Flashnote

Marketing Communication (Connected Research)

Andrada Mining Limited#

BBG Ticker: ATM LN *Price: 6.82p* *Mkt Cap: £149m* **BUY**

Year to Feb	Revenue (£'000)	EBITDA (£'000)	PBT (£'000)	EPS (GBp)	EV/Sales (x)	EV/EBITDA (x)	P/E (x)
2025A	23,805	(714)	(7,048)	(0.69)	7.1x	neg	neg
2026A	28,365	(1,870)	(9,357)	(0.60)	6.0x	neg	neg
2027F	43,641	13,796	3,870	0.16	3.9x	10.9x	43.3x
2028F	62,300	31,998	20,216	0.82	2.7x	4.7x	8.3x

***SOURCE**: Company data, VSA Capital Research.*

H1 FY 2027 Results

Strong First Half, Better to Come

Andrada Mining (ATM LN) has reported a step change in profitability, with revenue up 80% to £20.6m, gross profit up 4.4x to £8.3m and EBITDA of £4.5m (£1.6m), as higher grades and recoveries lifted contained tin production 13% to 576t and the realised tin price rose 57% to US$52,131/t. Production is broadly on track for our FY2027 forecasts of 1,196t, and we maintain our operating and financial forecasts aside from minor changes to tax and interest. We expect a stronger H2 FY 2027 on rising prices and reduced hedging. With cash of £15.6m and the ore sorting expansion fully funded (the benefit of which does not begin until next financial year), we forecast contained tin rising to 1,510t in FY2028 and 1,872t in FY2029, driving EBITDA to £32.0m and £42.2m respectively.

Development Projects Progressing

Lithium Ridge and Brandberg West both advanced materially during the period supported by partner funding. At Lithium Ridge, SQM's Stage 1 programme was completed at an expanded 16,500m across 143 holes. Surface sampling extended the mineralised strike by 50% to nine kilometres, and post period results returned up to 2.11% Li_2O over approximately 5m, alongside associated tin and tantalum. At Brandberg West, the NaCC granted unconditional approval of the BWCAM earn in, and ore sorting testwork achieved approximately 90% mass rejection with recoveries of up to 91% for tungsten and 94% for tin, upgrading tungsten grades from 0.24% to 1.45%.

Recommendation and Target Price

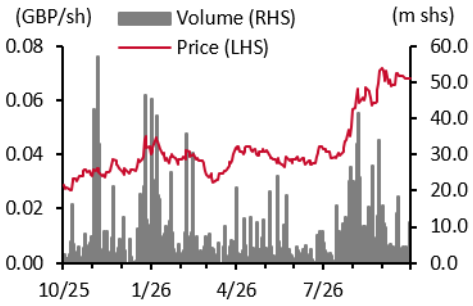
The interims demonstrate the progression at Uis, but we believe the larger financial gains are still ahead. The hedge book, which cost £1.75m in realised losses in H1, rolls off in November 2026. The ore sorting programme is then expected to lift contained tin to 1,510t in FY2028 and 1,872t in FY2029, and we forecast EBITDA rising from £13.8m in FY2027 to £32.0m in FY2028. Partner funding means Lithium Ridge and Brandberg West can build momentum with supportive market tailwinds, rather than being contingent on cash flow from Uis. That said, with cash of £15.6m and profits growing, the company is in a strong position, and we expect earnings growth and progress at the growth projects to further support the share price.

We reiterate our Buy Recommendation and target price of 16.2p/sh.

Company Description

Andrada Mining is a mining company with assets in Namibia. It offers exposure to tin, lithium, tantalum, tungsten and copper.

One Year Price Performance



Price % chg	1mn	3mn	12mn
	77.1%	60.5%	131.2%
12mn high/low			7.2p/2.7p

***SOURCE**: Workspace, as of 20 Oct 2026 close.*

Market:	LSE AIM
Target price:	16.2p
Shares in issue	2,210m
Free float:	66%
Net Debt (Feb 2027F):	£5.1m
Enterprise value:	£154m

Major shareholders	
Orange Trust	14.10%
Talent 10 Holdings Pty Ltd	8.36%
Jle Group Ltd	6.81%

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#VSA Capital acts as Joint Broker to Andrada Mining.

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H1 2027 Earnings Update

In H1 FY2027, Andrada processed 538.8kt of ore at Uis (527.6kt), up 2% YoY and in line with our full year target for throughput. The modest increase in tonnage understates the improvement in plant performance. The processing rate rose 7% to 153tph (143tph) and availability edged up to 91% (90%), but utilisation fell to 89% (94%), absorbing most of the throughput gain. Production growth instead came mainly from a 9% increase in feed grade to 0.149% Sn (0.137% Sn) and a two-percentage point improvement in tin recovery to 73% (71%). Together, this lifted tin concentrate production 11% to 955t (858t) and contained tin 13% to 576t (511t), which represents 48% of our full year forecast of 1,196t.

