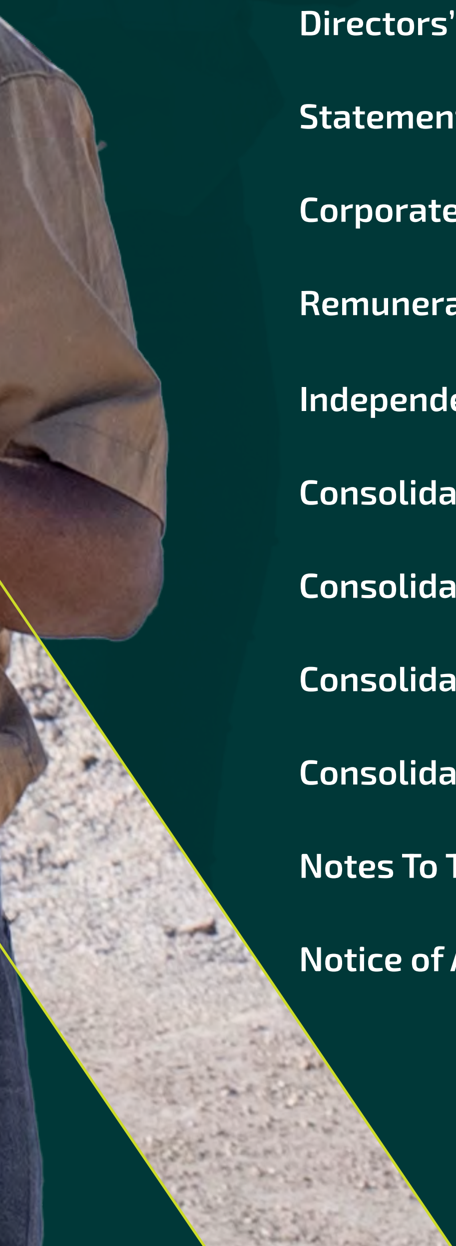
Andrada Mining

2023

ANNUAL REPORT


09/2022
Andrade

CONTENTS



KEY HIGHLIGHTS

OPERATIONAL

23% increase in tin concentrate production to **960 tonnes**

22% increase in contained tin production to **586 tonnes**

28% increase in production capacity to **1 000 tonnes** of concentrate per annum

13% increase in tin recovery to **68%**

FINANCIAL

10% decrease in C1 operating costs to US$19 762 per tonne of contained tin

9% reduction in All-in Sustaining Costs to US$24 939 per tonne of contained tin

EXPLORATION

LITHIUM & TANTALUM upgraded to a Measured and Indicated classification

Lithium average grade increased to **0.73% Li_2O** from **0.63% Li_2O**

Li_2O tonnes increased by **30%** to **587 000 tonnes**

Lithium Carbonate Equivalent of **1.45m tonnes**

Updated Mineral Resource Estimate for the V1/V2 deposit.

Measured and Indicated lithium resources increased by **47%** to **38 Mt**

Tin average grade increased to **0.15% Sn** from **0.13% Sn**

Total MRE increased to **81 Mt** from **72 Mt**

GOVERNANCE

Inaugural Sustainability Report published

500 000 LTI free hours

Lost Time Injury Frequency Rate improved to 3.04 from 6.26

STRATEGIC

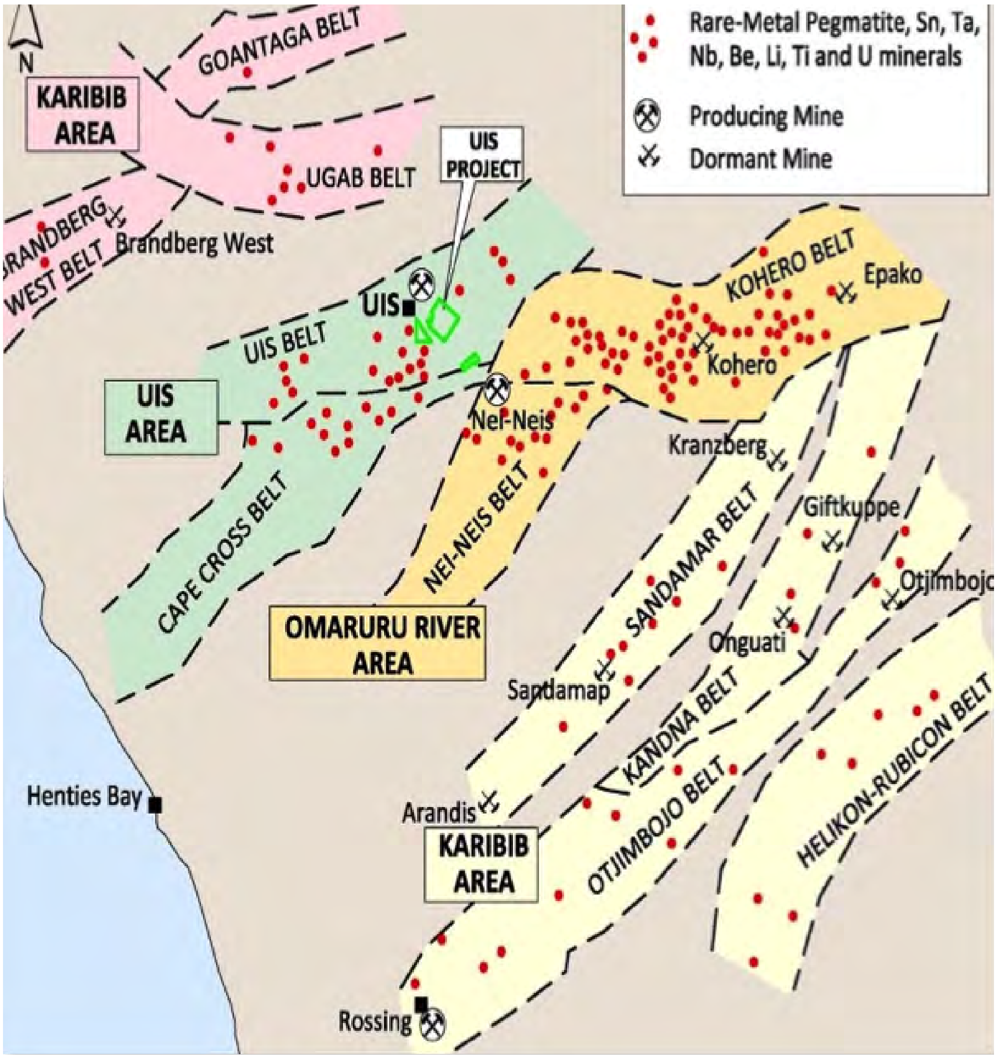
Name changed from AfriTin Mining Limited to **Andrada Mining Limited** to reflect the expansion to a multi-metal production company.

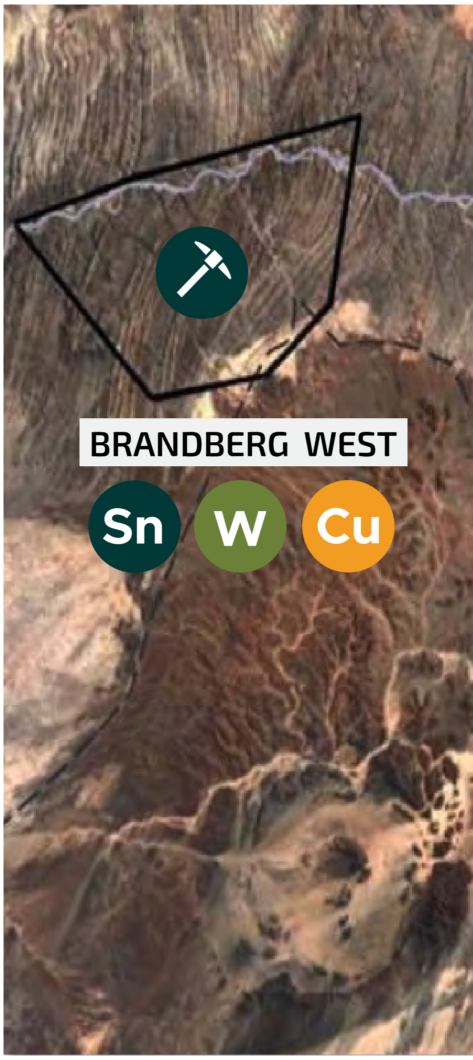
Andrada Mining

Expanded and restructured the C-suite to include Chief Strategy Officer in line with the **enhanced strategic intent**.

WHO WE ARE

Andrada Mining Limited has 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. The Uis Mine is in central west Namibia located approximately 200km northeast of the international port, Walvis Bay. Andrada can be considered a high growth tin, tantalum, and potential lithium producer. Uis Mine started production in 2019 and is currently producing tin at a processing rate of between 130 and 140 tonnes per hour with availability above 90%. In May 2023, Andrada produced 4.16% Li_2O as part of its off-site pilot testing programme.



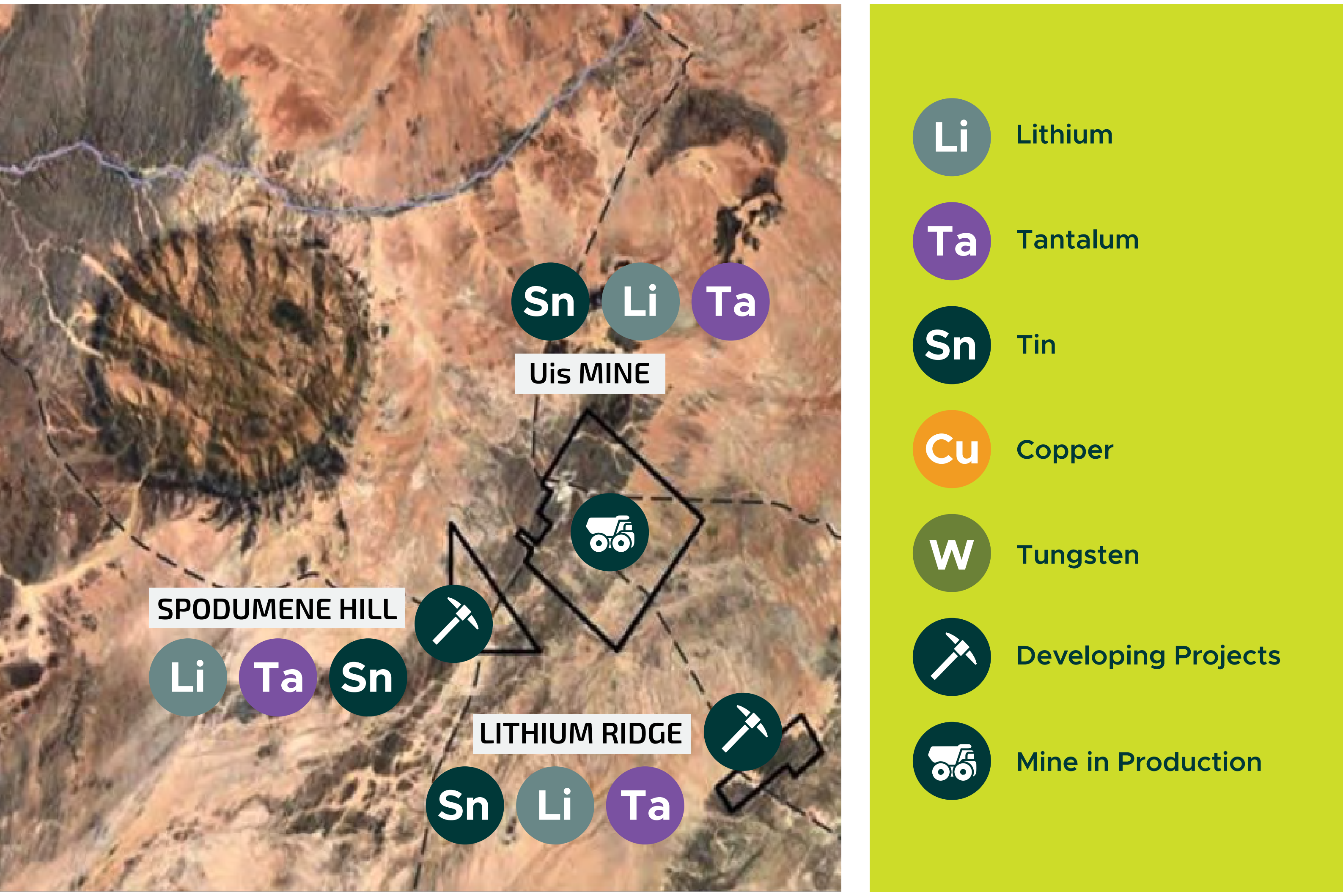


LICENSED AREAS WITHIN THE SIGNIFICANT TECH-METAL ERONGO REGION IN NAMIBIA

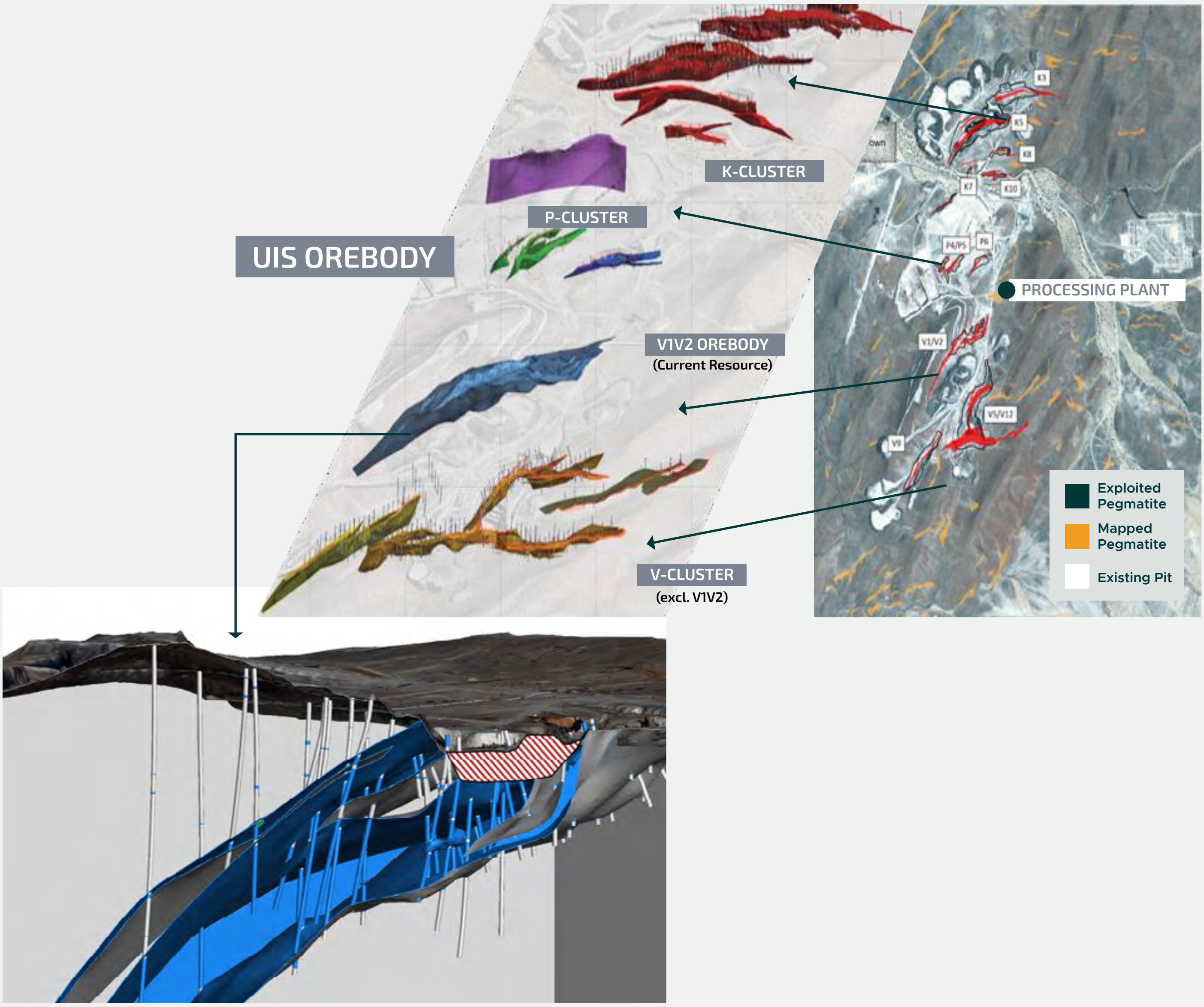
Andrada has three mining licences, namely:

- ML134 on which Uis Mine is located.
- ML133 (Nai Nais / Lithium Ridge).
- ML129 (B1C1 / Spodumene Hill).

The main minerals in these mining licences are tin, lithium and tantalum. Additionally, the Company has an exploration licence EL5445 (Brandberg West) on which the main minerals are tin, copper and tungsten. The Company has set a mineral resource target of 200 Mt to be delineated within the next five years. The substantial mineral resource potential allows the Company to consider economies of scale.



OPPORTUNITY TO SUBSTANTIALLY INCREASE THE RESOURCE AT UIS



MRE UIS V1V2 Pegmatites February 2023	Tin (Sn)	Lithium (Li_2O)	Tantalum (Ta)
Grade	0.15%	0.73%	86 ppm
Gross resource tonnes	81 Mt	81 Mt	81 Mt
Contained Metal	120 Kt	1.45 Mt LCE	6.96 Kt

Current Resource: **138 Mt**

Resource drilling commenced CY 2022

Target Resource: **200 Mt**

Regional exploration programme

Potentially higher than **200 Mt** upside potential from unexploited pegmatites

AFRITIN TO ANDRADA

The name change was necessary due to the increased confidence in lithium and tantalum mineralisation throughout the resource and the expanded vision to harness the value from the current by-products of tin production. The potential tech-metals upside was not captured in the name AfriTin.

The name “Andrada” was inspired by the Brazilian mineralogist José Bonifácio de Andrada e Silva, who discovered petalite and spodumene. Therefore, the name represents the Company’s overarching mission to enter the battery and electric vehicle sectors.

Andrada is managed by a Board of Directors with extensive industry knowledge and a management team with deep 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 how 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 which has been implemented at all levels of the Company and aligns with international standards.

PLANNED TIN PRODUCTION GROWTH

TIN PRODUCTION HAS DE-RISKED THE POTENTIAL LITHIUM OPPORTUNITY

UIS TIN PRODUCTION	CY 2020A	CY 2022A	CY 2025E	CY 2027E
	Uis Mine • Licence area: 18 000 Ha • Acquired by Andrada in 2017	Uis Mine • Phase 1 ramp-up completed ahead of schedule • Production capacity increased by 70% • Lowest quarterly in Q4 AISC at US$18 236 per tonne of contained tin		
	Achieved above nameplate production	**Expansion commissioned**	**Ore sorting to increase contained Sn to 2 500 tpa**	**Long-term planned configuration of 10 000 tpa Sn concentration**
				
	Uis start-up operation to 500 tpa contained Sn	**Uis crushing expansion resulting in 1 000 tpa contained Sn run rate**	**Integration of lithium circuit and ongoing exploration drilling of all licences**	

LITHIUM DEVELOPMENT: ROADMAP

LITHIUM BULK SAMPLING PILOT PLANT AND STRATEGIC PARTNERSHIP FOCUS

	CY 2022 ✓	CY 2023	CY 2024	CY 2025
	Tin Production	Lithium expansion		

Uis Mine (ML134)

DRILLING

PILOTING

1 Mtpa plant feed
900 tpa tin metal

FEASIBILITY STUDY

STRATEGIC PROCESS

CONSTRUCTION

2.5 Mtpa plant feed
15 000 tpa LCE
2 500 tpa tin metal
30 tpa Ta_2O_5

Spodumene Hill (ML129)

Spodumene discovery

FAST TRACK PRODUCTION

DRILLING AND MRE

Lithium Ridge (ML133)

200m @ 1.25% Li_2O

FAST TRACK PRODUCTION

DRILLING AND MRE

OUR INVESTMENT CASE

LITHIUM DEVELOPMENT

POTENTIAL FOR MULTI-ASSET LITHIUM PRODUCTION

Large lithium resource at **1.45m tonnes LCE**

Existing open-pit tin mining operation: Lithium contained in the same ore body as tin

Scalable production through integration of existing mine site

Concentrate suitable for the **industrial market**

WORLD CLASS RESOURCE BASE

- Globally significant lithium, tin and tantalum resource in Namibia
- Upside spodumene potential on adjacent mining licences
- Successful expansion of plant to produce 1 000 tonnes contained tin

NEGATIVE AISC[1]

- **Negative AISC of US$490/t LCE[2] highly competitive during commodity cycles**

FOCUS ON STRATEGIC TECH-METALS

- **Portfolio of strategic tech-metals**
- **Accelerated demand increase expected to support the global drive to a greener technology future**

SOCIAL LICENCE TO OPERATE

- Established relationships with relevant government entities and local communities
- Strong focus on ESG best practice, guided by international standards (ICMM, IFC)

HIGH PURITY PRODUCT

- Test work produced high purity lithium product for the technical market
- Low-cost alternative to mineral supply into the chemical market

FULLY PERMITTED

- **Fully permitted mining operation with an experienced management and operational team**

DE-RISKED DEVELOPMENT

- **Existing mining and processing operation enabling fast-tracked lithium production timeline**
- **Phased expansion with incremental revenue streams**

[1] AISC = Forecast All In Sustaining Cost as per the PEA released in April 2022

[2] LCE = Lithium Carbonate Equivalent

CHAIRMAN'S STATEMENT

> "Looking to the future, we are hugely excited by the prospect of becoming a multi-tech-metal producer. The immediate objective of the Board is to accelerate the growth of Andrada"

Dear Shareholders,

The 2023 financial year proved to be a successful one for Andrada, culminating in significant milestones achieved. Unfortunately, the depressed tin prices resulted in negative earnings as detailed in the financial review by the Chief Finance Officer. Nonetheless, we further cemented the foundation by rounding our production suite towards becoming a meaningful tech-metals producer. The Company's stated Five-Year Growth Strategy and the tangible attributable value of our assets, as displayed in the internally developed Preliminary Economic Assessment, provide stakeholders with visibility on how Andrada will achieve its goals.

Maintaining sufficient cash resources during this development and growth phase is key to achieving all our stakeholder objectives and I am pleased to state that the Andrada team has been managing this diligently in what has been a challenging market. The support and success of the fundraising in September 2022 by our loyal , existing as well as, new shareholders highlight their confidence in our strategy. Furthermore, it allows the Company to fast track the development of the lithium and tantalum opportunities while accelerating the expansion of the existing operations. For this, we are appreciative of their continued support.

During the year, the Company began expanding beyond being a tin-only producer to potentially becoming one of the first significant African lithium producers on AIM (a market of the London Stock Exchange). This important transformational focus of the Company has meant that we identify ourselves as a Company that will play a significant role in the energy transition space. It is for this reason that we decided to rename the Company Andrada Mining.

The global rhetoric around the supply of critical metals continues to gain momentum and there is a continued drive to transition to a greener world. We are determined to play our part in this transition by sustainably contributing to bridging the burgeoning supply gap by producing critical metals. We are fully committed to observing strong Environmental, Social and Governance (ESG) principles. The publication of Andrada's inaugural Sustainability Report for the 2022 financial year demonstrates this commitment to our ESG best practices. We are particularly proud of the role we have played in redeveloping the town of Uis in conjunction with our majority Namibian workforce, the local communities, as well as the government.

We recognise that the diversity and talent of our employees will ultimately determine Andrada's success. By the end of FY 2023, 38% of our corporate team were women, with six women on the Management Committee (40%) and one woman on the executive team. As a Board, we are committed to continue striving to maintain and improve on these global governance standards.

Looking to the future, we are hugely excited by the prospect of becoming a multi-tech-metal producer. The immediate objective of the Board is to accelerate the growth of Andrada. Therefore, we have embarked on seeking a strategic partner with appropriate technical and financial capabilities to assist the Company in accelerating the development of the lithium opportunity on the Uis mining licence area. Simultaneously, we will start developing our other licence areas through expansive exploration programmes. These programmes will start bearing fruit if we are able to confirm the mineralisation potential within all the mining licences, providing significant blue sky for shareholders.

I congratulate the management team and employees on the work and goals achieved during the year, especially against a backdrop of volatile financial markets and a declining tin price. On behalf of the Board, I wish to express my appreciation to all our valued investors, suppliers and customer for their mutual trust and confidence in Andrada Mining. Along with this, I would like to thank my fellow Board members for their tireless effort to ensure that Andrada achieves its stated objectives.

Finally, I would like to welcome the newly appointed Board members who complement the team, namely Ms Gida Nakazibwe Sekandi as a Non-Executive Director and Mr Hiten Ooka, the Company's Chief Financial Officer, as an Executive Director. Gida's extensive regional and sustainability experience and Hiten's broad financial experience enhance our team as we move forward to our next exciting phase.

GLEN PARSONS
Chairman
23 August 2023

CHIEF EXECUTIVE OFFICER'S STATEMENT

> "All three mining licences contain prolific pegmatite occurrences, containing lithium, tin, and tantalum mineralisation. Petalite and spodumene appear to be the dominant lithium minerals present in the mineralised pegmatites."

INTRODUCTION

The adjective 'transformative' is often over-used in Company reporting, but it is one which I believe to be truly befitting of Andrada's latest financial year. It is a pleasure to reflect on our achievements this year, taking advantage of our significant portfolio of tech-metals assets and laying the foundation of a leading global mineral supplier.

