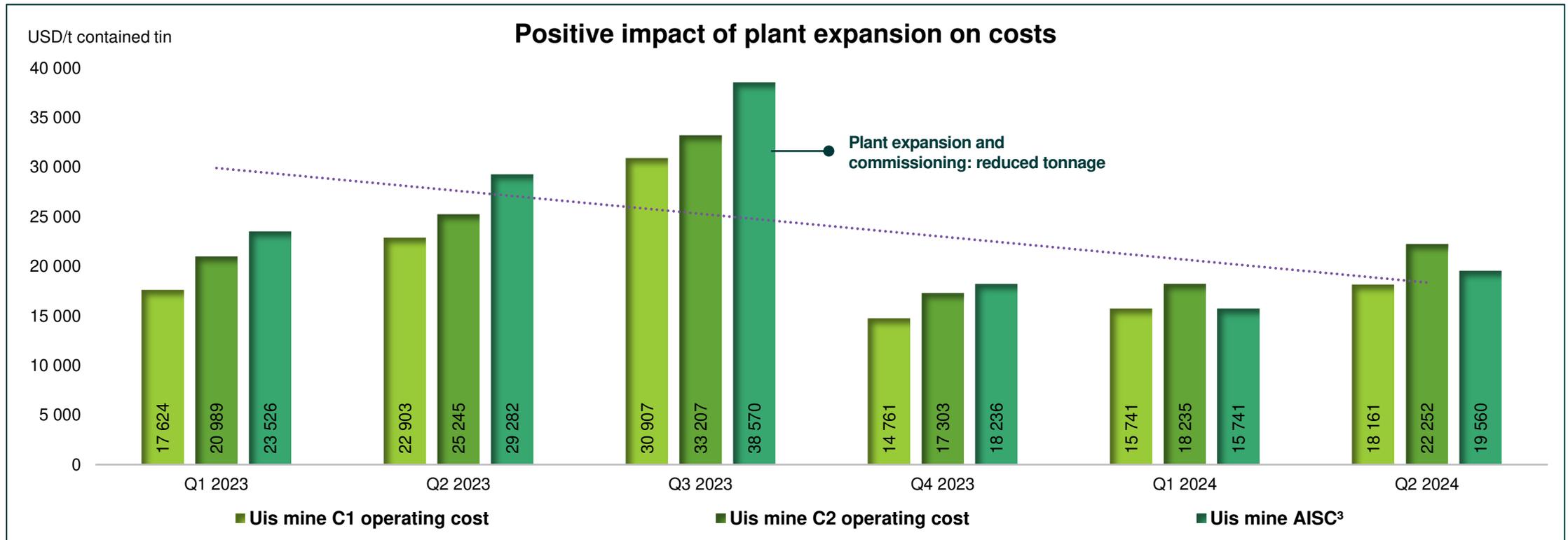
increase in plant utilisation to **81%**
(H1 2023: 74%)



tin concentrate produced to **758 tonnes**
(H1 2023: 455 tonnes)



contained tin produced to **454 tonnes**
(H1 2023: 287 tonnes)





KEY FINANCIAL HIGHLIGHTS: YEAR-ON-YEAR

87%

increase in revenue to **GBP 8.7 million**
(H1 2023: GBP 4.7 million)

19%

decrease in cost of sales per tonne of contained tin to **GBP 17 276**
(H1 2023: GBP 21 903)

