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ANDRADA MINING LIMITED
("Andrada" or the "Company")
Tin, Tantalum and Lithium Production Update
Strategic Process Update

Andrada Mining Limited (AIM: ATM, OTCQB: ATMTE) the African technology metals mining company with a portfolio of mining and exploration assets in Namibia, is pleased to provide an update on the expansion plans for lithium, tin, and tantalum production at the flagship Uis Mine together with an update on the Strategic Process.

HIGHLIGHTS

Tin Production Expansion

- Implementation of an ore sorting circuit underway to increase tin concentrate from 1 500 to 2 600 tpa.
- Procurement of *Metso* crushing equipment and *Tomra* ore sorters.
- Ore sorting is fully funded by the *Orion Resource Partners* facility.
- Ore sorting augments the Continuous Improvement II programme ("CI2") which is fully funded by the *Development Bank of Namibia* ("DBN").
- Expansion is anticipated to increase revenue by up to 75% and continue to reduce the AISC of the mining operations.

Tantalum Production

- Optimisation of the tantalum circuit has been completed.
- The first shipment of concentrate to *Afrimet Resources* ("Afrimet") targeted for March 2024.
- Annual production estimated to be approximately 48 tonnes per annum ("tpa") at current run rate and expected to increase to 83 tpa after the implementation of the ore sorting circuit.
- Tantalum revenue is estimated to be between 3% and 5% of total group revenue at steady state production, with more than 90% of the tantalum revenue captured in the mine EBITDA.

Lithium Production

- The lithium pilot plant has consistently produced technical grade petalite concentrate since the fourth quarter of 2023 ("Q4 2023").
- The concentrate stockpile is currently accumulating.
 - Initial prospective sales are focussed on the specialty glass and ceramics market that is quoted as a premium to the battery market currently.
 - Further development test work for supplying the lithium battery market is also ongoing.
- The Company has commenced studies to integrate the entire lithium circuit into the current operations.
- Preliminary modelling indicates an initial production of 30 000 tpa (from 1.7 million tonnes per annum ("mtpa") Run-Of-Mine ("RoM")) of technical grade petalite concentrate.
- Andrada's lithium marketing is targeting market share across the entire lithium value chain.

Strategic process

Indicative, non-binding offers for a partnership interest at the Lithium project level have been received and discussions with potential partners are progressing well.

Anthony Wilson, Chief Executive Officer, commented:

Anthony Viljoen, Chief Executive Officer, commented:

"While Andrada focusses on achieving its ultimate goal of unlocking the scale potential of its deposits, the short-term goal of maximising revenues from current operations remains key to providing free cashflow for the organisation, whilst simultaneously derisking the flow sheet. The expansion of tin production will enable Andrada to align with its royalty obligations, whilst the commercial production of tantalum will fulfil a supply agreement with Afrimet.

I am particularly pleased with the potential offered by the lithium production opportunities. In the short-term, we are targeting initial sales of our Pilot Plant production into the spot glass-ceramics market whilst progressing discussions with potential long-term offtakers across the lithium value chain to access other markets, particularly the battery market. The integration of petalite production will create further value for our shareholders and solidify our position as a key producer in the technology metals industry. Furthermore, we are expediting the metallurgical testwork for converting petalite into battery chemicals for long-term supply opportunities.

Exploration drilling programmes are ongoing across all assets to expand the size and scope of the mineral resources. The collaboration between our exploration and metallurgy teams expedites testwork in order to facilitate the transition of projects from exploration to development and, ultimately, production.

We are pleased to report significant progress on the Strategic Process. Discussions with international organisations from within the lithium value chain are advanced. We are encouraged by the level and quality of interest from interested parties."

Helga van Lochem, Area Sales Manager TOMRA, commented:

"We are thrilled about teaming up with Andrada Mining at its flagship Uis mine. These sorters should boost precision and efficiency and are the first to incorporate our recently launched OBTAIN™ Deep Learning feature.