The impact on revenue was amplified by a 57% increase in the realised tin price to US$52,131/t (US$33,154/t). Revenue rose 80% YoY to £20.6m, almost entirely from tin, with tantalum sales negligible at £26k (£282k), however we expect this to increase after the recent focus on tin recoveries. Cost of sales increased by a more modest 28% YoY to £12.3m (£9.6m). Tin prices hit a low of around US$40,500/t in March before rallying to near US$58,000/t in April and May, then eased back below US$50,000/t by the end of June. The rally was driven by the tight supply from Myanmar's Wa State, tighter Indonesian export quotas, and continued disruption at Bisie in the DRC, alongside rising tin demand from AI servers and semiconductors. The LME averaged US$51,695/t over the six months, and Andrada's effective price (before hedging) of US$52,131/t was slightly above that average.

Interims Highlights to August 31st 2026 (H1 FY 2027)

	H1 FY 2027	H1 FY 2026	% Chg
Feed Grade, % Sn	0.149	0.137	9%
Ore processed, tonnes	538,810	527,583	2%
Tin Concentrate, tonnes	955	858	11%
Contained Tin, tonnes	576	511	13%
Tin Recovery, %	73	71	3%
Uis C1 Cost, US$/t	17,842	17,468	2%
Uis C2 Cost, US$/t	22,464	19,594	15%
Uis AISC, US$/t	31,555	24,808	27%
Effective Tin Price, US$/t	52,131	33,154	57%
Revenue, £m	20.6	11.4	81%
Gross Profit, £m	8.3	1.9	337%
EBITDA, £m	4.5	1.6	181%
Profit After Tax, £m	2.5	-3.0	-183%
Cash Generated by Operations, £m	4.9	0.03	nm
Capex, £m	6.5	3	117%

SOURCE: *Company data, VSA Capital Research.*

Production costs rose 18% to £9.6m (£8.1m), while Orion royalties increased to £2.0m (£0.9m) on the combination of higher tin prices and the royalty band applicable at current concentrate output. A key benefit of the growth programme now underway is that the royalty rate steps down as concentrate output passes the next production thresholds. C1 costs were held broadly flat at US$17,842/t (US$17,468/t) although we note the increase in AISC on the back of increased stripping ahead of next year's expansion. Gross profit increased 4.4x to £8.3m (£1.9m) and gross margin expanded to 40.3% (16.4%), showing the operating leverage of Uis to both volumes and tin price. This flowed through to EBITDA of £4.5m (£1.6m) and an operating profit of £4.7m (loss of £0.9m), the latter including a £1.7m net hedging gain.

The hedging gain comprised a £3.5m reversal of the year end mark to market charge on open swaps, partly offset by £1.7m of realised losses on contracts settled below spot, with the remaining 40t per month at US$42,000/t running off by November 2026, indicating a significant benefit for the balance of the year. Below the operating line, finance costs rose to £2.7m (£1.9m), driven by interest on the convertible loan notes of £1.7m (£0.8m), resulting in profit before tax of £2.2m (loss of £2.8m) and profit after tax of £2.1m (loss of £3.0m), or 0.10p per share.

Administrative expenses increased 62% to £6.0m (£3.7m), principally on higher staff costs of £3.5m (£1.9m), which include incentive awards relating to FY2025 and FY2026 made during the period. H1 EBITDA of £4.5m represents 33% of our unchanged FY2027 forecast of £13.8m. The H2 weighting reflects our expectation of higher effective pricing as the remaining hedge book, which cost £1.75m in realised losses in H1, rolls off in November 2026, leaving production fully exposed to spot tin prices from December. Our forecast implies an H2 effective price of around US$62,000/t including hedges, alongside contained tin production of 620t, in line with the H1 run rate of grade and recovery.

Cash increased to £15.6m at 31 August 2026 (£8.9m), reflecting both stronger cash generation at Uis and the funding secured for the expansion. Operating cash flow before working capital was £6.0m. The working capital outflow of £1.2m was driven mainly by a £1.6m build in inventory to £7.8m (£6.4m), partly offset by lower receivables of £5.3m (£7.1m). Net operating cash flow was therefore £4.9m (£0.03m in H1 FY2026), already ahead of the £4.7m generated across the whole of FY2026. This funded the majority of the £7.8m invested during the period, comprising £6.5m in property, plant and equipment, principally the procurement of the XRT ore sorters, and £1.3m in exploration and intangible assets.

The balance, together with the cash build, was funded by £8.1m of gross equity proceeds and a net £3.9m of bank borrowings, with the NAD98m (£4.4m) Bank Windhoek and DBN facility now fully drawn. As a result, borrowings increased to £23.8m (£19.8m), but net debt fell to £8.2m (£10.9m). Other financial liabilities decreased to £25.8m (£29.5m), largely because the commodity swap derivative liability unwound to £1.2m (£4.8m) as contracts matured and were remeasured at lower forward prices. Total equity increased to £36.5m (£25.5m) and the net current liability position narrowed to £0.8m (£12.3m). Importantly, with funding for the ore sorting and crushing circuits now in place and Uis covering its operating costs and most of its capital programme, the company is arguably in its strongest position since inception.