>100%

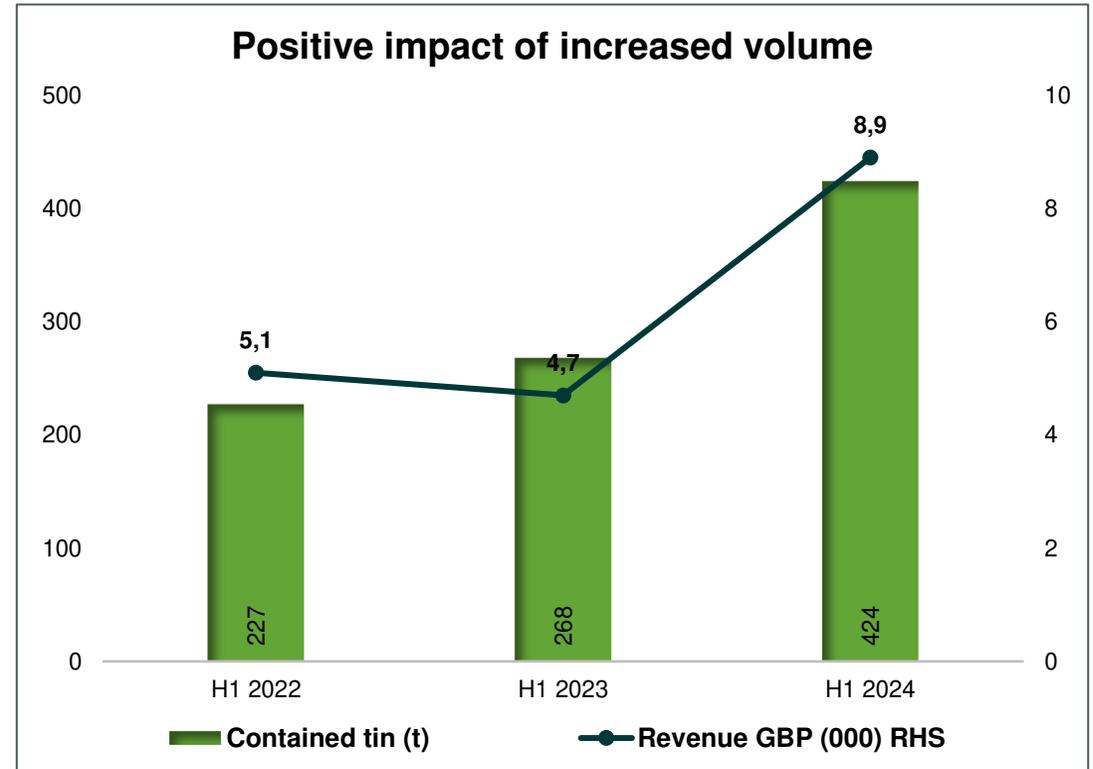
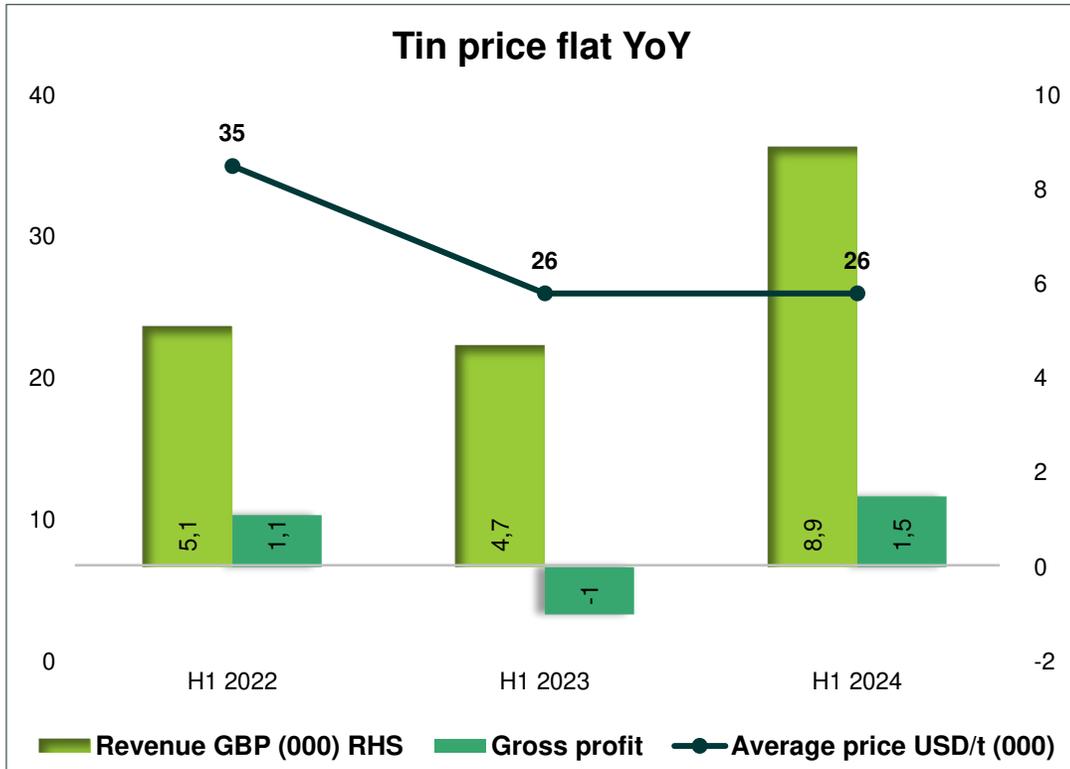
increase in gross profit to **GBP 1.5 million**
(H1 2023: loss of GBP 1 million)