At Tomra, we hold partnerships in the highest regard, and our alliance with Andrada reflects our commitment to delivering tailored solutions. The Tomra sorter is not just a product; it represents our dedication to a strategic and fruitful partnership. Together with Andrada, we are positioned to redefine industry standards and achieve notable success in the mining sector."

TIN PRODUCTION EXPANSION

Objective

Following receipt of the Orion Resource Partners tin royalty, Andrada is implementing an expansion of the existing tin processing plant from the current run rate of 1 500 tpa tin concentrate to a targeted 2 600 tpa (or 1 600 tpa of tin metal). (See announcement dated 16 November 2023).

Methodology

The scope of the expansion entails improvements and additions to both the dry processing and the wet processing sections of the plant. The dry section will be expanded through the installation of a coarse crushing and XRT ore sorting pre-concentration circuit.

Due to the high density of the tin-bearing mineral (cassiterite) relative to most other minerals present in typical RoM material, ore-sorting can detect and eject cassiterite-bearing rocks into a higher-grade, pre-concentrate feed for further crushing and beneficiation. The net effect of the ore-sorters is expected to be an increase of approximately 50% in the tin content of the feed to the wet processing plant.

Long lead equipment has been ordered, including a crusher circuit from *Metso* and XRT ore sorters from *TOMRA*. *MetC Engineering*, a leading engineering consultancy in South Africa, has been appointed to conduct the detailed design. The ore sorting circuit will be installed parallel to the existing front end of the processing plant to minimise disruptions to the tin and tantalum production. Commissioning of the circuit is planned for Q1 2025.

The procured TOMRA ore sorters consist of one COM XRT 1200 /B 2.0 unit for the coarse size fraction and two COM Tertiary XRT 1200 /B units for the finer size fractions. The latter are equipped with the new TS100 fine valve bar featuring fine pitch and high-speed valves which improve accuracy and reduce compressed air consumption, resulting in higher recoveries and lower operating costs. All the units are equipped with class-leading Deep Learning Image Processing Software ("OBTAIN™") which may improve throughput rates by up to 70% compared to similar units without OBTAIN™.

The additions to the dry processing section will complement the C12 improvements to the wet processing section funded by the DBN loan facility (NAD 100 million). These improvements are aimed at eliminating current and future bottlenecks to achieve the targeted 25% increase in throughput volume. The total tin expansion is targeted to increase revenue by approximately 75% and to reduce unit operating costs (AISC) by up to 10%. (See announcements dated 29 November 2023 and 22 December 2023).

The introduction of XRT ore sorters has been informed by the positive results from ongoing metallurgical test work and bulk testing at the operational ore sorter currently on-site. Importantly, XRT ore sorting has been successfully implemented in several tin-producing operations globally, yielding excellent results. Another pivotal consideration driving the adoption of the dry process ore sorters is their contribution to water conservation efforts. The current wet processing section already boasts an impressive 85% water recycling rate, requiring only 150 litres of top-up water per tonne processed. The Company remains committed to ongoing projects that ensure a sustainable water supply for its long-term expansion plans.

TANTALUM PRODUCTION

Objective

Andrada has completed the optimisation and production ramp-up of the tantalum separation circuit. The Company has an off-take agreement with *Afrimet*, and the first shipment of concentrate is on track for March 2025. (See announcements dated 15 November 2023 and 22 December 2023).

Methodology

The tantalum circuit is a relatively simple downstream addition to the existing tin concentrator, whereby

the tin concentrate, is dried, screened and passed through magnetic separators to extract the tantalum-bearing minerals into a separate concentrate. Currently, the plant produces 48 tpa of tantalum concentrate. The ore sorting pre-concentration circuit is expected to proportionally increase tantalum production to approximately 83 tpa.

The revenue from the tantalum concentrate is targeted to add between 3% and 5% to total group revenue. The incremental cost of producing tantalum concentrate is low, resulting in more than 90% of the revenue being captured in EBITDA.

