



GROUP POLICY STATEMENT

TAX STRATEGY AND POLICY

Andrada Mining's tax strategy is to proactively manage our tax obligations in a transparent, responsible, and sustainable manner acknowledging the differing interests of all our stakeholders.

Andrada Mining has invested and allocated appropriate resources in the group tax department to ensure we comply with our global tax obligations. The Group does not engage in aggressive tax planning and seeks to maintain professional real time relationships with the relevant tax authorities. In material or complex matters, the Group would generally seek advance tax ruling or alternatively obtain external counsel opinion.

Andrada Mining has appropriate controls and procedures in place to ensure that we comply with relevant tax legislation in all the jurisdictions in which we operate. This includes compliance with Transfer Pricing (TP) legislation and associated TP documentation requirements, which is governed by our Group TP Policy. Our Group TP Policy is fully compliant with OECD guidelines and is regularly updated and benchmarked by independent experts. Uncertain tax positions are properly evaluated and reported in terms of International Accounting Standards (IAS) 37 – Provisions, Contingent Liabilities and Contingent Assets. All material uncertain tax positions as per IAS 37 are fully disclosed to and evaluated by our external auditors.

Andrada Mining is subject to South African Controlled Foreign Companies (CFC) tax legislation which is aimed at taxing passive income and capital gains realised by its foreign subsidiaries (to the extent that it was not taxed in the foreign jurisdiction). Tax avoidance on passive income or capital gains can therefore not be achieved by shifting such passive income to low or tax haven jurisdictions.

Andrada Mining only sells its product directly to independent third parties at arm's-length prices – generally at the prevailing product price. Active business income is therefore fully declared and taxed in the source country where the relevant mining operation is located with the revenue accruing to the source country.

Andrada Mining is reporting its key financial figures on a country-by-country basis. The country-by-country reports are filed with the South African Revenue Service, which will exchange the information with all the relevant jurisdictions with which it has concluded or negotiated exchange of information agreements. Andrada Mining also reports its total tax contribution and indicative tax rate on a country-by-country basis in its Annual Financial Report.

A handwritten signature in black ink, appearing to read "AV", is positioned above a horizontal line.

Anthony Viljoen
Chief Executive Officer

17/02/2023

Date