30%

reduction in operating loss to **GBP 2.5 million**
(H1 2023: loss of GBP 3.5 million)

25%

reduction in loss before tax to **GBP 2.8 million**
(H1 2023: loss of GBP 3.7 million)



AN EMERGING AFRICAN TECHNOLOGY METALS CHAMPION



INCOME STATEMENT OVERVIEW

Expansion of plant in FY 2023 enhances plant performance

GBP (£)	6 months ended 31 August 2023 (unaudited)	6 months ended 31 August 2022 (unaudited)	12 months ended 28 February 2023 (audited)
Revenue	8 846 997	4 726 609	9 827 474
Cost of Sales	(7 325 039)	(5 724 376)	(10 509 418)
Gross profit	1 521 958	(997 767)	(681 944)
Administrative expenses	(4 031 304)	(2 557 296)	(7 451 352)
Operating loss	(2 488 763)	(3 555 063)	(8 339 277)
Finance income	22 354	21 368	39 054
Finance cost	(309 832)	(186 874)	(669 824)
Loss before tax	(2 776 241)	(3 720 569)	(8 970 047)
Tax credit/(charge)	–	888 933	866 203
Loss for the period	(2 776 241)	(2 831 636)	(8 103 844)
Exchange translation impact	(2 194 370)	399 634	(2 279 720)
Total comprehensive loss attributable to:			
Owners of the parent	(4 963 600)	(2 286 694)	(10 052 933)
Non-controlling interests	(7 012)	(145 308)	(330 631)
Total comprehensive loss	(4 970 611)	(2 432 002)	(10 383 564)
Basic and diluted loss per share (in pence)	(0.18)	(0.25)	(0.60)

- Increase in revenue to GBP 8.7 million (H1 2023: GBP 4.7 million)
 - 58% increase in contained tin metal sold to c424 tonnes
 - H1 2023 revenue negatively impacted by shipping delays
- 29% increase in COS due to the higher sales tonnage
 - 19% decrease in COS per tonne of contained tin sold
- Continuous improvement II programme expected to reduce operating cost by 7% - 10%
- Significant increase in gross profit to GBP 1.5 million (H1 2023: loss of GBP 1 million)
 - Higher sales tonnage
 - Reduced unit costs





COST MANAGEMENT AND PROFITABILITY

Expansion of plant in FY 2023 improves costs

Operating costs

- 30% reduction in operating loss to GBP 2.5 million
 - Average C1¹ operating cash cost per tonne within management guidance at USD 18 161
 - Average C2² operating cash cost per tonne within management guidance at USD 20 796
 - All-in sustaining cost (“AISC”)³ per tonne within management guidance at USD 24 662

Administrative expenses

- 58% increase due to the UIS admin costs ramp up due to the expansion in H2 2023 and costs for the lithium development strategy
 - Professional fees single largest expense, includes legal, tax and finance advisory
 - Uis steady state administration expenses after expansion

Finance costs

- Higher net finance cost at GBP 287K due to
 - 57% increase in the Standard Bank interest on working capital and
 - vehicle asset financing facilities.