Beginning with the discovery of lithium-bearing spodumene within our mining licence ML129 ("Spodumene Hill"), we fully understood the significance of a lithium revenue stream on the incremental returns for shareholders. This discovery at Spodumene Hill in early March 2022 complemented the Company's confirmed mineral resource on the lithium-bearing pegmatites within the adjacent Uis licence area and set in motion our transformation from a tin producer to a Company with a full suite of tech-metals assets.

This discovery motivated the name change from AfriTin Mining to Andrada Mining. The AfriTin name served us excellently for five years, but it is important to reflect the inclusion of our significant lithium assets in the Company's new name. Therefore, we could think of no better way than a nod to José Bonifácio de Andrada e Silva, the Brazilian mineralogist and professor who first categorised petalite and spodumene, which are major lithium-bearing minerals. We have continued the great work that we did as AfriTin and are confident that the Andrada name will build on the strong market reputation of AfriTin for many years to come.

HEALTH AND SAFETY

The Company understands the importance of its workforce in operational success and is always focused on strengthening health and safety management. To realise our vision of everyone going home uninjured every day, we have integrated safety thinking into everything we do. During the reporting year we recorded zero fatalities and three Lost Time Injuries (LTIs), resulting in a Lost Time Injury Frequency Rate (LTIFR) of 3.04 (2022: 6.26). On 28 February 2023, our operations celebrated 500 000 LTI-free hours, a significant safety milestone for the Group. In our most recent operational update, for the first quarter of 2023, we announced a safety performance significantly improved to 0.95 LTIFR, amounting to 881 808 LTI-free hours. Additional measures to improve our on-site health and safety include an online health and safety system requiring each employee to complete a risk assessment at the start of each shift.

The system enables real-time reporting across the operation, enabling us to better understand and respond to incidents with the ultimate goal of preventing future incidents from occurring.

Furthermore, the Company introduced an initiative called 'Maintenance Wednesdays' that involves the lockdown of the entire plant every Wednesday to allow for uninterrupted maintenance work, while simultaneously involving our entire workforce in occupational health and safety awareness activities.

OPERATIONAL REVIEW

In the first quarter of the financial year, we communicated and embarked on our Five-Year Growth Strategy, aiming to become one of the lowest cost tech-metal producers. The strategy is built on four pillars: unlocking the resource in the existing tenements with the intent to expand into the rest of Africa, driving operational excellence, implementation of sound ESG principles, and best practice in project development. Our goal is to become a 10m tonnes per annum Run Of Mine (ROM) Company of global significance.

Recognising the magnitude of the goal, we decided on a phased approach in implementing the strategy. During the period under review, we completed Phase 1a of the strategy that consisted of a modular expansion of the crushing and screening circuit, as well as construction of a fines ore stockpile on the existing plant. This successful expansion resulted in a 23% increase in tin concentrate production to 960 tonnes and an 22% increase in contained tin to 586 tonnes year-on-year ("YoY"). The increased plant production capacity enabled processing of significantly higher tonnage, which inevitably reduced C1 operating costs and AISC (All-In Sustaining Cost) by 10% and 9% YoY respectively. The improved costs confirm the view that large scale bulk mining at Uis is amenable to favourable economies of scale.

We anticipate implementing the intermediate Phase 1b at 2.5Mtpa ROM production with a partner who will be identified as part of the current strategic process. This phase will introduce the production of lithium and tantalum, as these minerals will be extracted from existing processing streams. In September 2022, we successfully raised approximately US$22.8m (c£18.1m) gross, to further expand the Uis resource drilling programme, exploration campaigns and for general corporate purposes. These funds enabled the Company to complete the modular expansion within the targeted period.

Our tin assets remain an integral part of our tech-metals offering, and so we were delighted to expand our resource estimate in February 2023 based on the analysis of drill holes at Uis's Proximal Pegmatites. The additional results from the Proximal Pegmatites, were added to the maiden resource derived solely from the V1/V2 pegmatite, bringing the resource to approximately 138 Mt. The occurrence of several minerals in the same pegmatites such as lithium and tantalum, provide the opportunity for producing multiple tech-metals from the same ore body. Therefore, the expansion of the resource made us the owner of one of the largest tech-metals asset globally and moved us closer to our internal target of a 200Mt resource. Andrada's primary strength currently lies in its globally significant lithium resource.

LITHIUM DEVELOPMENT:

METALLURGICAL TESTWORK

All three mining licences contain prolific pegmatite occurrences, containing lithium, tin, and tantalum mineralisation. Petalite and spodumene appear to be the dominant lithium minerals present in the mineralised pegmatites. Metallurgical test work to date has focused on the concentration of petalite due to its prevalence in the current mining area on Uis. However, spodumene beneficiation has been included in the future work programme, in response to the discovery of spodumene occurrences on Spodumene Hill and Lithium Ridge (ML133). We commenced a pilot test programme for lithium during the first quarter of the 2023 calendar year, consisting of bulk sampling and pilot processing.

LITHIUM PILOT TESTING PLANT

Construction of the on-site lithium bulk-sampling pilot plant commenced at the end of the financial year and was completed within budget and on time in June 2023. Commissioning of the pilot plant and tantalum circuit started in July 2023. The pilot plant, consisting of a crusher, screen, dense medium separator, and a gravity separation circuit is expected to expedite Andrada's bulk pilot test work and to produce saleable lithium concentrate. The pilot plant processing capacity will be 20 tonnes per hour with minimum annual production targeted at 2 400 tonnes. Therefore, the pilot plant can potentially generate revenue of US$5m, assuming an average grade of 4.0% Li_2O and a petalite price of US$2 000.

EXPLORATION

An infill surface exploration programme started in January 2023 on the Lithium Ridge licence area to enhance the data resolution and to confirm the continuity of lithium mineralisation along an identified strike length of 6km. In April 2023, a first-pass Reverse Circulation drilling programme commenced to investigate the subsurface continuation of lithium and tin mineralisation identified during the 2022 calendar year mapping and sampling programme. The results of this drilling programme will be released as soon as the associated assays are returned from the laboratory.

Furthermore, an exploration drilling programme was undertaken on Spodumene Hill, resulting in 1159m of Diamond Drilling ("DD") being completed over 17 drill holes. The drill results, released in July 2023, indicate zones of lithium enrichment within the pegmatite unit with the primary and only lithium ore mineral identified as being spodumene.

SUSTAINABILITY UPDATE

The publication of Andrada's inaugural Sustainability Report for the 2022 financial year in January 2023 demonstrates our commitment to ESG best practice. We are proud that we have further improved reporting on the Company's ESG performance, as disclosed in the FY 2023 Sustainability Report that has been released together with this Annual Report. We believe that a strong ESG performance enhances shareholder value and investor confidence.

POST-PERIOD ACTIVITY

INITIAL SALEABLE LITHIUM CONCENTRATE

In May 2023 we produced half a tonne of 85% pure petalite concentrate at a grade of 4.16%, making Andrada one of the few companies currently on AIM to have produced a saleable sample. The concentrate was produced as part of the Company's off-site pilot test programme to investigate the metallurgical potential of the pegmatites from its Lithium Ridge mining licence area located approximately 33km from the Uis Mine. We believe this moves us one step closer to full-scale lithium production and with the completion of the on-site pilot plant, we intend to expedite bulk pilot test work on all our mineral licences.

In May 2023 Andrada also announced the appointment of

Barclays Bank ("Barclays") as a Strategic Adviser to seek out a suitable partner to accelerate Andrada's lithium strategy. Barclays provides the optimal combination of extensive experience in advising on strategic partnerships and access to the global financial markets. The strategic process comes as a result of numerous unsolicited approaches Andrada has received from international entities.

The main objective of the process is to identify a partner with appropriate technical and financial capabilities to accelerate the development of the lithium opportunity on the Uis mining licence area. The Company will provide updates on the process as it develops.

LISTING ON THE NEW YORK OTCQB®

Alongside great operational progress, the Company commenced trading on the US OTCQB® platform in June 2023, which has been a key step in broadening our shareholder register, making our shares more accessible to North American retail and institutional investors. This investor base is known for its understanding of, and strong appetite for, mining companies, particularly lithium equities.

THANK YOU

I would like to thank all our stakeholders for their continued support, which is never taken for granted. To our employees, thank you for your commitment and dedication to Andrada's vision, shown by your diligence. To our investors, we thank you for your support as we pursue our strategic objectives. To our Board of Directors, your guidance and oversight have enabled us to achieve the milestones to date.

In particular, I extend gratitude to our Chief Financial Officer and Executive Director, Hiten Ooka for his sterling work on the successful fundraising in September 2022 and the progress on the various financing packages. Since joining in July 2022, Hiten's experience working for multinational organisations, coupled with his technical finance and tax experience, has proven invaluable to Andrada's operational progress.

In the same vein, the milestones we have enjoyed over the past year could not have been possible without the efforts of Frans van Daalen, appointed to the role of Chief Strategy Officer in March 2023, and Chris Smith as Chief Operations Officer. Frans is a qualified engineer with over 20 years of operational and technical experience across multiple commodities. He is well placed to drive the Company's development as a significant global lithium producer. Chris has significant experience in process optimisation and a proven track record of stimulating operational performance. He has surpassed the targets for plant expansion and will be instrumental in optimising the operational processes for the next level of growth. Our collaboration as a highly experienced C-suite has ensured that our multiple workstreams run smoothly.

We have entered FY 2024 with confidence and look forward to delivering and communicating our progress as we continue to unlock value from across our portfolio. We have full confidence in achieving our ambitions to become a global tech-metals champion.

CONCLUSION

As we progress in FY 2024, the key objectives will be to commence testing and the production of lithium through the pilot plant. We aim to attain off-take agreements for the petalite as we expedite the exploration programme at Spodumene Hill and Lithium Ridge. We are also looking forward to the development of the Brandberg West license area (EPL5445) following the receipt of the Environmental Clearance Certificate. This project will potentially add Tungsten to our growing list of technology metal inventories. Finally, we look forward to the conclusion of the strategic process to expedite the lithium development.

Anthony Viljoen
Chief Executive Officer
23 August 2023

CHIEF FINANCIAL OFFICER'S FINANCIAL REVIEW

The group managed to deliver on its key strategic milestones despite several challenges in the macro-economic environment. Annual tin concentrate tonnage increased by 23% to 960 (2022: 780 tonnes) but revenue decreased to £9.8m (2022: £13.6m) mainly due to a 34% decline in the average tin price to US$25k (2022: US$39k). Andrada exported 33 shipments (2022: 29 shipments) of tin concentrate to the Company's offtake partner Thaisarco. The full impact on the production profile and cash costs of the expansion project that was successfully completed towards the end of the financial year, will reflect in the upcoming financial year.

PROFIT AND LOSS STATEMENT OVERVIEW

Despite increased sales volumes, the significant decrease in the tin price against inflationary cost increases further negatively impacted profitability, resulting in a gross loss of £0.7m (2022: profit of £4.3m). The administrative expenses increased to £7.5m (2022: £3.7m) mainly due to the expanded operations and the higher headcount in line with the continued implementation of the growth strategy. The multiple workstreams and special skills necessary to achieve the potential lithium production necessitated the increase in recruitment.

The Group's EBITDA was similarly impacted by the significantly lower tin pricing, resulting in a loss of £5.9m (2022: £2.6m). The net finance costs increased to £0.6m (2022: £0.3m), mainly due to the higher interest on leases and bank debt. In addition, the Company was charged £0.2m (2022: £0.05m) interest on the prepayments received from Thaisarco due to the higher sales volume and long transit periods caused by shipping delays.

The Group net loss for the year was £8.1m (2022: loss £0.5m) resulting in the basic loss per share of 0.60 pence (2022: loss 0.08 pence). The expansion on the Uis Mine plant is expected to further reduce the cash costs as demonstrated by the FY 2023 C1 costs that decreased to US$19 762 per tonne of contained tin from US$21 839 in the comparative period due to the 70% increase in production capacity. The all-in sustaining unit cost was 9% lower YoY at US$24 939 (2022: US$27 515) due to the favourable economies of scale.

FINANCIAL POSITION STATEMENT OVERVIEW

Total assets increased by 28%, mainly due to additions on property, plant, and equipment ("PPE"), as well as intangible assets. The value of PPE increased to £27m (2022: £19m), mainly due to the equipment purchased and capitalised costs for the Uis Phase 1a continuous improvement project.

During the year, £9.5m of costs related to the Uis Phase 1 Definitive Feasibility Study and the related construction was transferred from mining assets under construction to the mining assets, as per the requirements of IFRS 6. Consequently, the capital expenditure increased from £6.0m to £13.3m. Further details on the PPE and intangible assets can be read in the Annual Financial Statements ("AFS") Notes 11 and 12. The inventory balance increased to £2.7m (2022: £1.5m) due to the expanded capacity resulting in higher volumes of tin concentrate, ROM stockpile and consumables. At year end, 157 tonnes (2022: 75 tonnes) of tin concentrate was on hand, valued at £1.4m (2022: £0.9m).

Trade and other receivables were valued at £2.6m at year end (2022: £3.9m), mainly due to the comparatively lower tin prices during the financial year. Trade and other payables increased to £3.66m (2022: £2.97m) due to accruals related to the expanded operations. All payables are paid within the agreed credit terms with the average credit period for trade purchases being 30 days.

Borrowings increased to £6.2m (2022: £5.1m) mainly due to the higher working capital facility at £1.3m (£0.2m) and the introduction of a £0.5m vehicle financing facility from Standard Bank Namibia. The value of equity increased by £8.5m to approximately £36m due to the fundraising in September 2022 for £11.1m and in October 2022 for £8.7m. Furthermore, warrants valued at £0.4m were exercised in January 2023. Consequently, the number of issued shares increased from 1 121 841 684 to 1 537 863 344.

CASH FLOW STATEMENT OVERVIEW

Fundraising proceeds supported cashflows during the year as the Company implemented its continuous improvement project at the Uis Mine plant. The value accretion of these inflows is demonstrated by the improvement in operational costs. Approximately £13m (2022: £6m) was utilised to purchase assets required for the plant expansion. Borrowings mainly provided the requisite cash inflows for working capital purposes. On 28 February 2023, the Group cash balance amounted to £8.2m (2022: £7.4m).

FUNDING OVERVIEW

During the year, the Company secured a vehicle financing facility for the value of £0.7m which had a balance of £0.5m at year end. The £4.5m term loan facility at an interest rate of three month JIBAR plus 4.5% had a balance of £4.1m at year end. The loan including the accrued interest is being repaid quarterly for five years from February 2022.

The VAT and working capital financing facilities do not have a fixed maturity dates but are renewed annually, attracting an interest charge of the Namibian prime rate minus 1%. At year end the effective rate on the term loan was 11.7% and the rate on the VAT and working capital facilities was 10.75%. The vehicle asset financing facility has a term of five years at an interest charge of the Namibian prime rate minus 0.5%. Therefore, at year end the effective rate on the vehicle financing was 11.25%. The Company received a covenant waiver for the year under review without penalty and the next measurement date will be 28 February 2024.

POST-PERIOD FUNDING

CONVERTIBLE LOAN NOTES

In July 2023, Andrada raised £7.7m (c.US$10m) through the issue of 77 unsecured, convertible loan notes of £100 000 each to new and existing investors. The proceeds are intended for commissioning the lithium pilot plant and the tantalum circuit. In addition, the funds are for working capital purposes as the Company implements the exploration programme and a lithium feasibility study. These workstreams further consolidate Andrada's competitive lithium advantage within the Erongo region of Namibia.

ORION GLOBAL RESOURCE FUND

On 14 August 2023, Andrada signed the conditional binding documentation for an updated US$25m unsecured funding package with funds managed by Orion Resource Partners ("Orion"). Orion agreed to an unsecured financing package at marginally higher rates. The financing includes a royalty on the production of contained tin, a convertible note, equity subscription and warrants. The outstanding conditions to finalise the financing are the requisite shareholder authorities at the upcoming Annual General Meeting, Andrada lender banks' consent, the exchange control approval to remit funds into Namibia, and the admission of subscription shares to trading on AIM.

DEVELOPMENT BANK OF NAMIBIA

At the writing of this review, the inter-creditor agreements between DBN and Standard Bank have been concluded. The only outstanding condition to complete and access the N$100m (c. US$5.8m) facility is the finalisation of the security package. The terms are unchanged from those detailed in the Company's announcement of 5 July 2022. These are that the facility is for a 10-year term, for the first 12 months after execution there will be no interest or capital repayment, and interest accrues at Namibian prime lending rate (currently 11.5%) plus 2.5% per annum. The facility is ringfenced for the continuous improvement programme of Uis Mine.

CONCLUSION: GOING CONCERN

Management and the Board of Directors have considered cash flow forecasts and have stress tested the potential impact of the decline in tin prices. There are circumstances indicating that a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern and that the Group may therefore be unable to realise its assets or settle its liabilities in the ordinary course of business. However, following their review, the Directors have confidence in the Group's forecasts and have a reasonable expectation that the Group will continue in operational existence for the going concern assessment period, and have therefore used the going concern basis in preparing these consolidated financial statements.

HITEN OOKA
Chief Financial Officer
23 August 2023

DIRECTOR'S REPORT

The Directors of Andrada hereby present their report, together with the consolidated financial statements for the financial year from 1 March 2022 to 28 February 2023.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Group (Andrada and its subsidiaries) is mineral exploration and the development of mining and exploration projects in Namibia. Following the discovery of lithium and other minerals in the pegmatites from which the tin has historically been mined, the strategy of the Group has been enhanced to cater for the potential of a multi-metal revenue stream. The polymetallic nature of the pegmatites has enabled the Group to construct a tantalum circuit adjacent to the existing plant to commercially extract the metal, for which no credit is currently recognised. To expedite the development of lithium production, the Directors commissioned a strategic process to identify an appropriate partner with the relevant skills and financial capacity to participate in producing lithium. A review of the Group's progress and prospects is given in the CEO's Statement and Financial Review in this Annual Report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is subject to a variety of risks, specifically those relating to the mining and exploration industry. As an entrepreneurial business operating in commodities and emerging markets, there is clearly an elevated risk, which is balanced by potentially greater rewards. The Board is mindful of, and monitors, both its corporate risk and individual project risk. Outlined below are the principal risk factors that the Board feels may affect performance. The risks detailed below are not exhaustive, and further risks and uncertainties may exist which are currently unidentified or considered to be immaterial. The risks are not presented in any order of priority.

HIGH VOLATILITY OF METAL PRICES

IMPACT

Tin, tantalum, and lithium prices are subject to high levels of volatility and are impacted by numerous exogenous factors beyond the Group's control.

Low tin, tantalum, or lithium prices coupled with decreased demand could affect the financial performance of the Group, and its ability to fund future growth.

MITIGATION

The Board and management constantly monitor the commodity markets in which the Group operates. Long-term financial planning is undertaken on a regular basis.

The Board approved the modular expansion of the Uis plant to increase tin output and lower unit costs. The resultant economies of scale support profitability in a volatile price market.

The Board supports the exploration and metallurgical test work for the extraction of lithium and tantalum at Uis.

The additional metals enhance revenue, lower unit costs, and provide diversity within the metals industry.

FOREIGN EXCHANGE TRANSLATION LOSSES

IMPACT

Andrada's operations are in Namibia and South Africa, where the currency is the Namibian Dollar (N$) and Rand (ZAR), respectively.

The N$ is pegged to the ZAR, but tin metal sales are denominated in US Dollars (USD) and equity funding is based in UK Pound Sterling (GBP).

The depreciation of the N$ and ZAR against the USD is a significant risk factor for the Group.

MITIGATION

The Group reserves most of its funds in USD and GBP, providing a hedge against the volatility of the ZAR and N$.

The Group ensures that the available cash matches the currency in which liabilities are incurred.

EXPLORATION AND MINING UNCERTAINTY

IMPACT

Mineral exploration inherently has a high degree of uncertainty, which carries a significant risk.

Statistically, numerous mineral deposit discoveries flounder, with few ultimately developed into producing mines.

The operations of the Group may be disrupted by a variety of risks and hazards beyond the control of the Group, including:

- geological and geotechnical factors,
- environmental hazards,
- industrial accidents,
- occupational and health hazards,
- technical failures,
- unexpected rock properties,
- explosions, and
- extended interruptions due to inclement or hazardous weather conditions and other acts of God.

MITIGATION

Exploration projects are meticulously managed by the executive team and regularly reviewed by the Board of Directors.

Progress is measured against targets and expenditure. Funds are only expended in areas deemed prospective.

The Group strictly adheres to a health and safety programme that is structured to continually improve performance.

Exploration projects are reviewed after every programme is executed with the impact of new information used in the revaluation after each milestone.

When constructing a mine site, external experts such as geotechnical, environmental, and geohydrological consultants are contracted to ensure all potential risks of this nature are understood and appropriate mitigation plans are developed.

DEVELOPMENT PROJECTS FAILURE

IMPACT

Development projects often do not have the history to base estimates of future cash operating costs.

For exploration projects, estimates of proven and probable reserves are mainly based on the interpretation of geological data obtained from drillhole assays, sampling techniques and feasibility studies.

The cash operating costs are then based on:
- anticipated tonnage, grades of mined and processed ore,
- the configuration of the orebody,
- expected throughput and recovery rates, and
- comparable facility and equipment operating costs.

MITIGATION

The Group has appointed an experienced team of geoscientists and engineers, complemented by experienced consultants in specialist areas.

New capital projects are supported by scoping, feasibility, and extensive metallurgical studies.

The initial Uis Phase 1 pilot plant expansion has enhanced the Group's understanding of the requisite metallurgical and processing elements to succeed in this type of project. This knowledge will provide essential up-front information for the implementation of Phase 1b and Phase 2. Additionally, detailed metallurgical test work is being undertaken to assess the optimal method of extracting lithium.

Third-party experts are integral to the metallurgical test work.

The Group is advancing exploration drilling programmes to increase confidence levels for lithium and tantalum mineralisation.

All resources and reserves need to be Joint Ore Reserve Committee (JORC) compliant and signed off by competent persons.

CAPITAL EXPENDITURE BUDGET OVERRUNS AND WEAK COST COMPETITIVENESS

IMPACT

While best estimates are used in preparing capital project budgets, they are influenced by several external factors beyond the Group's control, resulting in expenditure overruns against the budget.

Weak cost competitiveness relates to internal and external factors that hinder the Group from optimising profitability.

MITIGATION

Capital expenditure and project execution are subject to pre-defined governance and approval procedures, including feasibility studies prior to implementation.

Management and the Board regularly review progress and related expenditure during the full tenure of the project. This includes updating working capital models and assessing potential impacts on future cash flow.

Cost competitiveness is achieved through economies of scale through the expansion of the operational output to enhance unit cost dilution. Furthermore, the Group closely manages procurement pricing and cost efficiencies.

The adoption of continuous improvement methodology enables the business to constantly track and reduce costs. The introduction of tantalum and lithium revenue streams will further reduce unit costs.

ELECTRICITY AND WATER SUPPLY UNCERTAINTY

IMPACT

Sources of electricity and water supply are essential for viable mining operations.

Lack of electricity or water supply, or uncertainties regarding uninterrupted supply, would adversely impact the feasibility of the operation.

MITIGATION

The Group has a formal electrical power supply agreement with Namibia Power Corporation for the mining and processing facility at Uis Mine.

Diesel generators have been installed as the backup electricity supply.

A geohydrological study as well as a water drilling and test pumping programme has demonstrated the viability of using groundwater sources for plant operations. This was confirmed through the successful implementation of a water supply network.

Electricity and water supply solutions for the Phase 2 expansion programme are being reviewed.

INSUFFICIENT FINANCING

IMPACT

The successful extraction of tin, tantalum and eventually lithium will require significant capital investment.

The Group's ability to secure requisite funds will depend on the success of existing operations.

Prevailing market conditions may not be conducive to financing when critical for the Group.

The Group may not be successful in procuring the requisite funds, which may impact its ability to complete value-accretive capital projects.

MITIGATION

The Group has a supportive shareholder base, and proven significant investor interest, for future funding rounds.

The Group secured funding through Convertible Notes for a value of £ 7.7m through existing and new shareholders. The Group is at an advanced stage of securing strategic funding as follows:
- DBN facility for N$100m (c. US$5.8m).
- Orion funding package for US$25m comprising a tin royalty, convertible note and equity.

LOSS OF KEY PERSONNEL

IMPACT

The success and operational performance of the Group is dependent on the unique skills, expertise and knowledge of management and qualified personnel.

Short-term Group profitability could be impacted if key personnel leave the business.

The establishment of new mines and re-establishment of old mines in the region increases competition for similar human resources.

MITIGATION

The Group has built a team of executives, scientists, engineers, and support personnel who are sufficiently experienced and versatile to eliminate shortcomings from the loss of employees.

In addition, the Group has developed long-standing relationships with consulting firms in key specialist areas who can be contracted at short notice.

Remuneration arrangements are intended to be sufficiently competitive to attract, retain and motivate high-quality staff to achieve the Group's objectives, thereby enhancing shareholder value, given the increasing competition for qualified personnel in the market.

DELAYS IN THE ISSUANCE OR RENEWAL OF PERMITS, LICENCES AND CERTIFICATES

IMPACT

Delays the processing, issuance or renewal of permits, licences and certificates requisite in the execution of exploration and mining licences could impede the ability of the business to achieve its objectives.