LITHIUM PRODUCTION

Strategy

Andrada's plan for the initial lithium expansion is based on the lithium bearing mineral petalite. Although the Company's mineral licenses also contain spodumene mineralisation, petalite has been the focus of metallurgical test work and pilot production mainly because it is the dominant lithium mineral of the Uis mining licence and applies specifically to the JORC-compliant resource estimate.

Petalite is, therefore, more relevant to geological modelling than the spodumene mineralisation occurring on Andrada's other license areas. The spodumene mineralisation will, nevertheless, be the focus of a future geological exploration programme with the objective to increase the Company's JORC-compliant mineral resource inventory.

Moreover, technical grade petalite is utilised as a direct additive in the manufacturing of glass-ceramics without the need for further refining. Therefore, petalite offers the Company a more strategic and capital-efficient entry point into the lithium market than spodumene. This approach leverages existing infrastructure, reducing upfront costs associated with building a separate lithium processing plant. Lastly, based on the contained lithium content, petalite tends to sell at a premium to the technical market (compared to an offtake with a battery chemicals refinery), potentially resulting in improved profitability.

For the next level of growth, Andrada will shift its lithium expansion strategy to target the electric vehicle battery market. The global demand for batteries is expected to significantly increase due to the rise of electric vehicles, far exceeding the limited market for industrial petalite concentrate. To capitalise on this opportunity, Andrada has begun additional studies and metallurgical testwork for a phased increase of the lithium expansion.

Lithium Pilot Plant ("Pilot Plant")

Since commissioning in October 2023, the Pilot Plant continues to produce a commercial-grade petalite concentrate. Internal test work confirms that this technical-grade material meets the specifications for initial spot sales in the glass-ceramics market, while Andrada explores offtake agreements for both industrial and battery chemicals. The Pilot Plant's development paves the way for integrating a full-scale lithium processing circuit into the existing tin processing plant.

Table 1: Main quality specifications for Andrada's technical grade petalite.

Li ₂ O	Fe ₂ O ₃	K ₂ O	Na ₂ O
> 4.20%	< 0.06%	< 0.50%	< 0.50%

Full scale Integrated Lithium Plant

Andrada has commenced studies for a full-scale integrated processing plant to produce petalite concentrate alongside tin and tantalum production. The Company plans to utilise the discard from the tin pre-concentration circuit as feed to a petalite beneficiation circuit. The preliminary process flow design for the petalite circuit consists of a pre-concentration stage using near-infrared ore sorting and a two-stage dense medium separation circuit, complemented by milling and flotation, to produce technical grade petalite concentrate.

Preliminary modelling forecasts production of a petalite concentrate to be approximately 30 000 tpa of technical grade petalite to supply the glass-ceramics sector that currently achieves a price premium to the spodumene market. Sales of petalite concentrate are anticipated to increase total revenue by between 50% and 80%, depending on the effective prices for tin, tantalum and petalite concentrate. This petalite production circuit will not result in additional mining costs but only the incremental cost of beneficiation. The Company expects the petalite production to contribute substantially to overall EBITDA and anticipates that funding will be through existing lenders and or new finance partners as required.

STRATEGIC PROCESS UPDATE

As announced in May 2023, the Company has appointed Barclays Bank PLC as a strategic adviser for the structured process to identify a partner for the development of the Company's lithium assets in Namibia. The aim is to identify a partner with the requisite technical and financial capabilities to accelerate this development.

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Leading international organisations within the lithium value chain visited the Company's assets in Namibia, conducted mineralogy tests at their sites, and implemented detailed due diligence, all demonstrating their interest in the potential of Andrada's assets.

The Company has narrowed down the various non-binding indicative offers that have been received at a project level and discussions are ongoing with the objective of progressing to final binding bids. The Company is encouraged by the keen interest that has been shown and will work expeditiously to make a value-accretive decision for its shareholders. The Company will keep the market updated as matters progress.

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About Andrada Mining Limited

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

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

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

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