Net loss flat at GBP2.78 million (H1 2023: loss of GBP 2.83 million)

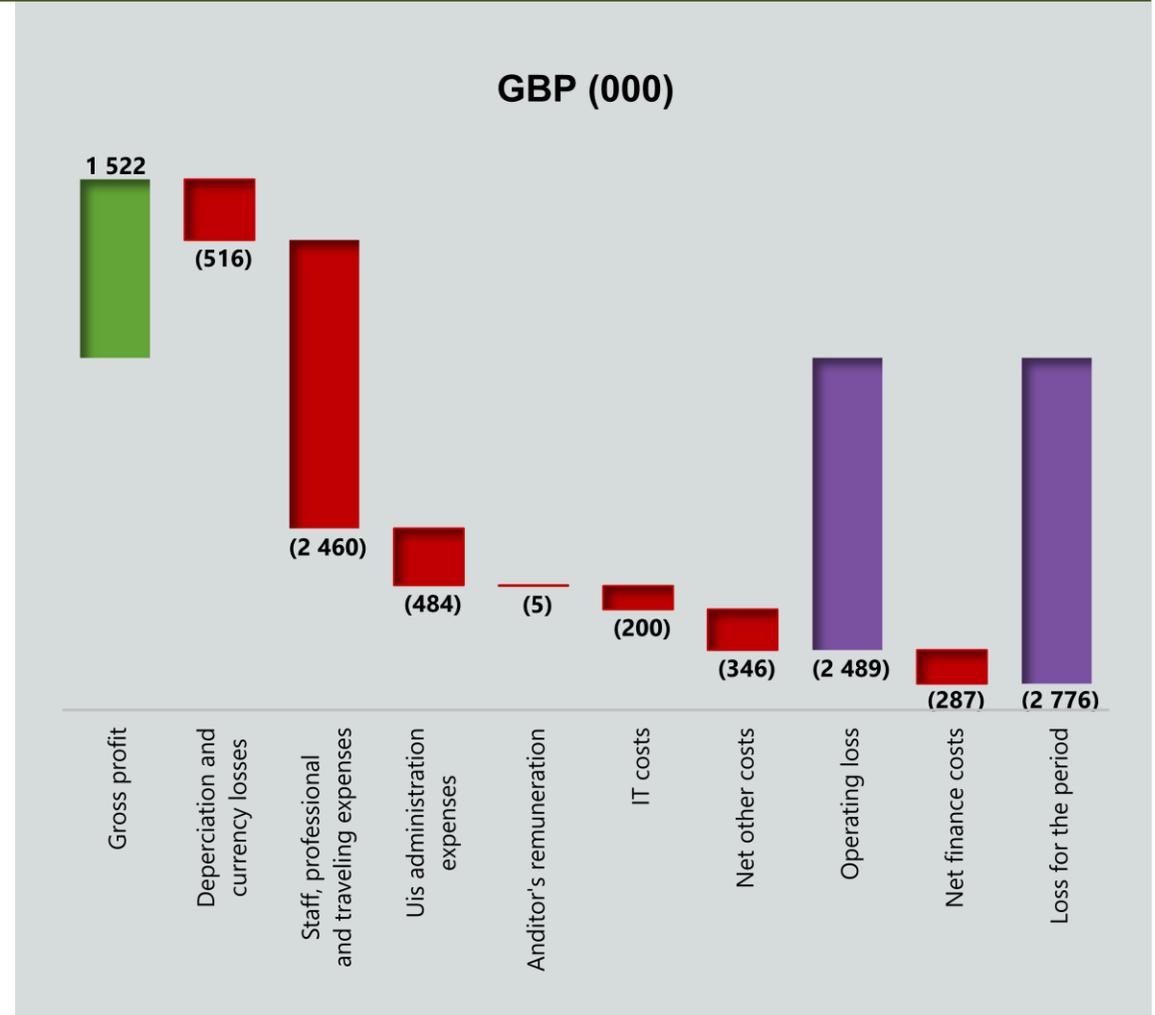
Basic loss per share reduced to 0.18 pence (H1 2024: (0.25) pence)

¹ C1 costs refers to operating cash costs per unit of production excluding selling expenses and sustaining capital expenditure associated with Uis Mine.