MITIGATION

The Group seeks to comply with regulatory requirements and always operates within the ambits of applicable rules and regulations.

The Group actively tracks the status of all licences and permits.

Ensures that renewals are submitted when required and all reporting is done according to the stipulated requirements.

The governing laws of the countries we operate in allow for the continuation of operations while the licences are in the renewal process. Legislation also allows for a "correction period" should there be any additional clarification required for the granting/renewal of the application.

LACK OF SOCIAL LICENCE TO OPERATE

IMPACT

Historical environmental incidents in the extractive industry, including poor water management practices and insufficient tailings storage facilities, have negatively impacted the environment and communities, resulting in a pervasive bad reputation.

Communities within the vicinity of mining operations tend to have significant expectations for the mining companies to provide employment and procurement opportunities.

MITIGATION

Our ability to maintain regulatory compliance to protect the environment, as well as the health and safety of host communities and workers, remains the Group's top priority.

The Group seeks to build mutually-beneficial partnerships with host governments and local communities based on shared long-term value, while working to minimise the social and environmental impacts of the Group's activities.

The Board oversees the Group's environmental, safety, health, and corporate social responsibility programmes, policies, and performance. The Board has an ESG Committee to focus on these matters.

ADVERSE CLIMATE CHANGE

IMPACT

Adverse climate change and regulatory actions to reduce its impact may affect our suppliers, customers, as well as the Group's business model.

The change may reduce the Group's growth and profitability, due to the amplified negative perception towards the mining industry.

MITIGATION

Andrada has started implementing the recommendations of the Task Force on Climate-Related Financial Disclosures.

The Group regularly assesses exposure across a wide range of outcomes, while monitoring government action around climate change.

The Group is constantly striving to reduce the environmental impact of its operations.

The Board oversees the Group's environmental, safety, health, and corporate social responsibility programmes, policies, and performance.

The Board has an ESG Committee to focus on these matters.

COUNTRY AND POLITICAL UNCERTAINTY

IMPACT

Andrada's operations are predominantly based in Namibia.

Emerging market economies are generally subject to greater risk exposure to uncertainty in the legal, regulatory, tax, economic and political processes.

Policies are subject to unexpected and often investment unfriendly amendments.

Threats to ownership of assets is commonly experienced in emerging economies.

MITIGATION

The Group has senior management that is highly experienced in operating in Africa.

The Group routinely monitors political and regulatory developments in Namibia, at both local and national level.

OPERATIONAL UNDERPERFORMANCE

IMPACT

Inability to achieve operational production guidance due to adverse internal or external factors.

MITIGATION

Digitised daily production monitoring and planned maintenance programmes ensure effective plant availability and run time.

The daily monitoring system enables management to effectively respond to any deviation from planned targets. Management can promptly resolve or mitigate any down times.

THREAT, LOSS, OR HARM DUE TO INADEQUATE CYBER SECURITY

IMPACT

Cyber threats loss or harm to our technical infrastructure and the use of technology within the organisation from malicious or unintentional sources.

MITIGATION

The Board and Management recognise the need to protect operational technology to reduce potential disruptions for the efficient running of the business.

Due to the dramatic increase in cybercrime globally, we implemented a software platform across the Group to safeguard infrastructure critical to our sustainability.

Additional software precautions were embedded at the onset of the COVID-19 pandemic to protect the business against attacks while our people connected and worked remotely.

RESULTS AND DIVIDEND

The Group's results are a loss of £8.1m. The Directors will not be recommending the declaration of a dividend.

SHARE CAPITAL AND FUNDING

Full details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in Note 20. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

DIRECTORS

The Directors who served the Company during the year and to date are as follows:

Glen Parsons
Chairman/Independent Non-Executive Director

Laurence Robb
Independent Non-Executive Director

Terence Goodlace
Independent Non-Executive Director

Michael Rawlinson
Independent Non-Executive Director

Anthony Viljoen
Executive Director & Chief Executive Officer

Hiten Ooka
Executive Director & Chief Financial Officer

Gida Nakazibwe-Sekandi
Independent Non-Executive Director

DIRECTORS' INTERESTS

The Directors' beneficial interests in the shares of the Company as at 28 February 2023 were:

	Ordinary shares of no par value	Share options
Anthony Viljoen	15 296 690	16 600 000
Glen Parsons	4 307 486	6 900 000
Laurence Robb	1 300 815	6 400 000
Terence Goodlace	-	6 400 000
Michael Rawlinson	4 680 616	2 400 000

DIRECTORS' INDEMNITY INSURANCE

The Group has maintained insurance throughout the year for its directors and officers against the consequences of actions brought against them in relation to their duties for the Group.

EMPLOYEE INVOLVEMENT POLICIES

The Group places considerable value on the awareness and involvement of its employees in the Group's exploration and development activities. Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Group, and that are of interest and concern to them as employees.

CREDITORS PAYMENT POLICY AND PRACTICE

The Group's policy is to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with its standard payment policy to abide by the terms of payment agreed with suppliers when agreeing the terms of each transaction. Suppliers are made aware of the terms of payment.

RELATED-PARTY TRANSACTIONS

Details of related-party transactions are given in Note 26 of the consolidated financial statements.

EVENTS AFTER BALANCE SHEET DATE

Events after balance sheet date are detailed in Note 25 of the consolidated financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

The Directors will place a resolution before the Annual General Meeting to reappoint BDO LLP as the Group's auditor for the ensuing financial year.

ELECTRONIC COMMUNICATIONS

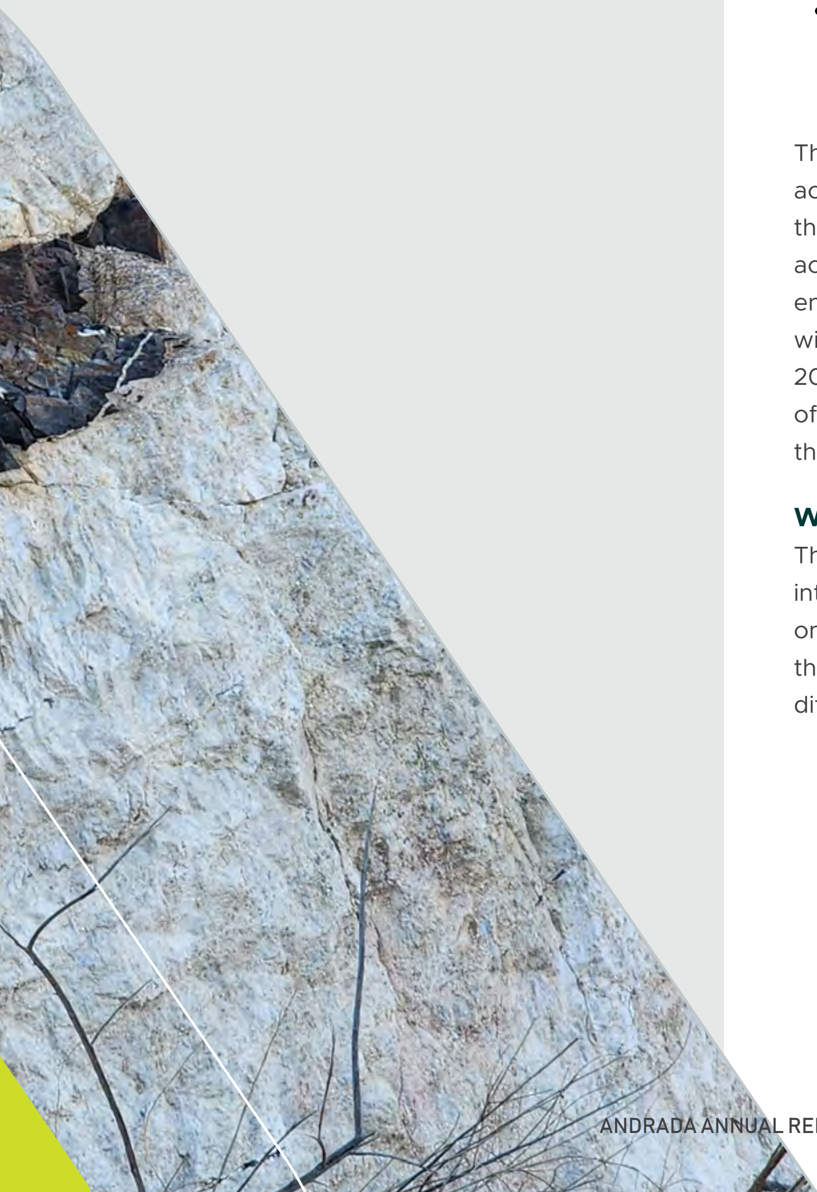
The maintenance and integrity of the Group's website is the responsibility of corporate management and the Directors; the work carried out by the auditor does not involve consideration of these matters and accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Group's website is maintained in compliance with AIM Rule 26.

By order of the Board

GLEN PARSONS
Chairman / Non-Executive Director
23 August 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN REGARD TO THE FINANCIAL STATEMENTS



The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the group financial statements in accordance with UK adopted international accounting standards. Under the Companies (Guernsey) Law, 2008 the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEBSITE PUBLICATION

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CORPORATE GOVERNANCE REPORT

As a listed company traded on the AIM market of the London Stock Exchange, we recognise the importance of sound corporate governance throughout our organisation, giving our shareholders and other stakeholders, including employees, customers, suppliers, and the wider community, confidence in our business. The Board is committed to best practice corporate governance principles, upholding ethical leadership and responsible corporate citizenship that promote shared value among stakeholders. We endeavour to conduct our business in an ethical and sensitive manner irrespective of gender, race, colour, or creed.

Andrada has chosen to adopt the Quoted Companies Alliance (QCA) Corporate Governance Code 2018 for Smaller Companies. Below we outline how we apply each of the code's ten key principles to our business.

1 PRINCIPLE

Establish a strategy and business model that promotes long-term value for shareholders.

APPLICATION

Andrada is listed on the AIM market of the London Stock Exchange and its vision is to create a portfolio of world-class, conflict-free, multi-technology producing assets. The Company's flagship asset is the Uis Tin Mine in Namibia, formerly the world's largest hard-rock tin mine.

The Company has an experienced Board of Directors and highly skilled management team with a strategy to fast-track the expansion of Uis Mine production to 10 000 tonnes of tin concentrate and consolidate other quality tech-metal assets. The Company strives to capitalise on the solid supply and demand fundamentals of tech-metals by achieving production in the near term and further scaling up volumes by consolidating the tin assets in Africa.

The Board of Directors and management team integrate sustainable development principles into corporate strategies and decision-making processes. The Company endeavours to ensure that responsible health and safety, environmental, human rights and labour practices and policies are adopted by suppliers and contractors.

The Company is subject to a variety of risks, specifically those relating to the exploration and mining industry. The principal risk factors facing the business as well as mitigation of those risks are outlined in the Directors' Report in this Annual Report.

2 PRINCIPLE

Seek to understand and meet shareholder needs and expectations.

APPLICATION

The Board is committed to maintaining effective communication by having a constructive dialogue with all its shareholders.

Management, led by the CEO, undertake regular presentations and roadshows to investors as appropriate. This enables them to develop a balanced understanding of the issues and concerns of shareholders. The views of shareholders are communicated to the Board.

Furthermore, the Company keeps shareholders informed on the Company's progress through its public announcements, the Company's website and through interviews on renowned media platforms. All reports and press releases are published in the 'Investors' section of the Company's website - www.andradamining.com

3 PRINCIPLE

Consider wider stakeholder and social responsibilities and their implications for long term success.

APPLICATION

The Board recognises that its prime responsibility is to promote the success of the Company for the benefit of its stakeholders. This success is largely reliant on its relations with its stakeholders, both internal (employees and shareholders) and external (customers, suppliers, business partners and advisers).

Employees, community members and other stakeholders work in collaboration with transparency and accountability. Open dialogue and engagement with community members at our sites are central to maintaining a successful relationship and essential to ensuring long-term sustainability for all parties involved. The Company continually implements inclusive and supportive approaches with local communities, to contribute to their economic and social well-being.

The Company endeavours to systematically examine the environmental impact at its operations and will adopt measures to mitigate this challenge.

The goal is to minimise the negative impacts on the environment of the different processes related to the extraction of tech-metals. At Uis, the non-chemical nature of ore beneficiation, combined with an ore that is largely free of deleterious elements, contributes to a reduced level of environmental risk.

Nonetheless, the Company ensures compliance with its operational environmental management plan through continuous monitoring of dust, water and waste management.

The Company maintains a regular dialogue with key suppliers.

Managing human capital equitably and sustainably is central to the Company's project development strategy. The Company promotes an inclusive work environment through its recruitment and remuneration policies as well as development initiatives. Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Company and that are of interest and concern to them as employees.

The Company has set up a share option scheme for key employees, which gives them a stake in the Company's long-term success.

4

PRINCIPLE

Embed effective risk management, considering both opportunities and threats, throughout the organisation.

APPLICATION

As an entrepreneurial business operating in emerging markets, there is clearly an elevated risk which is balanced by potentially greater rewards. The Board is mindful of and monitors both its corporate and project risks.

The Board ensures that there is a risk management framework in place which identifies and addresses all relevant risks in order to execute and deliver on the strategy. Key risks are regularly reviewed by the Board and are disclosed in the Directors' Report.

The Audit Committee receives feedback from the external auditor on the state of the Company's internal controls.

5

PRINCIPLE

Maintain the Board as a well functioning, balanced team led by the Chairman.

APPLICATION

The Board is made up of the Chairman, five Non-Executive Directors and two Executive Directors (CEO and CFO).

The roles of the Chairman and CEO are clearly separated. The CEO is responsible for the day-to-day operational management of the business and is supported by a Chief Financial Officer, a Chief Strategy Officer, Chief Operating Officer, geologists, engineers, and executive management.

The Chairman is responsible for the leadership and effective working of the Board, the implementation of sound corporate governance, setting the Board agenda, and ensuring that Directors receive accurate, timely and clear information.

The Chairman and Non-Executive Directors (Glen Parsons, Terence Goodlace, Laurence Robb, Michael Rawlinson and Gida Nakazibwe Sekandi) are considered to be independent of management and free to exercise independent judgement. It is acknowledged that the Non-Executive Directors do have share options; however, the quantum of these share options is not material to affect independence.

The Board meets at least every quarter or at any other time deemed necessary for the good management of the business. In addition, the Board is kept updated through monthly Board update sessions. Every Director has attended all Board meetings while being a Director of the Company.

6

PRINCIPLE

Ensure that between them the Directors have the necessary up-to-date experience, skills, and capabilities.

APPLICATION

Directors who have been appointed to the Company Board have been chosen because of the skills, knowledge and experience they offer, considering the stage of the Company and the strategy that it is pursuing.

The composition of the Board as well as biographical details of Board members can be found on the Board of Directors page on the Company website. Although, ultimately responsible for the adherence to sound corporate governance practices, the Board has constituted three committees to enable it to properly discharge its duties and responsibilities, as well as to effectively guide its decision-making process.

The Directors have access to training (online training or external training courses) to ensure that their skills are kept up to date. The Board and its committees also seek external expertise and advice where required.

As part of the induction programme conducted by the Company's nominated adviser, Directors are briefed on regulations that are relevant to their role as directors of an AIM-quoted Company.

Frans van Daalen (Chief Strategy Officer) and Chris Smith (Chief Operating Officer) attend Board meetings by invitation to provide input from a financial and operational perspective.

7 PRINCIPLE

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

APPLICATION

The Board considers the evaluation of its performance and that of its committees and individual Directors to be an integral part of corporate governance to ensure Board Members have the necessary skills, experience, and abilities to fulfil their responsibilities. The goal of the evaluation process is to identify and address opportunities for improving the performance of the Board and to solicit honest, genuine and constructive feedback.

The Chairman is responsible for ensuring the evaluation process is "fit for purpose", as well as for dealing with matters raised during the process.

Management of succession planning is a vital task and is a key measure of its effectiveness.

8 PRINCIPLE

Promote a corporate culture that is based on ethical values and behaviours.

APPLICATION

The Company has a strong ethical culture, which is promoted by the Board and the management team. The Company endeavours to conduct its business in an ethical, professional, and responsible manner, treating all employees, customers, suppliers, and partners with equal courtesy irrespective of gender, race, colour, or creed. We are committed to not only having the highest sustainability standards, but to having the plans, procedures, metrics, and targets in place to ensure our commitments are implemented. The bedrock of our sustainability governance is a set of globally applicable policies. These have been drafted to meet or exceed the requirements of our host country legislation, IFC Performance Standards, the Equator Principles, World Bank Operational Guidelines, OECD Bribery Convention, and the United Nations Global Principles.

9 PRINCIPLE

Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

APPLICATION

The Board approves the Company's strategy and ensures that necessary resources are in place in order for the Company to meet its objectives. While the Board has delegated the operational management of the Company to the Chief Executive Officer and other senior management, several specific matters are subject to the approval of the Board.

These include:

- annual budget,
- interim and annual financial statements,
- management structure and appointments,
- mergers, acquisitions, and disposals,
- capital raising,
- joint ventures and investments,
- corporate strategy,
- projects of a capital nature, and
- major contracts.

The Non-Executive Directors have a particular responsibility to constructively challenge the strategy proposed by the executive management team, to scrutinise and challenge performance, to ensure appropriate remuneration, and to ensure that succession planning is in place in relation to senior members of the management team.

The senior management team enjoy open access to the Non-Executive Directors.

The Chairman is responsible for leading the Board and ensuring its effectiveness. The Chairman with the assistance of the Chief Executive Officer sets the Board's agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues.

The roles of the Audit and Risk Committee as well as the Remuneration Committee are set out further in this report. The governance structures will evolve over time in parallel with the Company's objectives, strategy, and business model to reflect the development of the Company.

10

PRINCIPLE

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

APPLICATION

The Board is committed to maintaining effective communication and having constructive dialogue with all its stakeholders, providing them with access to information to enable them to arrive at informed decisions about the Company.

The 'Investors' section on the Company's website provides all required regulatory information as well as additional information shareholders may find helpful, including:

- information on Board members, advisers, and significant shareholdings,
- a historical list of the Company's announcements,
- corporate governance information,
- historical Annual Reports and notices of general meetings, and
- share price information and interactive charting facilities to assist shareholders in analysing performance.

Results of shareholder Annual General Meetings and details of votes cast will be publicly announced through the regulatory system and displayed on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes for or against resolutions.

THE BOARD OF DIRECTORS

The Board currently comprises:

INDEPENDENT NON-EXECUTIVE CHAIRMAN

- Glen Parsons (appointed 23 October 2017)

INDEPENDENT NON-EXECUTIVE DIRECTORS

- Laurence Robb (appointed 23 October 2017)
- Terence Goodlace (appointed 23 May 2018)
- Michael Rawlinson (appointed 20 December 2021)
- Gida Nakazibwe Sekandi (appointed 10 May 2023)

EXECUTIVE DIRECTORS

- Anthony Viljoen (appointed 23 October 2017)
- Hiten Ooka (appointed 10 May 2023)

Operational management in South Africa and Namibia is led by Anthony Viljoen supported by a Chief Financial Officer (Hiten Ooka), a Chief Strategy Officer (Frans van Daalen), a Chief Operating Officer (Chris Smith), geologists, engineers, and executive management. Operational management is also supported technically through various consultancy agreements that were in place during the year under review. All press releases, including operational updates, are approved by the entire Board.

The Board met four times during the year. Refer to the table below for attendance.

Board and Committee membership and attendance for the year ended 28 February 2023:

	Number of Meetings			
	Board (4)	**Audit and Risk (3)**	**Remuneration and Nominations (2)**	**Environmental, Social and Governance (2)**
Non-Executive Directors				
Glen Parsons	4*	3*	2	
Laurence Robb	4			2
Terence Goodlace	4			2*
Michael Rawlinson	4	3	2*	
Gida Nakazibwe Sekandi[2]	-		-	-
Executive Directors				
Anthony Viljoen	4	3	2	2
Hiten Ooka[2]	4	3	2	2

* Chairman
[2] Appointed 10 May 2023

THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee meets at least twice a year and is composed exclusively of Non-Executive Directors: Glen Parsons (Chairman), Michael Rawlinson and Terence Goodlace. The Chief Executive Officer, Anthony Viljoen, and the Chief Financial Officer, Hiten Ooka, attend Audit Committee meetings by invitation. The committee is responsible for:

- reviewing the annual financial statements and interim reports prior to approval, focusing on changes in accounting policies and practices, major judgemental areas, significant audit adjustments, going concern and compliance with accounting standards, stock exchange requirements and legal requirements;
- receiving and considering reports on internal financial controls, including reports from the auditor, and reporting auditor findings to the Board;
- considering the appointment of the auditor and their remuneration, including reviewing and monitoring their independence and objectivity;
- meeting with the auditor to discuss the scope of the audit, issues arising from their work and any matters they wish to raise;
- developing and implementing policy on the engagement of the external auditor to supply non-audit services;
- considering the effectiveness of the Company's enterprise risk management (ERM) program to minimise the effect of downside risks on the organisation;
- The management of risk, including compliance, and risk governance; and
- overseeing the implementation of an appropriate ethics and compliance programme and establishing a reporting hotline.

The Audit Committee is provided with the details of any proposed related-party transactions in order to consider and approve the terms of such transactions. The Audit Committee met three times during the year.

REMUNERATION AND NOMINATION COMMITTEE REPORT

PART 1: CHAIRMAN'S MESSAGE ON REMUNERATION AND NOMINATION COMMITTEE REPORT

Dear Shareholders,

I am pleased to present to you the Remuneration and Nomination Committee Report on behalf of the Board of Directors. This report has been benchmarked against the requirements of the QCA Code of Corporate Governance and in accordance with AIM requirements. Part 2 of this report pertains to the Proposed Remuneration Policy ("the Policy") which now includes a Long-Term Incentive Plan ("LTIP"), and Employee Share Scheme. Part 3 is the Remuneration Report, which details the awards to the Directors and Person Discharging Managerial Responsibilities ("PDMRs") for the fiscal year ending 28 February 2023. As a whole, this report outlines our commitment to sound governance, transparent remuneration practices, and the alignment of executive compensation with the Company's strategic objectives. Our Policy was created following extensive engagement with our major shareholders, and aligns seamlessly with our evolving remuneration and reward framework. We will highlight the significant changes from our current policy and practice, underscoring our dedication to transparency and communication. Although the Company is not required to obtain shareholder's approval of a triannual remuneration policy nor to seek annual approval of the remuneration paid to the Board, the Board believes that it is good practice to seek shareholder's views on Board remuneration by way of an advisory shareholder vote on the Remuneration Report. Shareholders can find the report on pages 44 to 46 of this Annual Report.

OVERVIEW OF EXECUTIVE MANAGEMENT REMUNERATION AND PERFORMANCE

Our remuneration philosophy is anchored in the principles of performance-based compensation, aiming to foster a strong connection between executive rewards and the attainment of strategic and operational milestones. This approach includes pay-for-performance metrics that align with the Company's core objectives, culminating in the achievement of our strategic goals.

We recognise that our talented workforce is instrumental in our achievements. Therefore, we place great emphasis on attracting and retaining skilled executives with extensive experience in the mining industry, particularly within the "green metals" sector.

This strategic focus ensures that our leadership team can effectively manage the complex challenges that arise from stakeholder engagement, operational management, and community interaction. Our remuneration package is crafted to be highly competitive, reflecting the critical role our executives play in realising our growth ambitions. In the same vein, I am delighted to report that during FY 2023, our Company achieved strong results, surpassing core objectives across multiple fronts. Our operational success and robust performance underscore the dedication and expertise of our executive management team.

LOOKING FORWARD: STRENGTHENING ALIGNMENT AND ACCOUNTABILITY

As we progress, we remain committed to ensuring that our executive compensation programme is closely aligned with shareholder interests, providing a competitive package that supports our strategic direction and overall stakeholder satisfaction. By adhering to a performance-based framework, we are steadfast in our pursuit of attracting and retaining outstanding executives who will contribute significantly to our ongoing success. In conclusion, this report serves as a testament to our dedication to transparency, governance, and accountability. We appreciate your continued trust and support as we collectively strive to achieve our Company's objectives and create sustainable value for all stakeholders.

Sincerely,

MICHAEL RAWLINSON
Chairman of REMCO
23 August 2023

PART 2: REMUNERATION POLICY

INTRODUCTION

In line with our commitment to cultivating a motivated, engaged, and high-performing workforce, Andrada Mining is excited to present a comprehensive proposal for the integration of an enhanced LTIP that harmoniously aligns with our recently formulated Reward Philosophy. This chapter highlights our evolving organisational ethos and synergy between our core values and progressive compensation strategies.

THE NEW REWARD PHILOSOPHY

- The Reward Philosophy translates Andrada's Purpose, Strategic Plan, Values and Objectives into a framework that guides decision-making on reward practices and strategies. An essential element of the Policy is the replacement of options awards to employees on Grade 13 and above as a long-term incentive with available shares that are less dilutive. The LTIP excludes the CEO and CFO who are also Executive Directors. The Policy is intended to:
- align the efforts of the Company to the interests and expectations of shareholders.
- focus on delivering short-term objectives as aligned to the Company's overall strategy,
- attract and retain competent people, with strong skills, through market competitive remuneration.
- motivate, measure and reward individual and team performance.
- be simple to understand and consistent in application.