² C2 operating cash cost is the C1 amount including selling expenses (logistics, smelting and royalties).

³ 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.

* H2 2024 AISC expected to be impacted by the higher stripping ratio and Orion tin royalty.





FINANCIAL POSITION REVIEW

GBP (£)	6 months ended 31 August 2023 (unaudited)	12 months ended 28 February 2023 (audited)	6 months ended 31 August 2022 (unaudited)
Assets			
Total non-current assets	37 972 342	34 002 811	32 955 925
Total current assets	12 755 567	13 465 668	5 936 059
Total assets	50 727 909	47 468 479	38 891 984
Equity and liabilities			
Equity attributable to the owners of the parent	35 742 389	35 816 529	25 361 134
Non-controlling interests	(154 442)	(147 430)	37 892
Total equity	35 587 947	35 669 099	25 399 026
Total non-current liabilities	5 808 999	4 960 054	4 607 979
Total current liabilities	9 330 963	6 839 326	8 884 979
Total equity and liabilities	50 727 909	47 468 479	38 891 984

Assets

- 7% increase in total assets due to
 - 19% increase in inventory to GBP 3.2 million due to significant increase in the ROM stockpile and tin concentrate
 - 12% increase in non-current assets due to purchase of equipment for the lithium pilot plant ,tantalum separation circuit and CI2