COMPONENTS OF THE PROPOSED REMUNERATION POLICY

Base Salary	• Range set from 80% of the 50th percentile (P50) of the target market. • Peer group/s for market data reviewed annually.
STIP	• Outcomes linked to Company and individual performance. • Paid annually in cash.
LTIP*	• Share scheme based. • Applies to permanent employees on Global Grade 13 and above. • Intention is to get senior management to behave like owners through shares in company performance. • Long-term retention tool.
Production Bonus	• Primarily for operational employees. • Awards linked to production targets. • Paid monthly in cash.
Benefits	• Planned pipeline of employee benefits subject to Company growth and affordability. • Benefits to included life insurance, retirement funding and medical aid.
Employee Share Scheme	• Enables all employees below Grade 13 to share in the growth and success of Andrada.

* This LTIP excludes Non-Executive Directors.

The Reward Framework of the Policy is comprised of the following components that are further detailed in the table below:

- A market competitive base salary.
- A planned pipeline of employee benefits subject to Company growth and affordability.
- A Short-Term Incentive Plan based on performance of strategic and operational objectives.
- A Long-Term Incentive Plan for Senior Management.

In the application of the Reward Framework and in all decisions related thereto, the following principles will guide the implementation:

Transparency: The Company will be transparent in the application of this framework to the extent that is legally possible without compromising any confidential information.

Non-Discrimination: All remuneration-related decisions will be unbiased and free of unfair discrimination.

Internal Equity: Employees will be remunerated fairly and consistently according to their role and individual contribution to the Company. Where there is differentiation between employees performing similar work, the differentiation is required to be valid, rational, and justifiable.

Market Competitiveness: The Company needs to maintain market competitive reward practices to ensure that it can attract and retain employees with the requisite skills and capabilities to deliver desired performance.

Performance-Based Reward: Performance-linked reward will be structured in a manner that provides for differentiation between individual employee performance. As per best practice, the performance management system will recognise and differentiate between good, average, and poor performance.

Affordability: The Company is restricted in terms of its business plan and annual budgetary scope in setting limits regarding remuneration and reward-related benefits. When the Company reaches a steady financial position, it commits to implementing a planned pipeline of improved employee benefits.

The main development in the new Remuneration Policy is the inclusion of the Employee Share Scheme, and the LTIP offered to employees at Grade 13 and above but excluding the CEO and CFO. Under the prior policy, the Company offered option grants to the CEO, CFO and, employees below Grade 13. In line with best practice and informed by the fact that Andrada has developed significantly, with production approaching steady state, we are now proposing a standard LTIP structure with forward-looking three-year performance measures based on best practice. The Company intends to make the first such award in FY 2024:

COMPONENTS OF THE LTIP STRUCTURE

Form of award	• Retention** and performance shares.
Vesting terms	• Vesting three calendar years after award date, subject to continuing employment and satisfaction of performance conditions.
Performance conditions (applicable for FY 2024 awards)	• All performance conditions are to be measured over three financial years, beginning with FY 2024. • Further details regarding the initial performance conditions for LTIPs will be defined and approved by the REMCO. • Suggestion for 50% of scorecard to be **Total Shareholder Return.**
Holding period (Post-vesting)	• An additional two-year holding period post-vesting for Executive Directors.
Threshold for vesting	• Still to be determined.

** Retention shares exclude Executive Directors because they will only be awarded performance shares.

REMUNERATION COMMITTEE FLEXIBILITY, DISCRETION AND JUDGEMENT

The Board recognises the importance of flexibility, discretion, and judgement in determining an approach to Executive Directors' remuneration. Although the Company's comprehensive Policy aims to address a wide range of scenarios, there will be instances when the REMCO must exercise its expertise to ensure equitable outcomes. It is essential to acknowledge that no remuneration policy, regardless of its comprehensiveness, can predict every situation. Therefore, the Company values the ability of the REMCO to use its discretion, particularly when evolving business needs require adjustments to reward structures or short-term incentives.

The application of judgement and flexibility can extend to revising remuneration elements, whether upgrading or downgrading, and achieving the right equilibrium between fixed and performance-related components, immediate and deferred incentives. This flexibility empowers the REMCO to navigate changes and challenges within the business environment, even in the face of external pressures that might influence the Company's strategic path. This adaptability allows the Company to encourage desired behaviour, stimulate performance, and drive the long-term prosperity. The REMCO is dedicated to ongoing shareholder involvement during the Policy's three-year term. Whenever deemed suitable, the REMCO will formally engage shareholders to endorse any revision to the Policy before the conclusion of the three-year period. It is important to state that during FY 2023 the REMCO did not award discretionary allocations.

EXECUTIVE DIRECTORS (EDS) REMUNERATION

The compensation structure for the CEO and CFO at Andrada Mining is designed to encompass three distinct components:

Base salary: Is determined prior to the commencement of the financial year. This component serves as a guaranteed portion of the CEO and CFO's compensation, providing financial stability and predictability. The salary is not subject to performance metrics and is established based on considerations such as market standards, industry norms, and the CEO and CFO's responsibilities within the organisation.

STIP: Is a variable component of the CEO and CFO's short-term compensation, based on performance against a balanced scorecard determined by the REMCO at the outset of a financial year. The maximum allocation of the STIP component is 100% of the CEO and 75% of the CFO's salaries. For a detailed breakdown of the STIP metrics, you can refer to the remuneration policy below.

LTIP: In line with our commitment to align the CEO and CFO's interests with the long-term success of Andrada Mining, the CEO and CFO have historically received share options and will be awarded provisional shares, subject to performance conditions as in the Policy subject to shareholder approval. These shares will be granted up to an allocation equivalent to 100% of the CEO's and 75% of the CFO's base salaries. This component ensures that the CEO and CFO are directly invested in the Company's growth and performance, as the value of the share options is closely related to the Company's share price performance long-term.

This compensation structure is carefully designed to create a balanced approach that combines guaranteed salary, short-term performance incentives, and a strong focus on long-term value creation through share options. By incorporating these three components, we aim to ensure that the CEO's and CFO's compensation is reflective of both Company performance and market standards.

NON-EXECUTIVE DIRECTOR COMPENSATION AND REMUNERATION

The Non-Executive Directors' ("NED") remuneration strategy strikes a balance in aligning their interest with long-term Company success, while conserving cash flow. Historically, Andrada has adopted a multi-faceted remuneration mix including share options for NEDs, to address the Company's inability to match industry-related cash-based remuneration. The Company has amended the remuneration structure to a fully cash-based compensation model as from FY 2025. The aim is to offer NEDs compensation that mirrors Andrada's development stage, while still honouring their expertise and contributions. The Company will ensure that any adjustments to the NED remuneration structure continues to cultivate collaboration, ownership, and a collective dedication to driving Andrada's ongoing trajectory.

PART 3: REMUNERATION REPORT

REMCO & NOMCO GOVERNANCE

This report fulfils the the guidance set out in the QCA Guides for Smaller Companies and delineates how the Board has upheld the tenets of sound governance.

REMUNERATION GOVERNANCE

The REMCO consists entirely of Non-Executive Directors to ensure unbiased decision-making. The Company Secretary attends meetings as the committee's secretary. Occasionally, other members of management, such as the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and Head of Sustainability, may be invited to attend meetings at the Chairman's request. However, they are not present during discussions or decisions regarding their own remuneration.

The committee is responsible for the following:

- Establishing the policy and framework for remunerating Directors and determining the remuneration of the Chairman of the Board.

- When determining the remuneration for Executive Directors, the committee considers the business requirements, talent needs, competitive market practices, and principles of the Quoted Companies Alliance (QCA) Remuneration Committee Guide and QCA Corporate Governance Code.

- When establishing remuneration policies for Executive Directors, reviewing, and considering the remuneration of the wider workforce. This includes addressing pay gaps and disparities and considering the Company's broader approach to remuneration, particularly regarding gender and ethnic diversity.

- Determining whether performance conditions for the STIP and LTIP have been achieved during each fiscal year and confirming the vesting of any awards.

- Assessing and reviewing the appropriate market positioning of remuneration for the executive management team to ensure fairness and equity.

- Ensuring a suitable combination of fixed and variable remuneration, by applying the STIP and LTIP for executives, in line with the Company's strategic objectives. The committee also establishes annual targets that incorporate a combination of financial, non-financial, and strategic performance conditions.

- Ensuring that remuneration policies and practices adhere to the principles of AIM and the QCA Code for Smaller Companies. This includes promoting clarity, simplicity, risk mitigation, predictability, proportionality, and alignment with the Company's culture.

- Selecting remuneration consultants and commissioning reports, surveys, or other relevant information necessary for the effective functioning of the REMCO.

MEMBERSHIP OF THE REMUNERATION COMMITTEE

The REMCO's role and responsibilities are outlined in approved terms of reference, which were endorsed by the Board of Directors in FY 2022.

The table below displays the current members and their attendance record:

Remuneration & Nominations members Non-Executive Directors	Remuneration & Nominations meetings
Glen Parsons	2
Michael Rawlinson	2*

* Chairman

REMUNERATION COMMITTEE ACTIVITIES DURING FY 2023

The committee implemented key activities as part of its responsibilities as follows:

- **Pay positioning review:** The REMCO examined pay positioning, which involved assessing the current remuneration structure and ensuring it aligns with the Company's objectives. The outcomes of incentive awards for both FY 2021 and FY 2022 were carefully evaluated.
- **Market analysis:** REMCO gathered and analysed extensive market data on executive remuneration to understand the quantum of executive pay in relation to industry standards. The REMCO performed a comprehensive gap analysis to identify any discrepancies and determine appropriate adjustments.
- **Setting performance targets:** TThe REMCO established the FY 2023 STIP Key Performance Indicators (KPIs) for the Executive Management. This involved defining bonus targets and outlining the conditions under which incentive awards would vest based on performance achievements. The REMCO also implemented a new, transparent, and quantifiable STIP template for the CEO and other executives, eliminating subjectivity.
- **Future incentive awards:** The REMCO engaged executives and approved all target KPIs to be included in the FY 2023 incentive awards. This encompassed both the STIP and option awards.
- **Remuneration policy development:** The REMCO developed the policy that will be presented to shareholders for approval at the AGM in September 2023. The REMCO ensured that the Policy aligns with best practices and aligns the Company's strategic objectives.
- **Shareholder engagement:** The REMCO engaged with the Company's major institutional shareholders and proxy agencies in developing the Policy. The REMCO has ongoing engagement with shareholders and proxy agencies, to address any concerns, gather feedback, and ensure transparency and accountability.

REMUNERATION POLICY APPLICATION IN FY 2023

EXECUTIVE REMUNERATION IN CONTEXT

The Company has mining operations, three nascent projects in initial developmental stages, and a vigorous exploration programme. Therefore, it is imperative that the Executive management allocates adequate resources between the various key stakeholders. These stakeholders encompass mine management and employees, government institutions, and the communities adjacent to the Company's operations.

FY 2023 PERFORMANCE CONTEXT

Andrada Mining achieved 77% of the objectives set out by the Remuneration Committee in line with the Company's strategic targets. For three consecutive years, the Company has exceeded its nameplate capacity, demonstrating our commitment to delivering exceptional results. Uis Mine produced 960 tonnes of tin concentrate at an annualised run rate of 1 000 tonnes per annum, accelerating us to our production guidance of 1 200 tonnes over three years. Despite industry-wide inflationary pressures, Andrada met our AISC target of below US$25 000 per tonne of contained tin. This significant achievement can be attributed to the increase in production volumes and successful implementation of optimisation initiatives.

This outstanding operational performance was accomplished while navigating the long-term impacts of a post-pandemic world. The Company demonstrated resilience and adaptability by overcoming severe supply chain issues and inflationary pressures. Furthermore, management surpassed its ESG targets making substantial progress in areas of environmental sustainability, social responsibility, and corporate governance. More details can be read in the FY 2023 Sustainability report, which will be published in August 2023.

The remuneration structure was exclusively based on the balanced scorecard approach. The balanced scorecard holistically considers the Company's overall performance, internal dynamics, external factors, and the principle of fairness across all stakeholders.

CHIEF EXECUTIVE OFFICER REMUNERATION FOR FY 2023

The REMCO assessed the Company's performance in determining the CEO's remuneration. The remuneration consisted of 66% performance-related compensation based on a balanced scorecard measuring four major strategic areas, namely ESG, production targets, strategic initiatives and resource growth with the remainder being the fixed portion. The detailed outcome of the CEO's assessment is presented in the scorecard table below.

ANNUAL BONUS

The REMCO established that the CEO's performance against the balanced scorecard KPIs yielded a performance score of 77% of his base salary. Consequently, the annual bonus was determined to be £145 565. This represents an increase from the previous financial year, when the corresponding scorecard for the STIP was 70% of base salary.

FY 2023 CEO REMUNERATION SCORECARD

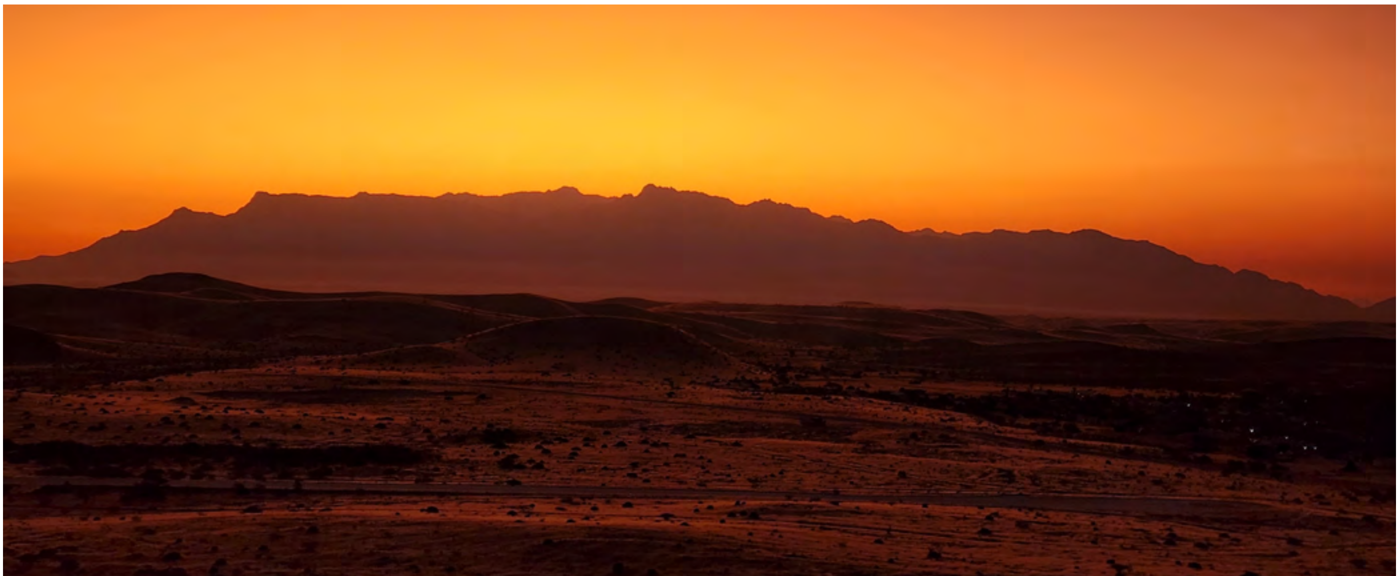
Category	Category Weighting	KPA	KPA Weighting	% Achieved
ESG	30%	H&S	40%	94%
		Environment	10%	
		General	10%	
		Social	10%	
		Governance	10%	
		Projects	10%	
		Reporting	10%	
Production	20%	Production and Cost	50%	100%
			50%	
Strategic Initiative	35%	Capital Projects	40%	57%
		Corporate Finance and IR	40%	
		HR	20%	
Resource Growth	15%	Uis Mine	50%	58%
		Brandberg West	20%	
		Other Programmes	30%	
OVERALL SCORE				77%

PROPOSED CHIEF EXECUTIVE OFFICER REMUNERATION FOR FY 2024

ENGAGEMENT OF INDEPENDENT REMUNERATION ADVISERS

Salary benchmarking, surveys and grading

Andrada, through the REMCO, seeks and considers advice from independent remuneration advisers where appropriate. Remuneration advisers are engaged by, and report directly to, the Company's Human Resources department. The Company has contracted two advisory entities to advise on remuneration structuring and appropriate reward structures. The consultants were assigned to provide a thorough review of AIM executive salary reports to inform the CEO's remuneration. Based on the review feedback, the CEO's proposed base salary excluding incentives for FY 2024 is £189 045 compared to £187 138 in FY 2023.



28 February 2023	£	£	£	£	£
	Share Option Charge	Shares to be Issued in Relation to Director Fees/ Salary	Director Fees/ Salary (Incl. bonus payment and accruals)	Other Fees	Total
Non-Executive Directors					
Glen Parsons (Chairman)	36 032		55 000		91 032
Terence Goodlace	36 032		44 778		80 810
Laurence Robb	36 032	18 000	17 000	24 000	95 032
Michael Rawlinson	36 032	21 000	24 000		81 032
Executive Director					
Anthony Viljoen (Chief Executive Officer)	90 081		360 780		450 861
Other key management Personnel					
Hiten Ooka (Chief Financial Officer)[1]	72 065		198 042		270 107
Frans van Daalen (Chief Strategy Officer)	72 065		265 894		337 959
TOTAL	**378 339**	**39 000**	**965 494**	**24 000**	**1 406 833**

28 February 2022	£	£	£	£	£
	Share Option Charge	Shares to be Issued in Relation to Director Fees/ Salary	Director Fees/ Salary (incl bonus payment)	Other Fees	Total
Non-Executive Directors					
Glen Parsons (Chairman)	5 524		59 167		64 691
Terence Goodlace	5 524		56 308		61 832
Laurence Robb	5 524	18 000	17 000	8 000	48 524
Roger Williams	-	3 500	4 000	49 102	56 602
Executive Director					
Anthony Viljoen (Chief Executive Officer)	13 258		170 454		183 712
Other key management Personnel					
Robert Sewell (Chief Financial Officer)	8 838		110 326		119 164
Frans van Daalen (Chief Operating Officer)	8 838		140 390		149 228
TOTAL	**47 506**	**21 500**	**557 645**	**57 102**	**683 753**

[1] Appointed June 2022

STIP BREAKDOWN FOR FY 2024 AWARDS

Category	Category Weighting	KPA	KPA Weighting
ESG	30%	H&S	40%
		Environment	10%
		General	10%
		Social	10%
		Governance	10%
		Projects	10%
		Reporting	10%
Production	20%	Production and Cost	50%
			50%
Strategic Initiative	35%	Capital Projects	40%
		Corporate Finance and IR	40%
		HR	20%
Resource Growth	15%	Uis Mine	50%
		Brandberg West	20%
		Other Programmes	30%

SHARE OPTIONS MATRIX ALLOCATION FY 2024

Name	Surname	Title	Allocation
Glen	Parsons	NED	843 447
Laurence	Robb	NED	843 447
Terence	Goodlace	NED	843 447
Michael	Rawlinson	NED	843 447
Anthony	Viljoen	ED & CEO	2 811 489
Hiten	Ooka	ED & CFO	2 108 616
Frans	Van Daalen	CSO	2 108 616
Chris	Smith	COO	2 108 616

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANDRADA MINING

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 28 February 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of Andrada Mining Limited (the "Parent Company") and its subsidiaries (the "Group") for the year ended 28 February 2023 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remain independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the financial statements, which indicates that the Group will need to raise additional funding from the Development Bank of Namibia and other sources after the approval of the financial statements to fund their working capital and capital projects. However, this additional funding has not yet been completed. As stated in Note 2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting and our audit procedures in response to key audit matter included the following:

- We discussed with Directors and the Audit Committee their assessment of potential risks and uncertainties, forecast commodity prices, production and the availability of financing that are relevant to the Group's business model and operations. We formed our own assessment of risks and uncertainties based on our understanding of the business and mining sector and considered these in performing our own sensitivities.

- We reviewed the latest Board-approved cash flow forecasts for the Group to September 2024. We challenged Directors' assumptions in respect of level of production, forecast tin prices, operating costs and capital expenditure. In doing so, we considered factors such as operational performance, recent cost profile and market analyst commentary regarding forecast commodity prices.
- We recalculated forecast covenant compliance calculations and assessed the consistency of such calculations with the ratios stated in the relevant lender agreements.
- We assessed the sensitivity analysis performed in respect of key assumptions underpinning the forecasts and considered Directors' conclusions as to whether such scenarios are reasonably possible based on our knowledge of the business and operating environment.
- We discussed with management and the Board the Group's strategy to access capital to fund its development plans and working capital needs. We have verified the post year end funding received by the Group. We considered the Director's judgement that they had reasonable expectation of securing further necessary funding and the timing of such funding requirement. There are term-sheets in place; however, currently there are no binding agreements in respect of additional fund raising.
- We reviewed and considered the adequacy of the disclosure within the financial statements relating to Directors' assessment of the going concern basis of preparation with the requirements of the financial reporting framework, our understanding of the business and the Directors' going concern assessment.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW

Coverage[1]	99% (2022: 99%) of Group revenue 90% (2022: 89%) of Group total assets

Key audit matters		**2023**	**2022**
	Going concern	Yes	Yes
	Potential Impairment of mining assets	Yes	Yes

Materiality	Group financial statements as a whole
	£470 000 (2022: £370 000) based on 1% of total assets (2022: 1% of total assets)

[1] **These are areas which have been subject to a full scope audit and specified audit procedure performed by the group engagement team and the component auditor teams.**

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In approaching the Group audit we considered how the Group is organised and managed. Andrada Mining Limited is a Company registered in Guernsey and listed on AIM in the UK, the NSX in Namibia and has qualified to trade on the OTCQB Venture Market in the US from 5 June 2023. The Group's principal operations are located in Namibia and South Africa. Our Group audit scope focused on the Group's producing and exploration assets to gain sufficient coverage over the Group's total assets, total revenue and loss before tax while considering the audit risks identified. As a result, we determined Parent Company and two subsidiary entities, AfriTin Mining (Namibia) Pty Limited and Uis Tin Mining Company Pty Limited which operate the Uis Mine to be significant components of the Group and were subject to the full scope audits. The audits of each of the significant components were principally performed in the United Kingdom, Namibia and South Africa. All the audits were conducted by either the group audit team or BDO network member firms. The remaining components of the Group were considered non-significant, and these components were principally subject to analytical review procedures, together with specified audit procedures over exploration and evaluation related assets. This work was conducted by BDO network member firms.

OUR INVOLVEMENT WITH COMPONENT AUDITORS

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- We held planning meetings with the component auditors and local management.
- Detailed Group reporting instructions were sent to the component auditors, which included significant areas to be covered by the audits and set out the information to be reported to the Group audit team.
- The Group engagement partner visited Namibia, and during this visit he had meetings with the component auditor and the management of the audited entity, and visited the mine site.
- The Group audit team was actively involved in the direction of the audits performed by the component auditor for Group reporting purposes, along with the consideration of findings and determination of conclusions drawn. We performed our own additional procedures in respect of certain of the significant risk areas that represented key audit matters in addition to the procedures performed by the component auditor.
- We received and reviewed Group reporting submissions and performed a review of the component auditors' files. Our review was performed remotely using our online audit software.
- We held clearance meetings remotely with the component auditors and local management to discuss significant audit and accounting issues and judgements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. In addition to the matter disclosed in the material uncertainty related to going concern section of our report, we have determined the matter described below to be the key audit matter to be communicated. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Potential impairment of mining assets See Note 2: Critical accounting estimates and judgements and Note 12: Property, Plant and Equipment. As disclosed in Note 2 Critical accounting estimates and judgements, management have reviewed the Uis Mine for indicators of impairment and have considered among other factors , the operations to date at Uis Mine including production from the lithium pilot plant, forecast commodity prices, production profile, inflation rate, post-tax real discount rate and market capitalisation of the Group. The drilling and testing of lithium, decision on lithium production and the initial steps that were taken prior 28 February 2023 and, the construction of pilot plant concluded in July 2023. Hence , production from lithium pilot plant is included in the impairment review of the mining asset. As set out in Note 2, Management have identified the reduction in the tin price as an indicator of impairment. In undertaking the impairment review, management have also reviewed the underlying Life of Mine ("LoM") valuation model for Uis. The LoM valuation model is on a fair value less cost to develop basis and includes assessments of different scenarios associated with capital improvements and expansion opportunities. The impairment testing performed by management did not result in an impairment. The assessment of the recoverable value of the Uis mining assets requires significant judgement and estimates to be made by management – in particular regarding the inputs applied in the models including; future tin, tantalum and lithium prices, production and reserves, operating and development costs and discount rates. The carrying value of the Uis mining assets is therefore considered a key audit matter given the level of judgement and estimation involved.	We reviewed and challenged management's impairment indicator assessment and testing performed on the underlying LoM valuation model for the Uis mining assets which was carried out in accordance with relevant accounting standards. Our audit procedures in this regard included: • Reviewing the Competent Person's Report to support the mineral reserve and performed an assessment of the independence and competence of management's expert. • Critically reviewing LoM forecast by making enquiries of operational management, evaluating it against our understanding of the operations and historic performance, and evaluating the consistency of available reserves with the Competent Person's Report. • Obtaining management's LoM valuation model to confirm that sufficient headroom existed over the asset carrying value as part of our assessment of potential impairment indicators. • Checking the mathematical accuracy of management's LoM valuation model. • Challenging the significant inputs and assumptions used in the management's LoM valuation model and whether these were indicative of potential bias. This included comparing forecast commodity prices to a range of third-party independent market outlook reports and historical actual data, comparing the forecast production to third party feasibility and resource studies. We compared forecasted costs against the expected production profiles in the mine plans and recent historical performance. • Recalculating the discount rate and utilising BDO valuation experts to assist us in assessing management's discount rate by recalculating it in reference to external data. • We enquired management and reviewed the pre and post year end RNS announcements with respect to identification of lithium resources. This was further corroborated with the drilling cost for identification of lithium resources in the current year. • We reviewed the post year end RNS announcements regarding completion of construction and commissioning of the lithium bulk sampling plant and tantalum circuit. • Review of management's sensitivity analysis and performance of our own sensitivity analysis over individual key inputs including tin prices, discount rate and plant recovery. **Key observation:** Based on the procedures performed, we found that the key judgements and estimates applied by management in their LoM valuation model to be within an acceptable range and found their conclusion that there was no impairment as of 28 February 2023 to be reasonable.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements	
	2023	**2022**
Materiality	£470 000	£370 000
Basis for determining materiality	1% of total assets	1% of total assets
Rationale for the benchmark applied	We consider total assets to be the most significant determinant of the Group's financial performance used by members given the nature of Group. The Group has invested significant sums on its production and non-production mining assets and these are considered to be the key value driver for the Group as its assets are an indicator of future value to shareholders.	
Performance materiality	£352 000	£278 000
Basis for determining performance materiality	75% of Materiality	75% of Materiality
Rationale for the percentage applied for performance materiality	Performance materiality was set at 75% of the above materiality level based on assessment of aggregation risk considering factors such as volume and nature of errors in prior periods.	

COMPONENT MATERIALITY

We set materiality for each significant component of the Group based on a percentage of between 21% and 66% (2022: 18% and 83%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Significant component materiality ranged from £97 000 to £310 000 (2022: £66 000 to £264 000). In the audit of each component, we further applied performance materiality levels of 75% (2022: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

REPORTING THRESHOLD

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £23 000 (2022:£18 500). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES (GUERNSEY) LAW, 2008 REPORTING

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Parent Company; or

- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

NON-COMPLIANCE WITH LAWS AND REGULATIONS

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations directly relevant to specific assertions in the financial statements are those related to reporting framework (UK adopted international accounting standards, the Companies (Guernsey) Law, 2008, AIM rules and the various Mining Regulations in Namibia), and terms and conditions included in the Group's exploration and evaluation licences and the mining licences.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Holding discussions with the Directors and the Audit Committee and made enquiries about whether they were aware of any known or suspected instances of non-compliance with laws and regulations or fraud; and
- Gaining an understanding of the of the laws and regulations relevant to the Group and the industry in which it operates, through discussion with Directors and our knowledge of the industry.

FRAUD

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion among the engagement team as to how and where fraud might occur in the financial statements; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition and management override of controls.

Our procedures in respect of the above included:

- Addressing the fraud risk in relation to revenue recognition by testing one hundred percent of revenue transactions to supporting documentation, including testing that revenue was recorded in the correct period by testing revenue transactions in the period proceeding and preceding year end;
- Addressing the risk of fraud through management override of internal controls, by testing the appropriateness of journal entries made throughout the year by applying specific criteria to select journals which may be indicative of possible irregularities or fraud;
- Held a meeting with forensic specialists to understand industry specific susceptible areas. Based on the input from forensic team, we added two additional testing criteria for journal entries testing.
- Assessing the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by making enquiries of the Directors and the Audit Committee during the planning and execution phases of our audit to understand where they considered there to be susceptibility to fraud, considering the risk of management override of controls and relevant controls established to address risks identified to prevent or detect fraud.
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Made enquiries of Directors as to whether there was any correspondence from regulators in so far as the correspondence related to the financial statements;
- Assessing the judgements made in respect of going concern (see section on Material uncertainty relating to going concern above) and Note 2 to the financial statements; and
- Assessed whether the judgements made in accounting estimates were indicative of a potential bias (refer to key audit matters above and Note 2 to the financial statements).

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including component engagement teams who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component engagement teams, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's opinion is Jack Draycott (Senior Statutory Auditor).

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP
Chartered Accountants
London, United Kingdom
23 August 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).


ferrodrill
namibia (pty) ltd

FINANCIAL STATEMENTS


BELL
B30E
AD013
B30E
AD011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 28 February 2023

	Notes	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Revenue	4	9 827 474	13 615 045
Cost of Sales	5	(10 509 418)	(9 302 518)
Gross (loss) / profit		**(681 944)**	**4 312 527**
Administrative expenses	6	(7 451 352)	(3 674 662)
Idle plant costs		(258 177)	-
Other income		52 196	61 753
Operating (loss) / profit		**(8 339 277)**	**699 618**
Finance income		39 054	6 545
Finance cost	8	(669 824)	(316 365)
(Loss) / profit before tax		**(8 970 047)**	**389 798**
Deferred tax movement	9	866 203	(864 199)
Loss for the year		**(8 103 844)**	**(474 401)**
Other comprehensive (loss) / income			
Items that will or may be reclassified to profit or loss:			
Exchange differences on translation of share-based payment reserve		(441)	767
Exchange differences on translation of foreign operations		(2 298 674)	526 779
Exchange differences on non-controlling interest		19 395	(6 700)
Total comprehensive (loss) / income for the year		**(10 383 564)**	**46 445**
Loss for the year attributable to:			
Owners of the parent		(7 753 819)	(815 645)
Non-controlling interests	23	(350 025)	341 244
		(8 103 844)	**(474 401)**
Total comprehensive (loss) / profit for the year attributable to:			
Owners of the parent		(10 052 933)	(288 098)
Non-controlling interests		(330 631)	334 543
		(10 383 564)	**46 445**
Loss per ordinary share			
Basic loss per share (in pence)	10	(0.60)	(0.08)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2023

	Notes	28 February 2023 £	28 February 2022 £
Assets			
Non-current assets			
Intangible assets	11	7 279 593	5 147 782
Property, plant and equipment	12	26 723 218	19 150 092
Total non-current assets		**34 002 811**	**24 297 874**
Current assets			
Inventories	13	2 667 193	1 451 933
Trade and other receivables	14	2 592 770	3 953 382
Cash and cash equivalents	15	8 205 705	7 365 379
Total current assets		**13 465 668**	**12 770 694**
Total assets		**47 468 479**	**37 068 568**
Equity and liabilities			
Equity			
Share capital	20	56 883 908	38 655 078
Accumulated deficit		(18 334 115)	(10 739 321)
Warrant reserve	21	50 307	192 632
Share-based payment reserve	22	1 049 663	704 828
Foreign currency translation reserve		(3 833 234)	(1 534 560)
Equity attributable to the owners of the parent		**35 816 529**	**27 278 657**
Non-controlling interests	23	(147 430)	183 200
Total equity		**35 669 099**	**27 461 857**
Non-current liabilities			
Environmental rehabilitation liability	18	965 578	295 151
Borrowings	16	3 287 121	4 095 405
Lease liability	19	707 355	167 216
Deferred tax liability	9	-	861 784
Total non-current liabilities		**4 960 054**	**5 419 556**
Current liabilities			
Trade and other payables	17	3 655 126	2 969 833
Borrowings	16	2 915 917	1 024 736
Lease liability	19	268 283	192 586
Total current liabilities		**6 839 326**	**4 187 155**
Total equity and liabilities		**47 468 479**	**37 068 568**

GLEN PARSONS
Non-executive Director
23 August 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 28 February 2023

	Share capital	Convertible loan note reserve	Accumulated deficit
	£	£	£
Total equity at 28 February 2021	**25 608 001**	**2 170 645**	**(10 030 679)**
Loss for the year	-	-	(815 645)
Other comprehensive income	-	-	-
Transactions with owners:			
Issue of shares	13 039 102	-	-
Share issue costs	(793 775)	-	-
Share-based payments	-	-	-
Share options exercised during the year	308 545	-	117 642
Warrants exercised in the year	63 150	-	18 716
Issue costs reclassified to retained earning	-	29 355	(29 355)
Settlement of convertible loan note in shares	430 055	(430 055)	-
Settlement of convertible loan note in cash	-	(1 769 945)	-
Total equity at 28 February 2022	**38 655 078**	**-**	**(10 739 321)**
Loss for the year	-	-	(7 753 819)
Other comprehensive income / (loss)	-	-	-
Transactions with owners:			
Issue of shares	19 801 083	-	-
Share issue costs	(1 962 253)	-	-
Share-based payments	-	-	-
Warrants exercised in the year	390 000		159 025
Warrants modified in the year	-	-	-
Total equity at 28 February 2023	**56 883 908**	**-**	**(18 334 115)**

Warrant reserve	Share-based payment reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
£	£	£	£	£	£
211 348	**743 615**	**(2 061 339)**	**16 641 591**	**(151 344)**	**16 490 247**
-	-	-	**(815 645)**	341 244	**(474 401)**
-	767	526 779	**527 546**	(6700)	**520 846**
-	(10 000)	-	**13 029 102**	-	**13 029 102**
-	-	-	**(793 775)**	-	**(793 775)**
-	88 088	-	**88 088**	-	**88 088**
-	(117 642)	-	**308 545**	-	**308 545**
(18 716)	-	-	**63 150**	-	**63 150**
-	-	-	**-**	-	**-**
-	-	-	**-**	-	**-**
-	-	-	**(1 769 945)**	-	**(1 769 945)**
192 632	**704 828**	**(1 534 560)**	**27 278 657**	**183 200**	**27 461 857**
-	-	-	**(7 753 819)**	(350 025)	**(8 103 844)**
-	(441)	(2 298 674)	**(2 299 115)**	19 395	**(2 279 720)**
-	-	-	**19 801 083**	-	**19 801 083**
-	-	-	**(1 962 253)**	-	**(1 962 253)**
-	345 276	-	**345 276**	-	**345 276**
(159 025)	-	-	**390 000**	-	**390 000**
16 700	-	-	**16 700**	-	**16 700**
50 307	**1 049 663**	**(3 833 234)**	**35 816 529**	**(147 430)**	**35 669 099**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 28 February 2023

	Notes	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Cash flows from operating activities			
(Loss) / profit before taxation		**(8 970 047)**	**389 798**
Adjustments for:			
Fair value adjustment to customer contract	4	261 689	(137 019)
Depreciation of property, plant and equipment	12	2 377 349	1 861 023
Depreciation of intangible assets	11	10 290	28 198
Share-based payments		345 276	55 793
Equity-settled transactions		16 700	66 101
Finance income		(39 054)	(6 545)
Finance costs	8	669 824	316 365
Changes in working capital:			
Decrease / (increase) in receivables	14	869 458	(2 866 192)
Increase in inventory	13	(1 471 706)	(418 556)
Increase in payables	17	997 469	1 006 060
Net cash (used in) / generated from operating activities		**(4 932 752)**	**569 064**
Cash flows from investing activities			
Purchase of intangible assets		(2 580 267)	(1 442 774)
Purchase of property, plant and equipment		(10 677 505)	(4 543 884)
Net cash used in investing activities		**(13 257 772)**	**(5 986 658)**
Cash flows from financing activities			
Finance income		39 054	6 545
Finance costs		(499 621)	(224 061)
Lease payments	19	(363 959)	(213 661)
Net proceeds from issue of shares	20	18 228 830	12 548 248
Settlement of convertible loan notes		-	(1 769 945)
Proceeds from borrowings	16	1 729 454	5 024 727
Repayment of borrowings	16	(89 014)	(3 907 086)
Net cash generated from financing activities		**19 044 744**	**11 464 767**
Net increase in cash and cash equivalents		**854 220**	**6 047 173**
Cash and cash equivalents at the beginning of the year		7 365 379	1 351 200
Foreign exchange differences		(13 894)	(32 994)
Cash and cash equivalents at the end of the year	**15**	**8 205 705**	**7 365 379**

The notes that follow in this report form part of these financial statements. The financial statements were authorised and approved for issue by the Board of Directors and authorised for issue on 23 August 2023.

GLEN PARSONS
Non-executive Director
23 August 2023

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Andrada Mining Limited ("Andrada") was incorporated and domiciled in Guernsey on 1 September 2017, and admitted to the AIM market in London on 9 November 2017. The Company's registered office is PO Box 282, Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH, and it operates from Illovo Edge Office Park, Ground Floor, Building 3, Corner Harries and Fricker Road, Illovo, Johannesburg, 2116, South Africa.

These financial statements are for the year ended 28 February 2023 and the comparative figures are for the year ended 28 February 2022.

As at 28 February 2023, the Andrada Group comprised:

Company	Equity holding and voting rights	Country of incorporation	Nature of activities
Andrada Mining Limited	N/A	Guernsey	Ultimate holding Company
Greenhills Resources Limited[1]	100%	Guernsey	Holding Company
AfriTin Mining Pty Limited[1]	100%	South Africa	Group support services
Tantalum Investment Pty Limited[1]	100%	Namibia	Tin & Tantalum exploration
AfriTin Mining (Namibia) Pty Limited2	100%	Namibia	Tin, Tantalum & Lithium operations
Uis Tin Mining Company Pty Limited[3]	85%	Namibia	Tin, Tantalum & Lithium operations
Mokopane Tin Company Pty Limited[2]	100%	South Africa	Holding Company
Renetype Pty Limited[4]	74%	South Africa	Tin exploration
Jaxson 641 Pty Limited[4]	50%	South Africa	Tin exploration
Pamish Investments 71 Pty Limited[2]	100%	South Africa	Holding Company
Zaaiplaats Mining Pty Limited[5]	74%	South Africa	Property owning
Uis Tin Mining Rwanda Limited[2]	100%	Rwanda	Tin & Tantalum exploration

[1] *Held directly by Andrada Mining Limited*
[2] *Held by Greenhills Resources Limited*
[3] *Held by AfriTin Mining (Namibia) Pty Limited*
[4] *Held by Mokopane Tin Company Pty Limited*
[5] *Held by Pamish Investments 71 Pty Limited*

These financial statements are presented in Pound Sterling (£) because that is the currency in which the Group has raised funding on the AIM market in the United Kingdom. Furthermore, Pound Sterling (£) is the functional currency of the ultimate holding Company, Andrada Mining Limited. The Group's key subsidiaries, AfriTin Namibia and UTMC, use the Namibian Dollar (N$) as their functional currency. The year end spot rate used to translate all Namibian Dollar balances was £1 = N$22.22 and the average rate for the financial year was £1 = N$20.22.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The consolidated financial statements have been prepared in accordance with UK adopted international accounting standards. The consolidated financial statements also comply with the AIM Rules for Companies, NSX Listing Requirements and the Companies (Guernsey) Law, 2008 and show a true and fair view.

The significant accounting policies applied in preparing these consolidated financial statements are set out below. These policies have been consistently applied throughout the period. The consolidated financial statements have been prepared under the historical cost convention except as where stated.

GOING CONCERN

The Group closely monitors and manages its liquidity risk and day-to-day working capital requirements. Cash forecasts are regularly produced, considering the global logistical challenges around sales to ensure that there is sufficient cash within the Group to meet its obligations. The Group runs sensitivities for different scenarios, including but not limited to changes in commodity prices and exchange rates. The Group also routinely monitors the covenants associated with the borrowing facilities and proactively engages with Standard Bank, the lender, where there is any risk. Although the bank granted the Group a waiver on all covenants on the 28 February 2023 measurement date, based on the year-to-date production profile and latest forecast, the Group will be able to meet its covenant obligations for the testing period to February 2024. For the purpose of assessing going concern, the directors have prepared forecasts to February 2025.

The main estimates considered as part of management's going concern assessment are production profiles, tin, lithium and tantalum prices, exchange rates and committed capital. The production profile is based on the Group's current achieved production post the completion of the expansion project, as well as the additional production on the successful completion of the continuous improvement capital project, which will be started upon receipt of the funding from the Development Bank of Namibia, this is conditional and not yet completed. In addition, the Group successfully raised £7.7m through the issue of 77 unsecured convertible loan notes of £100 000 each on 18 July 2023. This further supports the liquidity requirements of the Group and its ability to meet its obligations in the ordinary course of business until February 2025. The Group also retains the ability to flex its ongoing exploration and metallurgical capital expenditures in line with cash availability as well as macro-economic circumstances.

Based on the forecasts, additional funding will be required within the next 12 months for the purpose of envisaged capital and exploration projects. As the Group is also entering a new market with reference to lithium and tantalum sales, which are close to near-term production, the cash flow forecast has assumed the successful completion of the lithium pilot plant and the tantalum circuit in order to deliver the business strategy. The need for further funding would be required for additional exploration and capital projects as well as studies related to the feasibility of the future growth phases. The Group believes it has several options available to it, including but not limited to, use of the overdraft facility, restructuring of the debt, additional debt or equity, cost reduction strategies as well as potential offtake arrangements. Management is already at an advanced stage of securing bank funding mentioned above as well as other finance for the next 12 months. On the 14th of August 2023, the Group has entered into a conditional binding agreement to secure a blended funding package for the amount of US$25m from Orion Resource Partners to further support the capital investment strategy of the Group. Accordingly, the Directors continue to adopt the going concern basis in preparing the consolidated financial information.

Notwithstanding the above, these circumstances indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets or settle its liabilities in the ordinary course of business. As a result of their review, and despite the aforementioned material uncertainty, the Directors have confidence in the Group's forecasts and have a reasonable expectation that the Group will continue in operational existence for the going concern assessment period and have therefore used the going concern basis in preparing these consolidated financial statements.

BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-Company transactions, balances and unrealised gains/losses on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Non-controlling interests

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that present ownership interests entitling their holders to a proportionate share of the net assets upon liquidation are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management steering committee that makes strategic decisions.

The Group previously reported a Namibian and a South African operating segment. In the 2021 financial year, the Group made the decision to impair the full value of the South African mining licences as it chose to focus on developing its Namibian assets and it did not intend to incur any further expenditure on its South African licences. The Group now has a single operating segment, consisting of the Namibian operations. During the financial year, the Namibian operations earned £10 024 487 revenue from the sale of tin concentrate to the Group's customer, Thailand Smelting and Refining Company ("Thaisarco"). The Namibian operating segment has a non-current asset balance of £25 442 966 (consisting of property, plant and equipment of £21 824 522 and intangible assets of £3 618 444). The Group will continue to monitor their operating segments and provide the necessary disclosure going forward.

FOREIGN CURRENCIES

Functional and presentational currency

The individual financial statements of each Group Company are prepared in the currency of the primary economic environment in which that Company operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group Company are expressed in Pound Sterling, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation date where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a financial currency different from the presentation currency are translated into the presentation currency as follows:

i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
ii) income and expenses for each income statement are translated at average exchange rates, unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions; and
iii) all resulting exchange differences are recognised in other comprehensive income.

REVENUE RECOGNITION

IFRS 15 "Revenue from Contracts with Customers" establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. The core principle is that an entity recognises revenue to depict the transfer of promised goods and services to the customer of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group generates revenue from its primary activity, the sale of tin concentrate, and it continued to generate immaterial revenue from the sale of sand.

The Group produces and sells tin concentrate from its Uis Tin Mine in Namibia. Once concentrate has been produced at the Uis plant, it is sampled, bagged and loaded into containers for transportation to the port in Walvis Bay for shipment.

The Group currently has an offtake agreement with its customer, Thailand Smelting and Refining Company ("Thaisarco"), which was signed on 1 August 2019. This contract was renewed on 1 December 2020 for a further three years. As per the contract, Thaisarco pays the Group on the basis of actual tin content in the concentrate per Thaisarco's analysis, at the London Metal Exchange price less treatment charges, unit deductions and impurity charges.

The Group can elect for the sale of each shipment to occur under the following terms:

Option 1: Standard provisional payment

Thaisarco shall pay 90% provisional payment on the basis of actual tin content as per their own analysis. Payment is to be made within 10 working days after the arrival of concentrate at Thaisarco's works. Title shall pass to Thaisarco when the concentrate arrives at the Songkhla Port in Thailand.

Option 2: Provisional payment option against original bill of lading

Thaisarco shall pay 90% provisional payment on the basis of provisional tin content per UTMC's analysis. The provisional payment shall be done against presentation of a provisional invoice and an original bill of lading. Title shall pass to Thaisarco when UTMC receives the 90% provisional payment.

Option 3: Provisional payment option against warehouse holding certificate

Thaisarco shall pay 70% provisional payment on the basis of provisional tin content per UTMC's analysis. The provisional payment shall be done against presentation of a provisional invoice and an original warehouse holding certificate. Thaisarco shall pay an additional 20% provisional payment upon presentation of the original bill of lading. Title shall pass to Thaisarco when UTMC receives the 70% provisional payment.

During the financial year, the Group concluded sales under Option 3.

Revenue is recognised at a point in time when title and control of the goods has transferred to the customer, which is when the concentrate arrives at Songkhla Port in Thailand under Option 1 or when provisional payment is received by UTMC under Option 2 and Option 3. There is limited judgement needed to identify the point at which control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession of the products. At this point, the Group will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

Pricing for the provisional payment is determined by the published tin price on the date that title and control passes. Pricing for the final payment shall be declared within 30 market days after arrival at Thaisarco's works. The lower of the cash price and the three month forward-looking price is used in these calculations.

Revenue from the sale of sand is recognised at the point in time when control of the goods has transferred to the customer, which is when the sand leaves the Group's premises. At this point, the Group will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax charge is based on taxable profit for the period. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the "balance sheet liability" method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based upon rates enacted and substantively enacted at the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items credited or charged to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

INTANGIBLE EXPLORATION AND EVALUATION ASSETS

All costs associated with mineral exploration and evaluation are capitalised as intangible exploration and evaluation assets and subsequently measured at cost. These include the costs of: acquiring prospecting licences; mineral production licences and annual licence fees; rights to explore; topographical, geological, geochemical and geophysical studies; and exploratory drilling, trenching, sampling and other activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource.

If an exploration project is successful, the related expenditures will be transferred at cost to property, plant and equipment and depreciated over the estimated life of the commercial ore reserves on a unit of production basis (with this charge being taken through profit or loss). Where capitalised costs relate to both development projects and exploration projects, the Group reclassifies a portion of the costs which are considered attributable to near-term production based on a percentage of the ore resource expected to be mined in the relevant phase. Where a project does not lead to the discovery of commercially viable quantities of mineral resources and is relinquished, abandoned, or is considered to be of no further commercial value to the Group, the related costs are recognised in the income statement.

The recoverability of deferred exploration costs is dependent upon the discovery of economically viable ore reserves, the ability of the Group to obtain necessary financing to complete the development of ore reserves and future profitable production or proceeds from the extraction or disposal thereof.

IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

Intangible exploration and evaluation assets are reviewed regularly for indicators of impairment following the guidance in IFRS 6 "Exploration for and Evaluation of Mineral Resources" and tested for impairment where such indicators exist.

In accordance with IFRS 6, the Group considers the following facts and circumstances in their assessment of whether the Group's exploration assets may be impaired:

- whether the period for which the Group has the right to explore in a specific area has expired during the period or will expire in the near future, and is not expected to be renewed; or
- whether substantive expenditure on further exploration for and evaluation of mineral resources in a specific area is neither budgeted for nor planned for; or
- whether exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable deposits and the Group has decided to discontinue such activities in the specific area; or
- whether sufficient data exists to indicate that although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

If any such facts or circumstances are noted, the Group, as a next step, performs an impairment test in accordance with the provisions of IAS 36 "Impairment of Assets". In such circumstances, the aggregate carrying value of the mining exploration and evaluation assets is compared to the expected recoverable amount of the cash-generating unit. The recoverable amount is the higher of value in use and the fair value less costs to sell.

SHARE CAPITAL AND RESERVES

i) Warrant reserve

The warrants issued by the Group are recorded at fair value on initial recognition net of transaction costs. The fair value of warrants granted is recognised as an expense or as share issue costs based on their nature, with a corresponding increase in equity. The fair value of the warrants granted is measured using the Black Scholes valuation model, taking into account the terms and conditions under which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of warrants that vest.

ii) Share-based payment reserve

Where equity-settled share options are awarded to directors or employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life.

The applicable rates are:

- The mining assets are depreciated using the units of production method from the point that commercial production was achieved. This reflects the production activity in the period as a proportion of the total mining reserve. Where the units of production method is used, the assets are depreciated based on a rate determined by the tonnes of ore processed divided by the estimate of the mineral reserve.
- Short-lived assets which are used in the mining and processing plant are depreciated over a period of between one and ten years.
- Right-of-use assets are depreciated over the period of the lease contract.
- Computer equipment is depreciated over three years.
- Furniture is depreciated over five years.
- Vehicles are depreciated over four years.
- Mobile equipment is depreciated over ten years.
- Buildings are depreciated over twenty years.

Land and mining assets under construction are not depreciated.

The estimated useful lives, residual values and depreciation methods are reviewed at each year end and adjusted if necessary.

Gains or losses on disposal are included in profit or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

MINING ASSET – STRIPPING

In open pit mining operations, it is necessary to incur costs to remove overburden and other mine waste materials in order to access the ore body ("stripping costs"). During the development of a mine, stripping costs are capitalised and included in the carrying amount of the related mining property. During the production phase of a mine, stripping costs will be recognised as an asset only if the following conditions are met:

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
- the entity can identify the component of the ore body (mining phases) for which access has been improved; and
- the costs relating to the stripping activity associated with that component can be measured reliably.