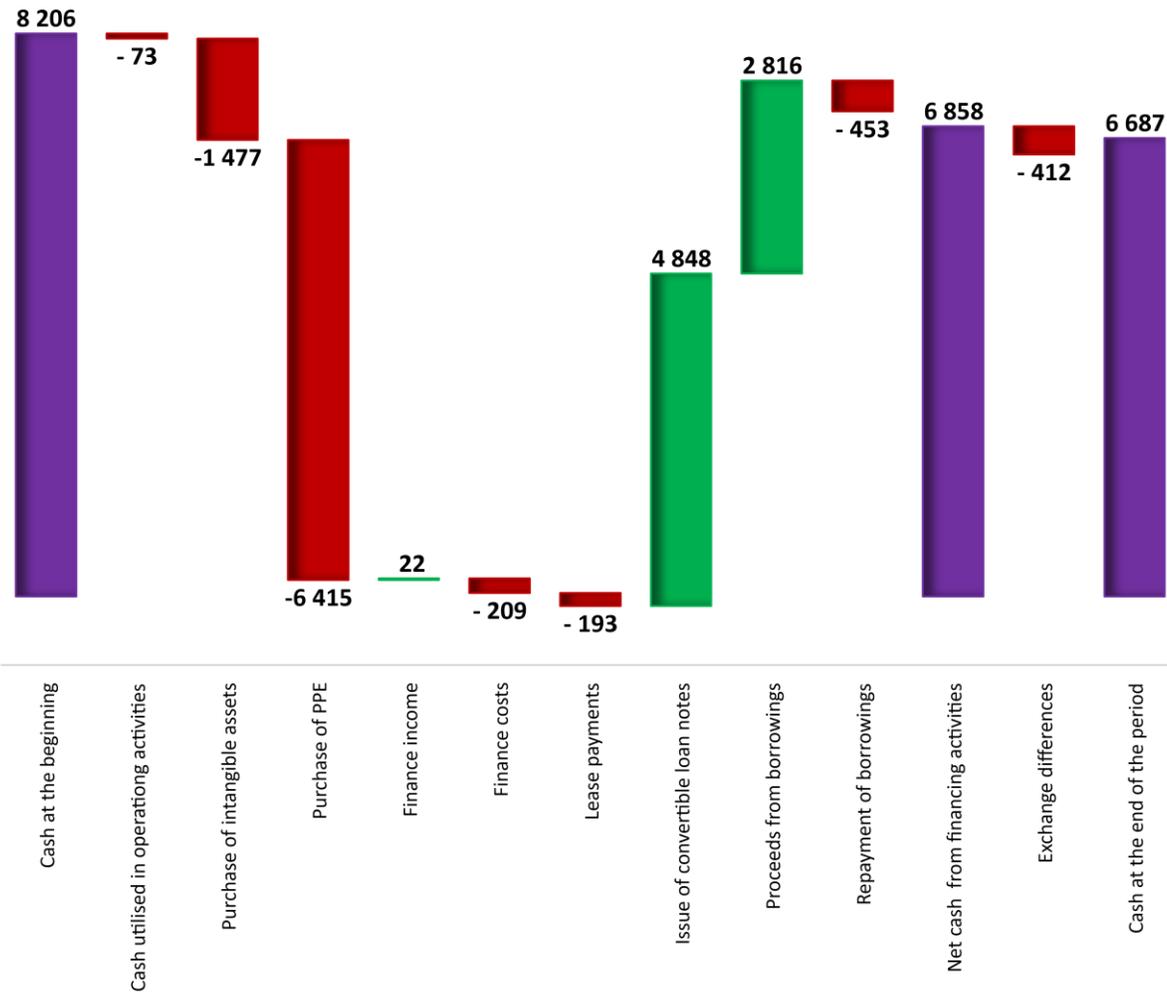
Equity and liabilities

- Equity remained flat for the period, even though it increased as a result of the issuance of the convertible loan note recognized as equity and balance was allocated to borrowings, this increase was offset by the net loss recognized and foreign currency translation movement
- 7% increase in total liabilities due to:
 - increase in payables mainly due to the quantum increase in working capital requirements for the expansion, additional stripping costs as well as equipment purchased for lithium plant, tantalum circuit, the impact was a 45% increase to the prior year end balance
 - 32% in overall borrowings being proceeds of the convertible loan issued which was recognized as debt for the period, offset by the installment repayments of the Standard Bank Facility





CASHFLOW (GBP 000)



Funding inflows

- Net inflow of GBP 6.9 million
- Finance cost constituted of interest for bank debt, convertible notes, warrants and leases

Capital expenditure

- GBP1.5 million exploration assets expenditure
- GBP4 million mainly for capitalised costs and equipment purchased for lithium pilot plant, tantalum circuit and ore sorting
- GBP2 million mainly for equipment purchased as part of the Uis Phase 1 Continuous Improvement project





USD40 MILLION FUNDING SECURED TO DATE

Funding enables traction on lithium development strategy

SOURCE	USD MILLION	USE OF PROCEEDS
Unsecured Convertible Loan Notes	10.0	Exploration campaigns , lithium feasibility studies and working capital
Development Bank of Namibia facility	C5.3 (N\$100m)	Ring-fenced for the Continuous Improvement II programme at Uis Mine
Orion Mining Finance	25	Constituting USD12.5 million unsecured tin royalty, a USD2.5 million equity subscription, and a USD10 million unsecured convertible loan note.
Cash as at 27 November 2023		GBP 23 million (USD29 million)



OUTLOOK



KEY PRIORITIES IN THE NEXT 12 – 18 MONTHS

AN EMERGING AFRICAN TECHNOLOGY METALS CHAMPION

Conclude the Strategic Process

Complete the CI2 programme at Uis Mine

Increase our tin production and revenue targets

Continue our cost reduction exercise

Conclude lithium offtake agreements in both the ceramic and battery market

Expansion of our metallurgical test work to include downstream beneficiation of lithium in Namibia