Stripping costs incurred and capitalised during the development and production phase are depreciated using the unit-of-production method over the reserves and, in some cases, a portion of resources of the area that directly benefit from the specific stripping activity. Costs incurred for regular waste removal that do not give rise to future economic benefits are considered as costs of sales.

RIGHT-OF-USE ASSET

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. The asset may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purposes the assets are used is predetermined, the Group has the right to direct the use of the asset if either:
- - the Group has the right to operate the asset; or
- - the Group designed the asset in a way that predetermines how and for what purposes it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

The right-of-use asset is initially measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is annually assessed for impairment and will be adjusted for certain re-measurements of the lease liability.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

At each statement of financial position date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where there has been a change in economic conditions that indicate a possible impairment in a cash-generating unit, the recoverability of the net book value relating to that unit is assessed by comparison with the estimated discounted future cash flows based on management's expectations of future commodity prices and future costs.

The recoverable amount is determined on the fair value less cost to develop basis. In assessing the recoverable amount, the expected future post-tax cash flows from the asset are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Life of Mine ("LoM") plan is the approved management plan at the reporting date for ore extraction and its associated capital expenditure. The capital expenditure included in the impairment model does not include capital expenditure to enhance the asset performance outside of the existing LoM plan. The ore tonnes included in the LoM plan are those as per the Reserve Statement, which management considers economically viable.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent that it reverses gains previously recognised in other comprehensive income.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the income statement, net of any depreciation that would have been charged since the impairment.

INVENTORIES

Inventory consists of tin concentrate on hand, the run of mine stockpile, and consumable items.

The tin concentrate is carried at the lower of cost or net realisable value. The cost of the concentrate includes direct materials, direct labour, depreciation, and overhead costs relating to processing and engineering activities. Net realisable value is the estimated selling price net of any estimated selling costs in the ordinary course of business.

The run of mine stockpile is carried at the lower of cost or net realisable value. The cost of the stockpile includes direct materials, direct labour, depreciation, and overhead costs relating to mining activities. Net realisable value is the estimated selling price net of necessary processing costs and any estimated selling costs in the ordinary course of business.

Consumables are valued at the lower of cost (determined on the weighted average basis) and net realisable value. Cost comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Replacement cost is used as the best available measure of net realisable value.

FINANCIAL INSTRUMENTS

Financial instruments are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

FINANCIAL ASSETS

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at amortised cost and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are classified as at amortised cost only if the asset is held to collect the contractual cash flows and the contractual terms of the asset give rise to cash flows that are solely payments of principal and interest. At subsequent reporting dates, financial assets at amortised cost are measured at amortised cost less any impairment losses.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses on a forward-looking basis the expected credit losses, defined as the difference between the contractual cash flows and the cash flows that are expected to be received, associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the simplified approach permitted by IFRS 9 "Financial Instruments" is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Losses are recognised in the income statement. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at the fair value of the consideration receivable.

Trade and other receivables are subsequently measured at amortised cost less impairment or at fair value through profit or loss.

Under its offtake arrangement, the Group receives a provisional payment upon satisfaction of its performance obligations based on the tin price at that date. This occurs prior to the final price determination and the Group then subsequently receives the difference between the final price and quantity and the provisional payment. As a result of the pricing structure, the instrument is classified at fair value through profit or loss and changes in fair value are recorded as revenue.

Trade and other receivables are classified as a current asset as these are expected to be settled within a year.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at hand and deposits on a term of not greater than three months.

FINANCIAL LIABILITIES

Financial liabilities include trade and other payables, borrowings, and other longer-term financing, classified into one of the following categories:

- Fair value through profit or loss: The liabilities are carried in the statement of financial position at fair value with changes in fair value recognised in the income statement. The Group currently has no financial liabilities carried at fair value through profit or loss.
- Financial liabilities carried at amortised cost

TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, calculated using the effective interest rate method.

BORROWINGS

Interest-bearing debt is initially recorded at fair value less transaction costs, and is subsequently measured at amortised cost, calculated using the effective interest rate method.

Borrowing costs are expensed as incurred except where they relate to the financing of construction or development of qualifying assets in which case they are capitalised up to the date when the qualifying asset is ready for its intended use.

DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party, and either
- - the Group has transferred substantially all the risks and rewards of the asset, or
- - the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires, or it is cancelled.

Any gain or loss on derecognition is taken to the profit or loss.

REHABILITATION PROVISION

The net present value of estimated future rehabilitation costs is provided for in the financial statements and capitalised within property, plant and equipment on initial recognition. Rehabilitation will generally occur on or after closure of a mine.

Initial recognition is at the time that the construction or disturbance occurs, and thereafter as and when additional construction or disturbances take place. The estimates are reviewed annually to take into account the effects of inflation and changes in the estimated cost of the rehabilitation works, and are discounted using rates that reflect the time value of money. Annual increases in the provision due to the unwinding of the discount are recognised in the statement of comprehensive income as a finance cost. The present value of additional disturbances and changes in the estimate of the rehabilitation liability are recorded to mining assets against an increase/decrease in the rehabilitation provision.

The rehabilitation asset is amortised over the life of the mine once commercial production commences. Rehabilitation projects undertaken, included in the estimates, are charged to the provision as incurred. Environmental liabilities, other than rehabilitation costs, which relate to liabilities arising from specific events, are expensed when they are known, probable and may be reasonably estimated.

LEASE LIABILITY

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease. The liability is subsequently measured at amortised cost using the effective interest rate method. Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate to achieve a constant rate of interest on the remaining balance of the liability.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is provided below.

Estimates and judgements are continually evaluated. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and in future years if the revision affects both current and future years.

i) Going concern and liquidity

Significant estimates were required in forecasting cash flows used in the assessment of going concern including tin and tantalum prices, the levels of production, operating costs, and capital expenditure requirements. For further details, refer to going concern considerations laid out earlier in Note 2.

ii) Decommissioning and rehabilitation obligations

Estimating the future costs of environmental and rehabilitation obligations is complex and requires management to make estimates and judgements, as most of the obligations will be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions (see Note 18) are further influenced by changing technologies, and by political, environmental, safety, business, and statutory considerations.

The Group's rehabilitation provision is based on the net present value of management's best estimates of future rehabilitation costs. Judgement is required in establishing the disturbance and associated rehabilitation costs at period end, timing of costs, discount rates, and inflation. In forming estimates of the cost of rehabilitation which are risk adjusted, the Group assessed the Environmental Management Plan and reports provided by internal and external experts. Actual costs incurred in future periods could differ materially from the estimates, and changes to environmental laws and regulations, life of mine estimates, inflation rates, and discount rates could affect the carrying amount of the provision.

The carrying amount of the rehabilitation obligations for the Group at 28 February 2023 was £965 578 (2022: £295 151). In determining the amount attributable to the rehabilitation liability, management used a risk-free discount rate of 13% (2022: 10%), an inflation rate of 5.3% (2022: 5%) and an estimated mining period of 13.4 years (2022: 17 years), being the Phase 1 expansion life of mine. The decrease in the mining period is as a result of the increased mining volumes post the Phase 1 Expansion. A 1% increase or decrease in the inflation rate used would result in an increase of £139 637 or a decrease of £123 812 difference in the liability respectively. A 2% increase or decrease in the discount rate used would result in a decrease of £175 466 or increase of £ 322 516 difference in the liability respectively.

iii) Impairment indicator assessment for exploration and evaluation assets

Determining whether an exploration and evaluation asset is impaired requires an assessment of whether there are any indicators of impairment, including specific impairment indicators prescribed in IFRS 6: Exploration for and Evaluation of Mineral Resources. If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. The valuation of intangible exploration assets is dependent upon the discovery of economically recoverable deposits which, in turn, is dependent on future tin prices, future capital expenditures, environmental and regulatory restrictions, and the successful renewal of licences. The directors have concluded that there are no indications of impairment in respect of the carrying value of Namibian intangible assets at 28 February 2023 based on planned future development of the Namibian projects, and current and forecast tin prices. Exploration and evaluation assets are disclosed fully in Note 11.

iv) Impairment assessment for property, plant and equipment

Management have reviewed the Uis Mine for indicators of impairment and have considered, among other factors, the operations to date at the Uis Tin Mine including production from the lithium pilot plant, forecast commodity prices, production profile, inflation rate, post-tax real discount rate and market capitalisation of the Group. The drilling and testing of lithium, decision on lithium production, the initial steps taken prior 28 February 2023 and the construction of pilot plant that was concluded in July 2023. Therefore, production from the lithium pilot plant is included in the impairment review of the mining asset. Management identified the reduction in the tin price as an indicator of impairment. In undertaking the impairment review, management have also reviewed the underlying LoM valuation model for Uis. The LoM valuation model is on a fair value less cost to develop basis and includes assessments of different scenarios associated with capital improvements and expansion opportunities. The impairment testing performed by management did not result in an impairment. The forecasts require estimates regarding forecast tin, tantalum and lithium prices, ore resources, production, operating and capital costs.

Under the base case forecast scenario, management used life of mine of 30 years a forecast tin price of US$26 000, tantalum price of US$150 000, lithium price of US$2 960 for FY 2024, US$1 619 for FY 2025, US$1 429 for FY2026 and US$1 051 from FY 2027 onwards, discount rate of 11.5% post-tax real rate and inflation rate of 4.5%. The forecast indicates sufficient headroom as at 28 February 2023. Life of mine is assumed to be 30 years based on the measured resources and based on assumption that the licences will be renewed.

One of the complex judgements in determining the recoverable amount of mining assets is an estimation of the future tin price. The estimation of future tin price is subject to uncertainty considering the market volatility. Management has therefore compared the forecast tin price with the economic consensus estimates and found that the forecast tin prices are within the range suggested by economic consensus estimates. Furthermore, a sensitivity analysis was performed by lowering the forecast tin prices by 5% which also indicated sufficient headroom as at 28 February 2023.

As an additional test, management performed certain sensitivity calculations. These included lowering plant recovery by 5% raising the discount rate by 2% and and increasing operating costs by 5%. In each of these circumstances, the forecast indicated sufficient headroom as at 28 February 2023.

v) Depreciation

Judgement is applied in making assumptions about the depreciation charge for mining assets when using the unit-of-production method in estimating the ore tonnes held in reserves. The relevant reserves are those included in the current approved LoM plan which relates to the Phase 1 expansion.

Judgement is also applied when assessing the estimated useful life of individual assets and residual values. The assumptions are reviewed at least annually by management and the judgement is based on consideration of the LoM plan, as well as the nature of the assets. The reserve assumptions included in the LoM plan are evaluated by management.

vi) Capitalisation and depreciation of waste stripping

The Group has elected to capitalise the costs of waste stripping activities as these are necessary to allow improved access to the ore and, therefore, will result in future economic benefits.

The costs of drilling, blasting and load and haul of waste material is capitalised until such time that the underlying ore is used in production. These costs are then expensed on a proportional basis. The capitalised costs are included in the mining asset in property, plant and equipment and are expensed back into the statement of comprehensive income as depreciation. Capitalisation of waste stripping requires the Group to make judgements and estimates in determining the amounts to be capitalised. These judgements and estimates include, amongst others, the expected life of mine stripping ratio for each separate open pit, the determination of what defines separate pits, and the expected volumes to be extracted from each component of a pit for which the stripping asset is depreciated.

vii) Determination of ore reserves

The estimation of ore reserves primarily impacts the depreciation charge of evaluated mining assets, which are depreciated based on the quantity of ore reserves. Reserve volumes are also used in calculating whether an impairment charge should be recorded where an impairment indicator exists.

The Group estimates its ore reserves and mineral resources based on information, compiled by appropriately qualified persons, relating to geological and technical data on the size, depth, shape, and grade of the ore body and related to suitable production techniques and recovery rates. The estimate of recoverable reserves is based on factors such as tin, lithium and tantalum prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

There are numerous uncertainties inherent in estimating ore reserves and mineral resources. Consequently, assumptions that are valid at the time of estimation may change significantly if or when new information becomes available.

viii) Valuation of inventories

Judgement is applied in making assumptions about the value of inventories and inventory stockpiles, including tin prices, plant recoveries and processing costs, to determine the extent to which the Group values inventory and inventory stockpiles. The Group uses forecast tin prices to determine the net realisable value of the ROM stockpile and the tin concentrate inventory on hand at year end. Inventory stockpiles are measured using actual mining and processing costs.

ix) Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise, or not to exercise, an extension option. Extension options are only included in the lease term where the Group is reasonably certain that it will extend or will not terminate the lease when the lease expires. For all leases, the most relevant factors include:

- historical lease durations;
- costs incurred in replacing the leased asset;
- possible business disruption due to replacing the leased asset;
- likelihood of extension of the lease – if there are significant penalties to terminate, then it's reasonably certain that the Group will extend.

The lease term is reassessed on an ongoing basis, especially when the option to extend becomes exercisable, or on occurrence of a significant event or a significant change in circumstances which affects this assessment, and that is within the control of the Group.

x) Determining the incremental borrowing rate to measure lease liabilities

The interest rate implicit in leases is not available, therefore the Group uses the relevant incremental borrowing rate (IBR) to measure its lease liabilities. The IBR is estimated to be the interest rate that the Group would pay to borrow:

- over a similar term;
- with similar security;
- the amount necessary to obtain an asset of a similar value to the right of use asset; and
- in a similar economic environment.

The IBR, therefore, is considered to be the best estimate of the incremental rate and requires management's judgement as there are no observable rates available.

xi) Determining the fair value of trade receivables classified at fair value through profit or loss

The consideration receivable in respect of certain sales for which performance obligations have been satisfied at year end and for which the Group has received prepayment under the terms of the offtake agreement, remain subject to pricing adjustments with reference to market prices at the date of finalisation. Under the Group's accounting policies, the fair value of the consideration is determined, and the remaining receivable is adjusted to reflect fair value. Management estimated the forward price based on the LME three month tin price that is expected when the open shipments will be finalised. The forward prices used by management were US$23 866 and US$24 469 depending on the date the shipments were finalised.

As at 28 February 2023 the Group, using forward price of US$24 469 and US$23 866 based on when shipments will be finalised and recognised as a receivable at fair value through profit or loss of £126 125 (2022: £812 594).

3. ADOPTION OF NEW AND REVISED STANDARDS

A number of new and amended standards and interpretations issued by IASB have become effective for the first time for financial periods beginning on (or after) 1 March 2022 and have been applied by the Group in these financial statements. None of these new and amended standards and interpretations had a significant effect on the Group because they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

ACCOUNTING STANDARDS AND INTERPRETATIONS NOT APPLIED

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods and which have not been adopted early.

4. REVENUE

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Revenue from the sale of tin	10 024 487	13 717 620
Revenue from the sale of sand	64 676	34 444
Total revenue from customers	**10 089 163**	**13 752 064**
Revenue – change in fair value of customer contract	(261 689)	(137 019)
Total revenue	**9 827 474**	**13 615 045**

The revenue from the sale of tin and sand is recognised at the point in time at which control transfers. Other revenue relates to the change in the fair value of amounts receivable under the offtake agreement between the date of initial recognition and the period end resulting from forecast market prices at the estimated final pricing date.

Refer to Note 2 for further details.

5. COST OF SALES

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Costs of production	9 334 142	8 057 083
Smelter charges	757 459	748 892
Logistics costs	106 626	126 086
Government royalties	311 191	370 457
	10 509 418	**9 302 518**

6. ADMINISTRATIVE EXPENSES

The profit / (loss) for the year has been arrived at after charging / (crediting):

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Staff costs	3 025 406	1 269 882
Depreciation of property, plant & equipment	366 190	221 948
Professional fees	1 201 984	621 379
Travelling expenses	350 884	96 956
Uis administration expenses	916 238	660 476
Auditor's remuneration	190 000	95 000
Foreign exchange (gains)/losses	696 621	(15 109)
IT costs	285 408	154 748
Other costs	418 621	569 383
	7 451 352	**3 674 663**

Other costs are mainly comprised of corporate overheads necessary to run the South African head office and the costs associated with being listed in London.

7. STAFF COSTS

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Staff costs capitalised under property, plant and equipment	1 044 009	607 622
Staff costs capitalised under intangible assets	413 939	171 793
Staff costs recognised as administrative expenses	2 680 130	1 182 228
Staff costs included in cost of sales	1 796 229	1 317 548
Share-based payment charge capitalised under property, plant and equipment	-	18 892
Share-based payment charge capitalised under intangible assets	-	6 076
Share-based payment charge recognised as administrative expenses	345 276	80 253
Share issue charge	-	7 401
	6 279 583	**3 391 813**

Key management personnel have been identified as the Board of Directors, Frans van Daalen (Chief Strategy Officer of the Group) and Hiten Ooka (Chief Financial Officer of the Group). Details of key management remuneration are shown in Note 26.

The average number of staff during the period was 219 (2022: 165) with an average total cost per employee for the year of £23 102 (2021: £20 510).

Emoluments of £305 270 including £90 081 of share options and shares to be issued (2022: £183 712 including £13 258 of share options and shares to be issued) were paid in respect of the highest-paid director during the year.

8. FINANCE COST

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Interest on lease liability	156 118	42 630
Interest on environmental rehabilitation liability	14 085	12 080
Bank interest	338 812	102 655
Interest on loan notes	-	68 836
Amortisation of warrant charge	-	37 594
Interest paid on prepayments from customer	160 809	52 570
	669 824	316 365

9. TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

Factors affecting tax for the year:	Year ended 28 February 2023 £	Year ended 28 February 2022 £
The tax assessed for the year at the Guernsey corporation tax charge rate of 0%, as explained below:		
(Loss) / profit before taxation	(8 970 048)	389 798
(Loss) / profit before taxation multiplied by the Guernsey corporation tax charge rate of 0%	-	-
Effects of:		
Differences in tax rates (overseas jurisdictions)	(1 791 238)	(525 598)
Tax losses carried forward	1 791 238	525 598
Movement in deferred tax	866 203	(864 199)
Tax for the year	**866 203**	**(864 199)**

Accumulated losses in the subsidiary undertakings for which there is an unrecognised deferred tax asset are £8 100 173 (2022: £4 290 665).

A deferred tax asset of £1 694 362 was not recognised in the Namibian entities. Due to the sizeable assessed losses that have accumulated in these entities, management has decided not to recognise the deferred tax asset in the 2023 financial year as the timing of future taxable profits is not certain at this stage.

10. LOSS PER SHARE FROM CONTINUING OPERATIONS

The calculation of a basic loss per share of 0.60 pence (February 2022: loss per share of 0.08 pence), is calculated using the total loss for the period attributable to the owners of the Company of £7 753 819 (February 2022: £815 645) and the weighted average number of shares in issue during the period of 1 291 331 804 (February 2022: 1 064 247 295).

Due to the loss for the period, the diluted loss per share is the same as the basic loss per share. The number of potentially dilutive ordinary shares, in respect of share options, warrants and shares to be issued as at 28 February 2023 is 77 636 918 (February 2022: 76 261 762). These potentially dilutive ordinary shares may have a dilutive effect on future earnings per share.

11. INTANGIBLE ASSETS

Cost	Exploration and evaluation assets £	Computer software £	Total £
As at 28 February 2021	**5 124 686**	**115 775**	**5 240 461**
Additions for the year - other expenditure	1 577 065	-	1 577 065
Transfer to mining asset	(1 058 602)	-	(1 058 602)
Transfer to mining asset under construction	(678 467)	-	(678 467)
Exchange differences	91 047	4 397	95 444
As at 28 February 2022	**5 055 729**	**120 172**	**5 175 901**
Additions for the year - other expenditure	2 580 267	-	2 580 267
Exchange differences	(431 234)	(7 858)	(439 092)
As at 28 February 2023	**7 204 762**	**112 314**	**7 317 076**

Accumulated Depreciation	Exploration and evaluation assets £	Computer software £	Total £
As at 28 February 2021	**-**	**-**	**-**
Charge for the period	-	28 198	28 198
Exchange differences	-	(79)	(79)
As at 28 February 2022	**-**	**28 119**	**28 119**
Charge for the period	-	10 290	10 290
Exchange differences	-	(926)	(926)
As at 28 February 2023	**-**	**37 483**	**37 483**

Net Book Value	Exploration and evaluation assets £	Computer software £	Total £
As at 28 February 2023	7 204 762	74 831	7 279 593
As at 28 February 2022	5 055 729	92 053	5 147 782
As at 28 February 2021	5 124 686	115 775	5 240 461

The amounts for intangible exploration and evaluation assets represent costs incurred on active exploration projects. Amounts capitalised are assessed for impairment indicators under IFRS 6 at each year end as detailed in the Group's accounting policy.

During the prior year, the Group transferred the costs incurred on the Phase 1 Stage II Definitive Feasibility Study (DFS) from exploration and evaluation assets to mining asset under construction. It was determined that the project had reached the stage of being commercially viable and technically feasible, therefore, the transfer from intangible assets to property, plant and equipment was deemed necessary. Demonstration of commercial viability and technical feasibility coincided with a Board decision and approval to commence development and construction of the project. Furthermore, the Group transferred the purchase price of the Uis mining licence ML134. The pegmatites covered by this mining licence are currently being mined at the Uis Mine. As mining activities are actively taking place and revenue is being generated from the ore that has been mined on this licence area, management concluded that the value of this licence must be moved to property, plant and equipment, in the mining asset category during the prior year.

The directors have concluded that there are no indicators of impairment in respect of the carrying value of the Namibian exploration and evaluation assets at 28 February 2023 based on planned future development of the projects and current and forecast tin, lithium and tantalum prices.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Mining asset under construction	Mining asset	Mining asset - Stripping	Decommissioning asset
Cost					
As at 28 February 2021	**11 862**	**-**	**13 675 153**	**-**	**167 043**
Additions for the year	-	2 600 997	728 150	1 335 861	95 585
Disposals for the year	-	-	-	-	-
Transfer from exploration and evaluation asset	-	678 467	1 058 602	-	-
Foreign exchange differences	450	304 389	147 863	(3 733)	6 076
As at 28 February 2022	**12 312**	**3 583 853**	**15 609 768**	**1 332 128**	**268 704**
Additions for the year	-	7 264 184	984 390	1 531 721	750 363
Disposals for the year	-	-	(309 259)	-	-
Transfer between categories of assets	-	(9 532 184)	9 532 184	-	-
Foreign exchange differences	(1 051)	(74 979)	(2 154 393)	(251 622)	(90 495)
As at 28 February 2023	**11 261**	**1 240 874**	**23 662 690**	**2 612 227**	**928 572**
Accumulated Depreciation					
As at 28 February 2021	**-**	**-**	**723 982**	**-**	**-**
Charge for the year	-	-	1 115 292	489 372	9 461
Foreign exchange differences	-	-	20 501	(1 368)	(26)
As at 28 February 2022	**-**	**-**	**1 859 775**	**488 004**	**9 435**
Charge for the year	-	-	964 857	967 435	15 542
Foreign exchange differences	-	-	(225 323)	(128 759)	(2 205)
As at 28 February 2023	**-**	**-**	**2 599 309**	**1 326 680**	**22 772**
Net Book Value					
As at 28 February 2023	**11 261**	**1 240 874**	**21 063 381**	**1 285 547**	**905 800**
As at 28 February 2022	**12 312**	**3 583 853**	**13 749 993**	**844 124**	**259 269**
As at 28 February 2021	**11 862**	**1 240 873**	**12 951 171**	**-**	**167 043**

In October 2020, the Group embarked on the Uis Phase 1 Stage II Definitive Feasibility Study (DFS) with a view to expand the existing Phase 1 plant to increase its nameplate production from 60 to 105 tonnes of tin concentrate per month. All costs associated with carrying out the study were previously capitalised as exploration and evaluation assets under IFRS 6. During the prior financial year, management performed an assessment and transferred the costs associated with the study from exploration and evaluation assets to mining assets under construction. It was determined that the project had reached the stage of being commercially viable and technically feasible, therefore, the transfer was deemed necessary. The capitalised costs of the study as well as the construction costs of the expansion were accumulated in the mining asset under construction. The Uis Phase 1 Expansion was commissioned in November 2022 and the total costs of the study and the construction were transferred to the mining asset at this date.

Additions to the mining asset include capitalised costs and equipment purchased as part of the Uis Phase 1 Continuous Improvement project.

Right-of-use Asset	Computer Equipment	Furniture	Vehicles	Mobile equipment (crane)	Buildings	Total
506 671	**135 058**	**102 665**	**75 473**	**-**	**-**	**14 673 925**
129 982	73 337	72 991	-	176 273	-	5 213 176
-	(15 891)	-	(12 523)	-	-	(28 414)
-	-	-	-	-	-	1 737 069
18 877	4 968	3 674	2 901	(493)	-	484 972
655 530	**197 472**	**179 330**	**65 851**	**175 780**	**-**	**22 080 728**
1 121 536	112 496	99 371	294 699	303 356	284 733	12 746 849
(61 435)	-	-	-	-	-	(370 694)
-	-	-	-	-	-	-
(156 934)	(26 928)	(24 209)	(32 154)	(42 317)	(25 635)	(2 880 714)
1 558 697	**283 040**	**254 492**	**328 396**	**436 819**	**259 098**	**31 576 169**
161 274	**74 433**	**35 507**	**44 028**	**-**	**-**	**1 039 224**
165 689	40 445	28 329	9 204	3 231	-	1 861 023
5 661	2 727	1 255	1 646	(7)	-	30 389
332 624	**117 605**	**65 091**	**54 878**	**3 224**	**-**	**2 930 636**
254 667	50 928	43 556	35 297	35 930	9 137	2 377 349
(62 451)	(14 656)	(9 447)	(7 862)	(3 511)	(823)	(455 037)
524 840	**153 877**	**99 200**	**82 313**	**35 643**	**8 314**	**4 852 948**
1 033 857	**129 163**	**155 292**	**246 083**	**401 176**	**250 7834**	**26 723 218**
322 906	**79 867**	**114 239**	**10 973**	**172 556**	**-**	**19 150 092**
345 397	**60 625**	**67 158**	**31 445**	**-**	**-**	**13 634 701**

Additions to the mining asset under construction include capitalised costs and equipment purchased as part of the construction of the Bulk Sample Processing Facility. This includes a Lithium pilot plant, a Tantalum pilot plant and an ore sorting plant.

The Group has elected to capitalise the costs of waste stripping activities as these are necessary to allow improved access to the ore and, therefore, will result in future economic benefits. The costs of drilling, blasting and load and haul of waste material is capitalised until such time that the underlying ore is used in production.

Please refer to Note 19 for further information on the right-of-use asset.

The total depreciation charge for the current financial year was split between administrative expenses and cost of sales. £336 190 (2022: £221 948) was included in administrative expenses, while the balance of £2 071 856 (2022: £1 639 075) was included in cost of sales as it was a cost that was incurred for mining and processing purposes.

13. INVENTORIES

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Tin concentrate on hand	1 364 286	909 180
Run-of-mine stockpile	589 725	155 389
Consumables	713 182	387 364
	2 667 193	**1 451 933**

14. TRADE AND OTHER RECEIVABLES

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Trade receivables	27 678	96 173
Trade receivables at fair value through profit or loss	126 125	812 594
Other receivables	1 369 867	1 875 561
VAT receivables	1 069 100	1 169 054
	2 592 770	**3 953 382**

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value due to their short-term nature. No allowance for any expected credit losses against any of the trade receivables is provided due to a history without default or non-payment from any of the Group's customers.

Trade receivables at fair value through profit or loss relates to the change in the fair value of trade receivables under the offtake agreement between the date of initial recognition and the period end resulting from forecast market prices at the estimated final pricing date.

Other receivables primarily consist of prepayments that the Group has made and deposits that have been paid on items of equipment that are necessary for the Phase 1 Stage II expansion.

The total trade and other receivables denominated in South African Rand amount to £164 427 (2022: £61 316), denominated in Namibian Dollars amount to £2 221 827 (2022: £2 851 028) and denominated in US Dollars amount to £126 125 (2022: £812 594).

15. CASH AND CASH EQUIVALENTS

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Cash on hand and in bank	**8 205 705**	**7 365 379**

Cash and cash equivalents (which are presented as a single class of assets on the face of the Statement of Financial Position) comprise cash at bank. The Directors consider that the carrying amount of cash and cash equivalents approximates their fair value. The total cash and cash equivalents denominated in South African Rand amount to £110 625 (2022: £80 463), the total cash and cash equivalents denominated in Namibian Dollars amount to £2 526 962 (2022: £1 279 798) and the total cash and cash equivalents denominated in US Dollars amount to £3 808 714 (2022: £3 450 626).

16. BORROWINGS

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Standard Bank term loan facility	4 083 503	4 523 414
Standard Bank VAT facility	336 357	367 739
Standard Bank working capital facility	1 298 805	228 988
Standard Bank vehicle asset financing facility	484 373	-
	6 203 038	5 120 141

On 18 November 2021, a term loan facility of N$90 000 000 (c. £4 050 000), a VAT facility of N$8 000 000 (c. £360 000) and a working capital facility of N$35 000 000 (c. £1 575 000) was entered into between the Group's subsidiary, Uis Tin Mining Company (Pty) Ltd and Standard Bank Namibia. During the current year, a vehicle asset financing facility to the value of N$15 000 000 (c. £675 000) was provided.

The maturity date of the term loan facility is November 2026 and the capital balance of the loan together with accrued interest will be repaid in quarterly instalments over the next five years. Interest is charged on the outstanding capital balance of the loan at a rate of three month JIBAR plus a margin of 4.5%. The Company has offered security in the form of lien over all movable assets, inter-Company guarantees over all book debts, cession of insurance policies, the offtake agreement and all shareholder loans.

The Group is required to meet the following covenants as part of the term loan facility agreement:

- EBITDA ÷ total interest must not be lower than 4.5 times
- Total debt ÷ EBITDA must not exceed 4 times in year 1, 3.5 times in year 2 and 3 times thereafter
- Free cash flow before Debt Service Cover ÷ Principal and Interest Senior Debt Service Payments must not be lower than 1.3 times
- Free cash flow before Debt Service Cover + Total Cash Collateral ÷ Principal and Interest Senior Debt Service Payments must not be lower than 2 times

The Group received a covenant waiver from Standard Bank for the year ended 28 February 2023. The next measurement date will be 28 February 2024.

The VAT facility is secured by assessed/audited VAT returns (refunds) which have not been paid by Namibia Inland Revenue. Standard Bank Namibia provides a facility amounting to the unpaid refunds. Any drawdowns against this facility are repaid to the bank upon receipt of cash from Namibia Inland Revenue.

The VAT facility and the working capital facility have no fixed maturity date, but are both renewed on an annual basis. Interest accrues on these facilities at the Namibian prime rate less 1%.

Standard Bank Namibia have provided a N$5 956 100 (c. £268 000) guarantee to the Namibia Power Corporation Pty Limited in relation to a deposit for the supply of electrical power. As a result of the guarantee provided by Standard Bank, no cash was paid over for the deposit.

The following is the split between the current and the non-current portion of the liability:

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Non-current liability	3 287 121	4 095 405
Current liability	2 915 917	1 024 736
	6 203 038	5 120 141

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN BORROWINGS

Balance as at 28 February 2021	**3 869 489**
Incoming cash flows	
Proceeds from term loan	4 428 000
Proceeds from VAT facility	367 739
Proceeds from working capital facility	228 988
Outgoing cash flows	
Repayment of loan note instrument and interest	(2 196 836)
Repayment of working capital facility	(1 607 592)
Interest paid on working capital facility	(102 655)
Non-cash flows	
Interest accrued on term loan (capitalised to mining asset under construction)	95 414
Amortisation of warrant charge	37 594
Balance as at 28 February 2022	**5 120 141**
Incoming cash flows	
Proceeds from vehicle asset financing facility	532 296
Proceeds from working capital facility	1 197 158
Outgoing cash flows	
Repayment of capital balance of term loan	(89 014)
Interest paid on term loan	(95 903)
Non-cash flows	
Interest accrued on term loan (capitalised to mining asset)	125 832
Foreign exchange differences	(587 472)
Balance as at 28 February 2023	**6 203 038**

17. TRADE AND OTHER PAYABLES

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Trade payables	1 624 816	2 293 471
Other payables	202 127	341 276
Accruals	1 828 183	335 086
	3 655 126	**2 969 833**

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days.

The Group has financial risk management policies in place to ensure that payables are paid within the pre-arranged credit terms. No interest has been charged by any suppliers as a result of late payment of invoices during the year.

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

The total trade and other payables denominated in South African Rand amount to £1 147 054 (2022: £124 904) and £2 154 031 (2022: £2 692 924) is denominated in Namibian Dollars.

18. ENVIRONMENTAL REHABILITATION LIABILITY

	£
Balance as at 28 February 2021	**180 917**
Increase in provision	95 585
Interest expense	12 080
Foreign exchange differences	6 569
Balance as at 28 February 2022	**295 151**
Increase in provision	750 363
Interest expense	14 085
Foreign exchange differences	(94 021)
Balance as at 28 February 2023	**965 578**

Provision for future environmental rehabilitation and decommissioning costs are made on a progressive basis. Estimates are based on costs that are regularly reviewed and adjusted appropriately for new circumstances. The environmental rehabilitation liability is based on disturbances and the required rehabilitation as at 28 February 2023.

The rehabilitation provision represents the present value of decommissioning costs relating to the dismantling and sale of mechanical equipment and steel structures related to the Phase 1 pilot plant, the demolishing of civil platforms, and reshaping of earthworks. A provision for this requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance, and the timing, extent and costs of the required closure and rehabilitation activities. In calculating the appropriate provision, cost estimates of the future potential cash outflows based on current studies of the expected rehabilitation activities and timing thereof are prepared. These forecasts are then discounted to their present value using a risk-free rate specific to the liability. In determining the amount attributable to the rehabilitation liability, management used a discount rate of 13% (2022: 10%), an inflation rate of 5.3% (2022: 5%), and an estimated mining period of 13.4 years (2022: 17 years). Actual rehabilitation and decommissioning costs will ultimately depend upon future market prices for the necessary rehabilitation works and timing of when the mine ceases operation.

19. LEASE LIABILITY

The Group assessed all existing and new rental agreements and concluded that the following rentals fall within the scope of IFRS 16: Leases and therefore a lease liability has been raised:

	Lease term	Option to extend/terminate	Incremental borrowing rate
Office building	5 years	Option to extend not specified in contract. Term of lease determined to be 5 years.	13.75%
Workshop facility	2 years	Option to extend not specified in contract. Term of lease determined to be 2 years.	9.75%
Residential housing	5 years	The lease will continue automatically after the initial period for an open-ended period. Either party must provide written notice if they wish to terminate. Lease term determined to be 5 years.	11.75%
Mobile Units	2 years	The lessee is granted the option to purchase the units after the lease period of 2 years.	7.5%
Vehicles	5 years	The lessee will own the vehicles after the after the lease period of 5 years.	11.25%

	Office Building	Workshop	Housing	Mobile units	Vehicles	Total
	£	£	£	£	£	£
Balance at 28 February 2021	**173 142**	**82 674**	**130 261**	**-**	**-**	**386 077**
Additions	61 293	-	-	68 689	-	129 982
Interest expense	25 103	4 259	9 857	3 411	-	42 630
Lease payments	(95 317)	(54 641)	(36 811)	(26 892)	-	(213 661)
Foreign exchange differences	6 600	3 280	5 021	(126)	-	14 775
Balance at 28 February 2022	**170 821**	**35 572**	**108 328**	**45 082**	**-**	**359 803**
Additions	534 606	43 507	153 388	-	208 892	940 393
Disposals	(22 035)	-	-	-	-	(22 035)
Interest expense	55 378	15 612	62 198	1 906	21 024	156 118
Lease payments	(159 096)	(59 332)	(51 685)	(37 147)	(56 699)	(363 959)
Foreign exchange differences	(51 391)	(3 018)	(24 004)	(676)	(15 593)	(94 682)
Balance at 28 February 2023	**528 283**	**32 341**	**248 225**	**9 165**	**157 624**	**975 638**

The following is the split between the current and the non-current portion of the liability:

	Year ended 28 February 2023	Year ended 28 February 2022
	£	£
Non-current liability	707 355	167 215
Current liability	268 283	192 588
	975 638	**359 803**

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN LEASES

Balance as at 28 February 2021	**386 077**
Outgoing cash flows	
Lease payments	(213 661)
Non-cash flows	
Additions	129 982
Interest expense	42 630
Foreign exchange differences	14 775
Balance as at 28 February 2022	**359 803**
Outgoing cash flows	
Lease payments	(363 959)
Non-cash flows	
Additions	940 393
Disposals	(22 035)
Interest expense	156 118
Foreign exchange differences	(94 682)
Balance as at 28 February 2023	**975 638**

20. SHARE CAPITAL

	Number of ordinary shares of no par value issued and fully paid	Share Capital £
Balance at 28 February 2021	**874 690 012**	**25 608 001**
Warrants exercised - 22 April 2021	1 686 666	63 150
Capital raise - 12 May 2021	216 666 667	13 000 000
Share issue costs	-	(823 447)
Convertible loan note settled - 25 May 2021	18 963 699	430 055
Shares issued to suppliers - 25 May	327 868	29 672
Shares issued to suppliers - 15 December	798 001	39 102
Exercising of employee share options - 14 January	2 185 087	72 059
Exercising of employee share options - 27 January	1 250 000	56 250
Exercising of employee share options - 22 February	5 273 684	180 236
Balance as at 28 February 2022	**1 121 841 684**	**38 655 078**
Capital raise - 16 September 2022	222 701 660	11 135 083
Capital raise - 10 October 2022	173 320 000	8 666 000
Share issue costs	-	(1 962 253)
Warrants exercised - 25 January 2023	20 000 000	390 000
Balance at 28 February 2023	**1 537 863 344**	**56 883 908**

Authorised: 1 616 508 573 ordinary shares of no par value
Allotted, issued and fully paid: 1 537 863 344 ordinary shares of no par value

On 16 September 2022, the Group completed an equity fundraising by way of a placing and direct subscription of 222 701 660 ordinary shares of no par value in the Group at a price of 5 pence per share. A further 173 320 000 660 ordinary shares of no par value in the Group at a price of 5 pence per share were issued on 10 October 2022 as part of the same capital raise.

On 25 January 2023, warrant holders exercised 20 000 000 warrants at an exercise price of 1.95.

21. WARRANTS

The warrants in issue during the year are as follows:

Outstanding at 28 February 2021	**24 300 000**
Exercisable at 28 February 2021	**24 300 000**
Granted during the year	-
Expired during the year	-
Exercised during the year	(1 686 666)
Outstanding at 28 February 2022	**22 613 334**
Exercisable at 28 February 2022	**22 613 334**
Granted during the year	-
Expired during the year	-
Exercised during the year	(20 000 000)
Outstanding at 28 February 2023	**2 613 334**
Exercisable at 28 February 2023	**2 613 334**

On 22 January 2023, 2 613 334 warrants at an exercise price of 4.5 pence were extended for an additional six months.

On 25 January 2023, notice was received from warrant holders to exercise 20 000 000 warrants at an exercise price of 1.95 pence. The charges previously raised on these warrants was reversed, resulting in a movement in the warrant reserve.

In the year ended 28 February 2023, there was a charge of £16 700 accounted for due to the extension of the period of the warrants in issue (February 2022: nil).

Please refer to the statement of changes in equity for the reconciliation of the warrant reserve.

22. SHARE-BASED PAYMENT RESERVE

DIRECTOR SHARE OPTIONS

The following director share options were granted during the year ended 28 February 2023:

Date of grant	8 April 2022	8 April 2022	8 April 2022
Number granted	7 800 000	3 900 000	3 900 000
Vesting period	1 year	2 years	3 years
Contractual life	3 years	3 years	3 years
Estimated fair value per option (pence)	2.0830	2.8490	3.4090

The estimated fair values were calculated by applying the Black Scholes pricing model. The model inputs were:

Date of grant	8 April 2022	8 April 2022	8 April 2022
Share price at grant date (pence)	9.35	9.35	9.35
Exercise price (pence)	9.80	10.30	10.80
Expiry date	8 April 2025	8 April 2025	8 April 2025
Expected volatility	60%	60%	60%
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	1.24%	1.24%	1.24%

The director share options in issue during the year are as follows:

Outstanding at 28 February 2021	**27 100 000**
Exercisable at 28 February 2021	**8 389 999**
Granted during the year	-
Forfeited during the year	-
Exercised during the year	(1 250 000)
Expired during the year	-
Outstanding at 28 February 2022	**25 850 000**
Exercisable at 28 February 2022	**23 850 000**
Granted during the year	15 600 000
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at 28 February 2023	**41 450 000**
Exercisable at 28 February 2023	**23 850 000**

The director share options outstanding at year end have an average exercise price of £0.067 (2022: £0.045), with a weighted average remaining contractual life of 1.29 years (2022: 1.79 years).

A director must remain as a director of the Group for the share options to vest. In the event that a director ceases to be a director during the vesting period, the Board reserves the right to determine whether the share options will be terminated or not. There are no market-based vesting conditions on the share options.

EMPLOYEE SHARE OPTIONS

The following employee share options were granted during the year ended 28 February 2023:

Date of grant	8 April 2022	8 April 2022	8 April 2022
Number granted	2 400 000	1 200 000	1 200 000
Vesting period	1 year	2 years	3 years
Contractual life	3 years	3 years	3 years
Estimated fair value per option (pence)	2.0830	2.8490	3.4090

The estimated fair values were calculated by applying the Black Scholes pricing model. The model inputs were:

Date of grant	8 April 2022	8 April 2022	8 April 2022
Share price at grant date (pence)	9.35	9.35	9.35
Exercise price (pence)	9.80	10.30	10.80
Expiry date	8 April 2025	8 April 2025	8 April 2025
Expected volatility	60%	60%	60%
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	1.24%	1.24%	1.24%

The employee share options in issue during the year are as follows:

Outstanding at 28 February 2021	**34 830 000**
Exercisable at 28 February 2021	**26 610 001**
Granted during the year	-
Forfeited during the year	-
Exercised during the year	(7 458 771)
Expired during the year	-
Outstanding at 28 February 2022	**27 371 229**
Exercisable at 28 February 2022	**27 371 229**
Granted during the year	4 800 000
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at 28 February 2023	**32 171 229**
Exercisable at 28 February 2023	**27 371 229**

The employee share options outstanding at the year end have an average exercise price of £0.044 (2022: £0.034), with a weighted average remaining contractual life of 1.13 years (2021: 1.96 years).

An employee must remain in employment with the Group for the share options to vest. There are no market-based vesting conditions on the share options.

23. NON-CONTROLLING INTERESTS

Non-controlling interest that is material in the Group relates to the Small Miners of Uis ("SMU") who own 15% of UTMC. SMU is a non-profit association incorporated in Namibia. The entity was set up by the Ministry of Mines and Energy to act on behalf of small-scale miners across Namibia.

Other includes the following minority interests which are not material:

- Cannosia Trading 62 CC which own 16% of Renetype
- African Women Enterprise Investments (Pty) Ltd which own 10% of Renetype
- Lerama Resources (Pty) Ltd which own 50% of Jaxson
- Tamiforce (Pty) Ltd which own 26% of Zaaiplaats

No dividends have been paid to any of the minority interests listed above.

As at 28 February 2023	**UTMC**	**Other**	**Total**
Amount attributable to all shareholders:			
Loss after tax	(2 321 500)	(6 147)	(2 327 647)
Non-current assets	10 508 167	11 262	10 519 429
Current assets	5 116 388	-	5 116 388
Total assets	**15 624 555**	**11 262**	**15 635 817**
Non-current liabilities	7 956 192	-	7 956 192
Current liabilities	8 839 733	58 417	8 898 150
Total liabilities	**16 795 925**	**58 417**	**16 854 342**
Net assets / (liabilities)	**(1 171 370)**	**(47 155)**	**(1 218 525)**
Amount attributable to non-controlling interest:			
Profit / (loss) after tax	(348 224)	(1 801)	(350 025)
Net assets / (liabilities)	(173 406)	(13 557)	(186 963)

As at 28 February 2022	**UTMC**	**Other**	**Total**
Amount attributable to all shareholders:			
Profit / (loss) after tax	2 281 762	(3 926)	2 277 836
Non-current assets	7 085 066	12 313	7 097 379
Current assets	8 862 468	-	8 862 468
Total assets	**15 947 534**	**12 313**	**15 959 847**
Non-current liabilities	12 843 653	44 967	12 888 620
Current liabilities	1 788 861	12 786	1 801 647
Total liabilities	**14 632 514**	**57 753**	**14 690 267**
Net assets / (liabilities)	**1 315 020**	**(45 440)**	**1 269 580**
Amount attributable to non-controlling interest:			
Profit / (loss) after tax	342 264	(1 021)	341 243
Net assets / (liabilities)	196 230	(13 030)	183 200

24. FINANCIAL INSTRUMENTS

The Group is exposed to the risks that arise from its use of financial instruments. This note describes the objectives, policies and processes of the Group for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising returns to shareholders. In order to maintain or adjust the capital structure, the Group may issue new shares or arrange debt financing.

The capital structure of the Group consists of cash and cash equivalents and equity, comprising issued capital, borrowings and retained losses.

The Group is not subject to any externally imposed capital requirements.

SIGNIFICANT ACCOUNTING POLICIES

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the bases for recognition of income and expenses for each class of financial asset, financial liability, and equity instrument, are disclosed in Note 2.

PRINCIPAL FINANCIAL INSTRUMENTS

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Borrowings
- Lease liability

CATEGORIES OF FINANCIAL INSTRUMENTS

The Group holds the following financial assets:

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Measured at amortised cost:		
Trade and other receivables	1 397 545	7 365 379
Cash and cash equivalents	8 205 705	7 365 379
Measured at fair value through profit or loss:		
Trade and other receivables	126 125	812 594
Total financial assets	**9 729 375**	**10 149 707**

Under its customer sale arrangement, the Group receives a provisional payment upon satisfaction of its performance obligations based on the spot price at that date. This occurs prior to the final price determination, with the Group then subsequently receiving or paying the difference between the final price and quantity and the provisional payment. As a result of the pricing structure, the instrument is classified at fair value through profit or loss and measured at fair value with resulting changes in fair value recorded as other revenue.

Trade receivables at fair value through profit or loss fail the criteria for being measured at amortised cost owing to the variability resulting from final pricing adjustments. Financial instruments measured at fair value are presented by level within which the fair value measurement is categorised. The levels of fair value measurement are determined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's contract receivable at 28 February 2023 is recorded at fair value through profit or loss and fair valued based on the estimated forward prices that will apply under the terms of the sales contracts on the product reaching the port of destination. The trade receivables fair value reflects amounts receivable from the customer adjusted for forward prices expected to be realised.

The forward price is based on the expected LME three month tin price on the date of finalisation. Given the short period to final pricing, the time value of money is not considered to be significant.

Fair value of this trade receivable at fair value through profit or loss is categorised at Level 1. During the year there were no transfers between levels of fair value hierarchy.

The Group holds the following financial liabilities:

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Measured at amortised cost:		
Trade and other payables	3 655 126	2 969 833
Borrowings	6 203 038	5 120 141
Lease liability	975 638	359 803
Total financial liabilities	**10 833 802**	**8 449 777**

Maturity analysis of the contractual undiscounted cash flows:

	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Total
Trade and other payables	3 655 126	-	-	-	3 655 126
Borrowings	560 908	2 355 009	1 226 338	2 060 783	6 203 038
Lease Liability	75 616	192 668	205 633	501 721	975 638
	4 291 650	**2 547 677**	**1 431 971**	**2 562 504**	**10 833 802**

GENERAL OBJECTIVES, POLICIES AND PROCESSES

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Board receives reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

The Group's principal financial assets are bank balances and trade and other receivables.

Credit risk arises principally from the Group's cash and trade and other receivables balances. Credit risk is the risk that the counterparty fails to repay its obligation to the Group in respect of amounts owed. The Group gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk.

The concentration of the Group's credit risk is considered by counterparty, geography and currency. The Group has split its cash reserves across multiple banks in an effort to mitigate credit risk. The Pound Sterling and US Dollar accounts are held with a bank in Mauritius which has a rating of Baa3 (Moody's), the Rand account is held with a bank in South Africa which has a rating of Ba2 (Moody's) and the Namibian Dollar account is held with a bank in Namibia with a rating of Ba2 (Moody's). The banks chosen remain stable and do not present any further risks.

The concentration of credit risk was as follows:

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Currency		
UK Pound Sterling	1 759 404	2 554 492
US Dollar	3 808 714	3 450 626
South African Rand	110 625	80 463
Namibian Dollars	2 526 962	1 279 798
	8 205 705	**7 365 379**

Credit risk relating to trade and other receivables has also been considered. Credit verification procedures are undertaken for all customers with whom we trade on credit. This includes an assessment of the credit quality of the customer, taking into account its financial position, past experience and other factors. The trade account receivables comprise a limited customer base. Ongoing credit evaluation of the financial position of customers is performed and compliance with credit limits by customers is regularly monitored by management. Please refer to Note 14 for the concentration of credit risk relating to trade receivables.

At 28 February 2023, the Group held no collateral as security against any financial asset. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. The Group applies IFRS 9 to measure expected credit losses for receivables and these are regularly monitored and assessed. No expected credit losses have been recognised on financial assets during the year. Management considers the above measures to be sufficient to control the credit risk exposure.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board manages liquidity risk by regularly reviewing the Group's gearing levels, cash flow projections and associated headroom and ensuring that excess banking facilities are available for future use.

The Group maintains good relationships with its banks and its cash requirements are anticipated via the budgetary process. At 28 February 2023, the Group had £8 205 705 (2021: £7 365 379) of cash reserves.

Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates.

Interest rate risk

The Group has interest bearing assets in the form of cash and cash equivalents. The Group does not earn significant interest on cash balances.

The Group has interest bearing liabilities in the form of bank loans and facilities. These liabilities are exposed to variable interest rates. The following table details the Group's sensitivity to a 1% increase and a 1 % decrease in the interest rate.

	Value £	Cash flow impact of a 1% increase in interest rate £	Cash flow impact of a 1% decrease in interest rate £
Borrowings	6 203 038	(62 030)	62 030

Foreign exchange risk

The Group has foreign currency denominated assets and liabilities, and is therefore exposed to exchange rate fluctuations. The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities, all in Pound Sterling, are shown below.