Integrating Lithium revenues into our production

Expansion of our exploration and resource drilling across all license areas



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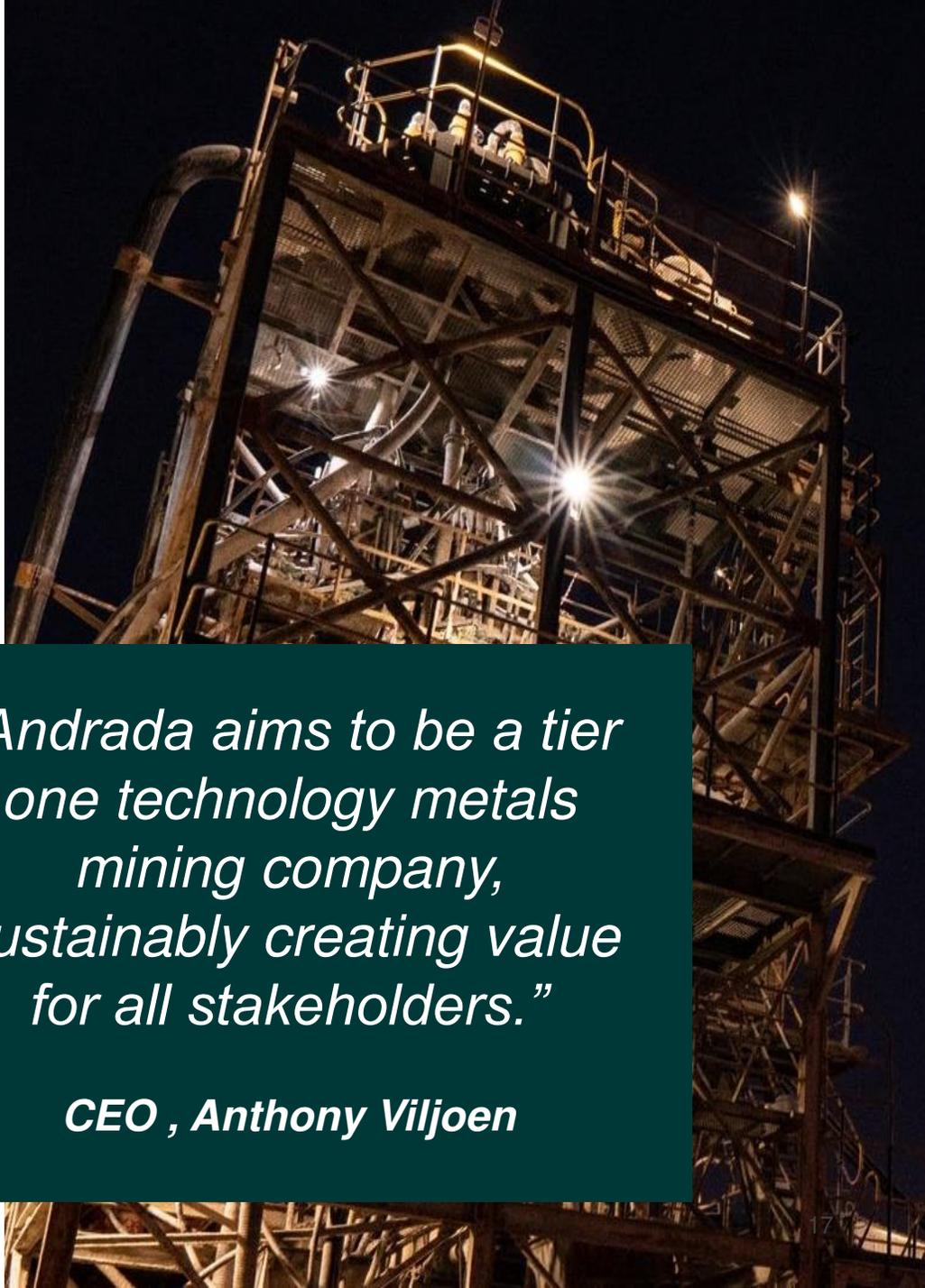
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“Andrada aims to be a tier one technology metals mining company, sustainably creating value for all stakeholders.”

CEO , Anthony Viljoen