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Cash and cash equivalents	6 446 301	4 810 887
Trade and other receivables	1 443 280	2 555 885
Trade and other payables	(3 301 085)	(2 550 860)
Borrowings	(6 203 038)	(5 120 141)
	(1 614 542)	**304 229**

The Group operates on an international basis; therefore, foreign exchange risk exposures arise from transactions denominated in foreign currencies. The Group is exposed to foreign currency risk on fluctuations related to financial instruments that are denominated in UK Pound Sterling, US Dollars, South African Rand and Namibian Dollars.

The Group does not enter into any derivative financial instruments to manage its exposure to foreign currency risk. The following table details the Group's sensitivity to a 10% increase and decrease in the Pound Sterling against the Rand and the Namibian Dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at year end for a 10% change in foreign currency rates.

	Rand denominated monetary items £	Rand currency impact Strengthening £	Rand currency impact Weakening £
Assets	137 109	150 820	123 398
Liabilities	(1 147 054)	(1 261 760)	(1 032 349)
	(1 009 945)	**(1 110 940)**	**(908 951)**

	Namibian Dollar denominated monetary items £	Namibian Dollar currency impact Strengthening £	Namibian Dollar currency impact Weakening £
Assets	3 943 758	4 338 133	3 549 382
Liabilities	(8 357 069)	(9 192 776)	(7 521 362)
	(4 413 311)	**(4 854 643)**	**(3 971 980)**

25. EVENTS AFTER BALANCE SHEET DATE

KEY MANAGEMENT CHANGE

Frans Van Daalen was appointed as Chief Strategy Officer to drive business development strategy, with a focus on accelerating the lithium project. Chris Smith was appointed as the Chief Operations Officer.

BOARD APPOINTMENTS

Hiten Ooka, the Chief Financial Officer, was appointed as an Executive Director and Gida Nakazibwe Sekandi has been appointed as a Non-Executive Director.

ISSUE OF SHARE OPTIONS

On 11 May 2023, the Group granted options over 41 217 116 ordinary shares to certain Directors, senior managers, and employees of the Group, in line with its LTIP. The options are exercisable at a price of 6p per ordinary share. For the employees and senior managers, the options can be exercised at any time from 1 May 2026, for a period of seven years and for the Directors, the options can be exercised at any time from 1 May 2028, for a period of seven years. In each case, the options will vest in three tranches and each tranche can only be exercised if the 60-day Volume Weight Average Price of the Andrada share price exceeds the target share price for that tranche. The target share price for the three tranches are 7p, 8p and 9p respectively. The options expire in 2033 and are conditional on the continued employment of the relevant recipient as an employee of the Group at the time of exercise.

LISTING ON THE OTCQB MARKET

On 5 June 2023, the Group has qualified to trade on the OTCQB Market (an American financial market) and trading in the Group's ordinary shares has commence trading on this. The trading of the Group's ordinary shares on AIM, a market of the London Stock Exchange, and on the Namibian Stock Exchange, remain unaffected by this additional listing.

DEVELOPMENT BANK OF NAMIBIA FACILITY

On 2 June 2023, the Group executed the contractual documentation for the N$100m (c. US$5.8m) senior secured debt facility with the Development Bank of Namibia. The facility is for a 10-year term; for the first 12 months after execution, no interest or capital repayments are required; and interest accrues at Namibian prime lending rate (currently 11%) plus 2.5% per annum. Completion of the Facility remains subject to a series of final conditions including the execution of an inter-creditor agreement between the DBN and Standard Bank and finalisation of the associated security package.

COMPLETION OF CONSTRUCTION OF PILOT PLANTS

On 18 July 2023, the Group completed the construction of both the lithium bulk sampling plant and the tantalum production circuit. The Group has begun the commissioning of these plants.

ISSUE OF CONVERTIBLE LOAN NOTES

On 21 July 2023, the Group raised £7.7m through the issue of 77 unsecured, convertible loan notes of £100 000 each to new and existing investors. The Group has also issued the holders of the loan notes two warrants for every £1 of loan note held. Each warrant enables the holder to subscribe for one ordinary share in the Company.

ORION FACILITY

On 14 August 2023, Andrada signed binding documentation for an updated, conditional US$25m financing package with Orion. The details of the Orion financing are detailed below:

- US$2.5m (c. £2.0m) equity at 6.39p and, US$10m (c. £7.9m) convertible loan note ("the Note") being for the general purposes of accelerating Andrada's overall strategy of achieving commercial production of its lithium, tin, and tantalum revenue streams.
- US$12.5m unsecured tin royalty for the sole purpose of increasing Andrada's tin production as it ramps up its capital programmes over the next two years.
- The Company will issue Orion with warrants equivalent to double the GBP value of the US$10m Note based on the USD/GBP rate at market close on the Orion Issuance Date. Each warrant will enable Orion to subscribe for one ordinary share in Andrada.
- The financing is subject to the fulfilment of the following outstanding conditions precedent:
    - shareholder approval at the upcoming Annual General Meeting;
    - the Company's lender banks' consent;
    - exchange control approval to remit funds into Namibia; and
    - Admission of the Subscription Shares (as defined below) to trading on AIM.

Funding expected to be completed around the end of September 2023.

26. RELATED-PARTY TRANSACTIONS

Balances and transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The remuneration of the key management personnel of the Group, which includes the Directors, as well as Frans van Daalen and Hiten Ooka, is set out below.

28 February 2023	Share Option Charge £	Shares to be Issued in Relation to Director Fees/ Salary £	Director Fees/Salary (incl. bonus payment and accrual) £	Other Fees £	Total £
Non-Executive Directors					
Glen Parsons (Chairman)	36 032	-	55 000	-	91 032
Terence Goodlace	36 032	-	44 778	-	80 810
Laurence Robb	36 032	18 000	17 000	24 000	95 032
Michael Rawlinson	36 032	21 000	24 000		81 032
Executive Director					
Anthony Viljoen (Chief Executive Officer)	90 081	-	360 780	-	450 861
Other key management personnel					
Hiten Ooka (Chief Financial Officer – appointed June 2022)	72 065	-	198 042	-	270 107
Frans van Daalen (Chief Strategy Officer)	72 065	-	265 894	-	337 959
	378 339	**39 000**	**965 494**	**24 000**	**1 406 833**

28 February 2022	Share Option Charge £	Shares to be Issued in Relation to Director Fees/ Salary £	Director Fees/Salary (incl. bonus payment) £	Other Fees £	Total £
Non-Executive Directors					
Glen Parsons (Chairman)	5 524	-	59 167	-	64 691
Terence Goodlace	5 524	-	56 308	-	61 832
Laurence Robb	5 524	18 000	17 000	8 000	48 524
Michael Rawlinson	-	3 500	4 000	49 102	56 602
Executive Director					
Anthony Viljoen (Chief Executive Officer)	13 258	-	170 454	-	183 712
Other key management personnel					
Robert Sewell (previous Chief Financial Officer	8 838	-	110 326	-	119 164
Frans van Daalen (Chief Strategy Officer)	8 838	-	140 390	-	149 228
	47 506	**21 500**	**557 645**	**57 102**	**683 753**

27. CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	Year ended 28 February 2023 £	Year ended 28 February 2022 £
Exploration and evaluation projects	1 246 195	1 021 297
Property, plant and equipment	954 192	1 695 932
	2 200 387	**2 717 229**

28. RESERVES WITHIN EQUITY

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

CONVERTIBLE LOAN NOTE RESERVE

The convertible loan note reserve represents proceeds on issue of convertible loan notes relating to equity component plus accrued interest on the convertible loan notes. These notes were settled in full during the prior financial year.

WARRANT RESERVE

The warrant reserve represents the cumulative charge to date in respect of unexercised share warrants at the balance sheet date.

SHARE-BASED PAYMENT RESERVE

The share-based payment reserve represents the cumulative charge to date in respect of unexercised share options at the balance sheet date as well as fees/salaries owed to directors/ employees to be settled through the issuing of shares.

FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of entities with a functional currency other than Pound Sterling.

RETAINED EARNINGS/ACCUMULATED DEFICIT

The retained earnings/accumulated deficit represents the cumulative profit and loss net of distribution to owners.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING ANDRADA MINING LIMITED

(Incorporated in Guernsey under registered number 63974)

REGISTERED OFFICE:

PO Box 282, Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH

23 August 2023

THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial advisor who specialises in advising on shares or other securities and who is, in the case of UK shareholders, authorised under the Financial Services and Market Act 2000.

If you have sold or transferred your shares in Andrada Mining Limited, please forward this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred part of your registered holding of shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

Notice of an Annual General Meeting of Andrada Mining Limited to be held at 11:00 am on 29 September 2023 at PO Box 282, Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH. Members of the Company are requested to return the enclosed Form of Proxy which, to be valid, must be completed and returned in accordance with the instructions printed thereon so as to be received as soon as possible by the Company's Registrars, Link Group, PXS, Central Square, 29 Wellington Street, Leeds, LS1 4DL, but in any event so as to be received by the Company Secretary at the registered office in accordance with the provisions of the Company's Articles of Incorporation not less than 48 hours (excluding any non-business days) before the time appointed for the Annual General Meeting. Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person at the Annual General Meeting should they so wish.

Unless otherwise indicated on the Form of Proxy, [CREST] or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.

PROXY

To register your vote electronically, log on to our registrar's web site at www.signalshares.com and follow the instructions on screen. To be valid your proxy must be registered not later than 48 hours (excluding non-working days) before the time fixed for the Meeting. Do not show these details to anyone unless you wish them to give proxy instructions on your behalf.

[CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrars (ID: RA10) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings (www.euroclear.com).

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).]

NOTICE OF MEETING

A Form of Proxy for use by shareholders is enclosed. To register a vote electronically, log on to the Registrar's web site at www.signalshares.com and follow the instructions on screen.

ORDINARY RESOLUTIONS

1. To receive and adopt the Annual Financial Statements of the Company and the Directors' report and the report of the Auditor for the year ended 28 February 2023.
2. That Glen Parsons shall be re-elected as a director of the Company, having retired by rotation pursuant to Article 24.9 of the Articles of Incorporation of the Company (the "Articles") and offered himself for re-election.
3. That Hiten Ooka shall be re-elected as a director of the Company, having previously been appointed by the Directors in May 2023 pursuant to Article 24.5 of the Articles.
4. That Gida Nakazibwe Sekandi shall be re-elected as a director of the Company, having previously been appointed by the Directors in May 2023 pursuant to Article 24.5 of the Articles.

5. That Messrs BDO LLP be reappointed as Auditors to the Company.

6. That the Directors be authorised to approve the remuneration of the Company's Auditors.

7. The Company be generally and unconditionally authorised to make on market acquisitions of Ordinary Shares on such terms and in such manner as the Directors determine provided that:

   a. the maximum aggregate number of Ordinary shares which may be purchased is 153 895 553 Ordinary Shares;
   b. the minimum price(excluding expenses) which may be paid for each Ordinary share is £0.01;
   c. the maximum price (excluding expenses) which may be paid for any Ordinary Share does not exceed 110% per cent of the average closing price of such shares for the 5 business days of AIM prior to the date of purchase; and
   d. this authority shall expire at the conclusion of the next Annual General Meeting of the Company unless such authority is renewed prior to that time (except in relation the purchase of Ordinary Shares the contract for which was concluded before the expiry of such authority, in which case such purchase may be concluded wholly or partly after such expiry).

8. In substitution for any and all previous authorisations, the Directors of the Company be and are hereby authorised to exercise all powers of the Company to issue equity securities (as defined in Article 5.1 of the Articles) in respect of up to 507 855 325 shares (representing approximately 33% of the issued share capital of the Company as at 29 August 2023) in the capital of the Company in accordance with Article 4.2 of the Articles such authority to expire, unless previously renewed, revoked or varied by the Company by ordinary resolution, at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution, but in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be issued or granted after the authority given to the Directors of the Company pursuant to this Resolution ends and the Directors of the Company may issue or grant equity securities under any such offer or agreement as if the authority given to the Directors of the Company pursuant to this Resolution had not ended. This Resolution is in substitution for all unexercised authorities previously granted to the Directors of the Company to issue or grant Equity Securities.

9. To receive and approve the Remuneration Policy as set out on pages 44 to 46 in the Company's Annual Report for the year ended 28 February 2023.

EXTRAORDINARY RESOLUTIONS

10. That the Directors be and are hereby authorised to exercise all powers of the Company to grant rights to subscribe for shares to directors or employees of the Company in accordance with Article 4.2 of the Articles as part of the previously adopted directors and employees share option schemes (together the "Options"), and to issue shares pursuant to the exercise of such Options, as if the pre-emption rights contained in Article 5.2 of the Articles did not apply to such issue and provided that the authority hereby conferred, unless previously renewed, revoked or varied by the Company by extraordinary resolution, shall expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution (unless previously renewed, revoked or varied by the Company by extraordinary resolution), save that the Company may before such expiry make an offer or agreement which would or might require Options to be granted after such expiry and the Directors may issue or grant the Options in pursuance of such an offer or agreement, and issue shares pursuant to the exercise of Options, as if the authority conferred by the above resolution had not expired.

11. Subject to the passing of Resolution 8, the Directors of the Company be and they are hereby authorised to exercise all powers of the Company to issue equity securities in the capital of the Company pursuant to the issue referred to in Resolution 8 as if the pre-emption rights contained in Article 5.2 of the Articles did not apply to such issue provided that (i) the maximum aggregate number of equity securities that may be issued under this authority is (or shall relate to rights to subscribe for or convert securities into) 153 895 553 shares, being approximately 10% of the issued share capital of the Company (excluding treasury shares); and (ii) the authority hereby conferred, unless previously renewed, revoked or varied by the Company by extraordinary resolution, shall expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be issued after such expiry and the Directors may issue or grant equity securities in pursuance of such an offer or agreement as if the authority conferred by the above resolution had not expired. This Resolution is in substitution for all unexercised authorities previously granted to the Directors of the Company to issue or grant equity securities in the capital of the Company as if the pre-emption rights contained in Article 5.2 of the Articles did not apply to such issue or grant.

12. That the Directors of the Company be and are hereby authorised to exercise all powers of the Company to issue, grant rights to subscribe for, or to convert any securities into, up to 140,000,000 (one hundred and forty million) shares in the capital of the Company in connection with the subscription for shares by Orion Mine Finance Fund III LP ("OMF") and the subscription for convertible loan notes OMF Fund III (F) Ltd ("OMFF") pursuant to a subscription agreement between the Company (1) OMF (2) and OMFF (3) further details of which were set out in RNS No 3523J as amended by RNS No 4105J, both published by the Company on 15 August 2023 (the "Subscription Agreement"), in each case as if the pre-emption rights contained in Article 5.2 of the Articles did not apply to such issue or grant. The authority granted by this resolution is granted in accordance with Articles 4.2 and 5.2 of the Articles, shall be in addition to the authority granted pursuant to Resolutions 8 and 10 and shall expire, unless previously renewed, revoked or varied by the Company by ordinary resolution, at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution.

By order of the Board

GLEN PARSONS
Chairman / Non-Executive Director
23 August 2023

Andrada Mining

ANDRADA MINING LIMITED

(Incorporated in Guernsey under registered number 63974)

(The "**Company**")

ANNUAL GENERAL MEETING FORM OF PROXY

For use at the Annual General Meeting of the Company to be held at 11:00 a.m. on 29 September 2023 at PO Box 282, Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH (the "Annual General Meeting")

I/WE ....

BLOCK LETTERS

OF ....

ADDRESS

being (a) member(s) of the Company hereby appoint the Chairman of the Annual General Meeting (See Note 1)

OR ....

as my/our proxy and to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting and at any adjournment thereof. My/our proxy is to vote as indicated below in respect of each of the resolutions set out in the Notice of Annual General Meeting (see Note 3). On any other business which may properly come before the Annual General Meeting (including any motion to amend a resolution or to adjourn the Annual General Meeting) the proxy will act at his/her own discretion.

Please indicate by placing an "X" in this box if this proxy appointment is one of multiple appointments being made (see Note 2).

ORDINARY RESOLUTIONS	FOR	AGAINST	WITHHELD
1. To receive and adopt the Annual Financial Statements of the Company and the Directors' report and the report of the Auditors for the year ended 28 February 2023.			
2. That Glen Parsons shall be re-elected as a director of the Company.			
3. That Hiten Mohanlal Ooka shall be elected as a director of the Company.			
4. That Gida Nakazibwe Sekandi shall be elected as a director of the Company.			
5. That Messrs BDO LLP be reappointed as Auditors to the Company.			
6. That the Directors be authorised to approve the remuneration of the Company's Auditors.			

ORDINARY RESOLUTIONS (CONT.)	FOR	AGAINST	WITHHELD
7. The Company be generally and unconditionally authorised to make on market acquisitions of Ordinary Shares on such terms and in such manner as the Directors determine provided that: a. the maximum aggregate number of Ordinary shares which may be purchased is 153 895 553 Ordinary Shares; b. the minimum price(excluding expenses) which may be paid for each Ordinary share is £0.01; c. the maximum price (excluding expenses) which may be paid for any Ordinary Share does not exceed 110% per cent of the average closing price of such shares for the 5 business days of AIM prior to the date of purchase; and d. this authority shall expire at the conclusion of the next Annual General Meeting of the Company unless such authority is renewed prior to that time (except in relation the purchase of Ordinary Shares the contract for which was concluded before the expiry of such authority, in which case such purchase may be concluded wholly or partly after such expiry).			
8. In substitution for any and all previous authorisations, the Directors of the Company be and are hereby authorised to exercise all powers of the Company to issue equity securities (as defined in Article 5.1 of the Articles) in respect of up to 507 855 325 shares (representing approximately 33% of the issued share capital of the Company as at 29 August 2023) in the capital of the Company in accordance with Article 4.2 of the Articles such authority to expire, unless previously renewed, revoked or varied by the Company by ordinary resolution, at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution, but in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be issued or granted after the authority given to the Directors of the Company pursuant to this Resolution ends and the Directors of the Company may issue or grant equity securities under any such offer or agreement as if the authority given to the Directors of the Company pursuant to this Resolution had not ended. This Resolution is in substitution for all unexercised authorities previously granted to the Directors of the Company to issue or grant Equity Securities.			
9. To receive and approve the Remuneration Policy as set out on pages 44 to 46 in the Company's Annual Report for the year ended 28 February 2023.			
EXTRAORDINARY RESOLUTIONS	**FOR**	**AGAINST**	**WITHHELD**
10. That the Directors be and are hereby authorised to exercise all powers of the Company to grant rights to subscribe for shares to directors or employees of the Company in accordance with Article 4.2 of the Articles as part of the previously adopted directors and employees share option schemes (together the "Options"), and to issue shares pursuant to the exercise of such Options, as if the pre-emption rights contained in Article 5.2 of the Articles did not apply to such issue or grant, and provided that the authority hereby conferred, unless previously renewed, revoked or varied by the Company by extraordinary resolution, shall expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution (unless previously renewed, revoked or varied by the Company by extraordinary resolution), save that the Company may before such expiry make an offer or agreement which would or might require Options to be granted after such expiry and the Directors may issue or grant the Options in pursuance of such an offer or agreement, and issue shares pursuant to the exercise of Options, as if the authority conferred by the above resolution had not expired.			
11. Subject to the passing of Resolution 8, the Directors of the Company be and they are hereby authorised to exercise all powers of the Company to issue equity securities in the capital of the Company pursuant to the issue referred to in Resolution 8 as if the pre-emption rights contained in Article 5.2 of the Articles did not apply to such issue provided that (i) the maximum aggregate number of equity securities that may be issued under this authority is (or shall relate to rights to subscribe for or convert securities into) 153 895 553 shares, being approximately 10% of the issued share capital of the Company (excluding treasury shares); and (ii) the authority hereby conferred, unless previously renewed, revoked or varied by the Company by extraordinary resolution, shall expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be issued after such expiry and the Directors may issue or grant equity securities in pursuance of such an offer or agreement as if the authority conferred by the above resolution had not expired. This Resolution is in substitution for all unexercised authorities previously granted to the Directors of the Company to issue or grant equity securities in the capital of the Company as if the pre-emption rights contained in Article 5.2 of the Articles did not apply to such issue or grant.			

EXTRAORDINARY RESOLUTIONS	FOR	AGAINST	WITHHELD
12. That the Directors of the Company be and are hereby authorised to exercise all powers of the Company to issue, grant rights to subscribe for, or to convert any securities into, up to 140,000,000 (one hundred and forty million) shares in the capital of the Company in connection with the subscription for shares by Orion Mine Finance Fund III LP ("OMF") and the subscription for convertible loan notes OMF Fund III (F) Ltd ("OMFF") pursuant to a subscription agreement between the Company (1) OMF (2) and OMFF (3) further details of which were set out in RNS No 3523J as amended by RNS No 4105J, both published by the Company on 15 August 2023 (the "Subscription Agreement"), in each case as if the pre-emption rights contained in Article 5.2 of the Articles did not apply to such issue or grant. The authority granted by this resolution is granted in accordance with Articles 4.2 and 5.2 of the Articles, shall be in addition to the authority granted pursuant to Resolutions 8 and 10 and shall expire, unless previously renewed, revoked or varied by the Company by ordinary resolution, at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution.			

DATED ....

SIGNED OR SEALED ....
(see Note 4)

NOTES

1. If a member wishes to appoint as a proxy a person other than the Chairman of the Annual General Meeting, the name of the other person should be inserted in block capitals in the space provided. A proxy need not be a member of the Company but must attend the Annual General Meeting in person. Any alteration or deletion must be signed or initialled.

2. A member may appoint more than one proxy in relation to a meeting, provided that the proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy, please contact the Company's Registrars, Link Group, PXS, Central Square, 29 Wellington Street, Leeds, LS1 4DL for (an) additional form(s) or you may photocopy this form. Please indicate next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy (a proxy appointment which fails to do so may be treated as invalid by the Company). Please also indicate by placing an X in the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned in the same envelope together.

3. A member should indicate by marking the box headed either FOR, AGAINST or WITHHELD with an 'X' to show how he wishes his vote to be cast in respect of each of the resolutions set out in the Notice of Annual General Meeting. Unless so instructed, the proxy will exercise his discretion as to whether to vote or abstain as he thinks fit. The Vote Withheld option is provided to enable a member to instruct the proxy not to vote on any resolution, however it should be noted that a vote withheld in this way is not a "vote" in law and will not be counted in the calculation of the proportion of votes FOR and AGAINST a resolution.

4. In the case of a corporation this form of proxy should be given under its seal or signed on its behalf by an attorney or duly authorised officer. In the case of joint holders, the form of proxy may be signed by one or more of the holders but if more than one form is submitted in respect of same joint holding, the form of proxy signed by that one of them whose name stands first on the register of members in respect of the joint holding shall be accepted to the exclusion of the others.

5. Use of this form of proxy does not preclude a member from attending the Annual General Meeting and voting in person.

6. To be valid, this form of proxy must be lodged together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, at the Company's Registrars, Link Group, PXS, Central Square, 29 Wellington Street, Leeds, LS1 4DL, not less than 48 hours before the Annual General Meeting or any adjournment thereof or, in the case of a poll taken more than 48 hours after it is demanded, not less than 24 hours before the time appointed for taking the poll and, in the case of a poll not taken during the Annual General Meeting but taken not more than 48 hours after it is demanded, at the time at which the poll was demanded (failing which the proxy notice will not be treated as valid unless the Board in its sole discretion determines otherwise) in each case excluding any days which are a Saturday, Sunday or public holiday in Guernsey.

7. Where more than one proxy notice is delivered, deposited, or received in respect of the same shares, that delivered, deposited or received latest shall prevail. If it is not clear which was delivered, deposited, or received latest, none shall be valid.

8. In order to allow effective constitution of the Annual General Meeting the Chairman may appoint a substitute to act as proxy in his/her place for any member provided that, where the relevant member has not given directions as to how to vote on any resolution, such substitute proxy shall vote in the same way as the Chairman.

Andrada
Mining

REGISTERED OFFICE
PO Box 282
Oak House
Hirzel Street, St Peter Port
Guernsey GY1 3RH

REPRESENTATIVE OFFICE
South Africa
Illovo Edge Office Park
Building 3, 2nd Floor
Corner Harries and Fricker Road
Illovo, South Africa

REPRESENTATIVE OFFICE
Namibia
Shop 48, Second Floor
Old Power Station Complex
Armstrong Street
Windhoek, Namibia

NOMINATED ADVISER
WH Ireland Limited
24 Martin Lane
EC4R ODR London
United Kingdom

INDEPENDENT AUDITORS
BDO LLP
55 Baker Street
W1U 7EU London
United Kingdom

LEGAL COUNSEL SOUTH AFRICA
Edward Nathan Sonnenberg
150 West Street Sandown
Johannesburg, 2196
South Africa

LEGAL COUNSEL
United Kingdom
Gowling WLG
4 More London Riverside
SE1 2AU London
United Kingdom

CORPORATE ADVISER AND JOINT BROKER
Hannam & Partners
2 Park Street, Mayfair
W1K 2HX London
United Kingdom

JOINT BROKER
Stifel Nicolaus Europe Limited
150 Cheapside
EC2V 6ET London
United Kingdom

INVESTOR RELATIONS
Tavistock
1 Cornhill, Langbourn
EC3V 3NR London
United Kingdom

Andrada
Mining