Operational and Financial Highlights, February Year End

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Mined Ore, kt	965	1,042	1,078	1,400	2,100	2,100	2,100	2,100	2,100
Sn Mill Grade, %	0.15%	0.14%	0.15%	0.19%	0.20%	0.20%	0.20%	0.20%	0.20%
Sn, Recovery, %	69%	72%	73%	72%	72%	72%	72%	72%	72%
Tantalum, kg	5,388	5,388	6,172	7,655	7,655	7,655	7,655	7,655	7,655
Sn, t	986	1,043	1,196	1,510	1,872	1,872	1,872	1,872	1,872
Lithium Petalite, 4.2%, tonnes	-	-	-	-	-	22,558	33,085	60,154	60,154
Sn Unit cost, US$	36,270	29,962	26,699	20,540	17,835	19,408	18,704	18,329	16,609
Revenue, £'000	23,805	28,365	43,641	62,300	80,291	107,668	110,326	144,497	137,899
EBITDA, £'000	(714)	(1,870)	13,796	31,998	42,245	43,127	46,773	81,472	77,288
Capex, £'000	(11,510)	(6,942)	(12,500)	(8,500)	(45,000)	(20,000)	(5,000)	(5,000)	(5,000)
FCF, £'000	(10,176)	(9,831)	504	24,098	(12,427)	10,519	29,252	53,920	46,381
P/E, x	neg	neg	43.3x	8.3x	8.8x	9.1x	9.1x	3.9x	4.2x
EV/EBITDA, x	neg	neg	10.9x	4.7x	3.6x	3.5x	3.2x	1.8x	1.9x
Net Debt/EBITDA, x	-15.3x	-2.7x	-0.9x	0.3x	0.0x	-0.4x	-1.3x	-1.2x	-1.9x

SOURCE: *Company data, VSA Capital Research.*

H1 is broadly on track for our FY2027 forecast of 1,196t, achieved through grade and recovery gains before any new equipment installation. The new crushing circuit is in transit from China and India, and the XRT ore sorters are being containerised at IntaGrey. Ore sorting will reject lower grade material before it reaches the concentrator, allowing more ore to be mined while raising the grade of plant feed through the existing plant. We forecast mined ore rising to 1.4Mt in FY2028 and 2.1Mt from FY2029, with mill grade increasing to 0.20% Sn. This lifts contained tin to 1,510t in FY2028 with the ramp up from Q1 FY2028, and to 1,872t from FY2029, towards the top of management's 1,500t to 1,900t target. The benefit to earnings should be greater than the volume uplift alone. Higher concentrate output is expected to move

the Orion royalty into a lower band, unwinding the penalty rate, while a cost base spread across more tonnes enhances margins. As a result, we forecast EBITDA rising from £13.8m in FY2027 to £32.0m in FY2028 and £42.2m in FY2029. FCF also turns positive at £17.1m in FY2028, providing a growing internal funding source for the wider portfolio.

We have made some minor adjustments to our forecasts to reflect additional interest associated with the convertible loan notes; however, this is more than offset by usable tax losses which explain why the effective tax rate in the interim period was so low. Given the strong performance in H1 there are no changes to our operational assumptions.

Earnings Changes

	Revenue			EBITDA			Net Income			Capex		
	Old	New	% Chg	Old	New	% Chg	Old	New	% Chg	Old	New	
FY 2027	43,641	43,641	0%	13,796	13,796	0%	1,381	3,483	152%	(12,500)	(12,500)	0%
FY 2028	62,300	62,300	0%	31,998	31,998	0%	13,423	18,163	35%	(8,500)	(8,500)	0%
FY 2029	80,291	80,291	0%	42,245	42,245	0%	18,838	17,042	-10%	(45,000)	(45,000)	0%

SOURCE: *Company data, VSA Capital Research.*

Brandberg West

Brandberg West is being advanced under the staged earn-in with BWCAM (an ACAM affiliate), which invested US$10m for a 30% interest in February. A further optional US$40m would take it to 49%. The earn-in received unconditional Namibian Competition Commission approval in August, completing the deal framework, and Andrada retains operational control.

The key technical result in the period was initial XRT ore sorting testwork on historical grab samples. Tungsten was upgraded from 0.24% to 1.45%, with recoveries of up to 91% for tungsten and 94% for tin and around 90% mass rejection. Large volumes of historical waste, discard and tailings already sit at surface, so sorting points to a potential low-capex, accelerated route to production. It also gives Andrada exposure to record tungsten prices.

Fieldwork is now underway. Geophysics and RC drilling over the historical tailings are complete, and diamond drilling and waste stream sampling have started, although no results have been released yet. The next catalysts are these first drilling and tailings assays and bulk-scale sorting tests, which will build toward a maiden resource and inform BWCAM's follow-on decision.

Tungsten prices held near record levels outside China through the period, despite a sharp correction in the Chinese domestic market. European APT traded at US$2,800 to 3,150/mtu at the end of March and were quoted at US$2,900 to 3,210/mtu in mid-June. They ended August at US$2,900 to 3,000/mtu, more than three times the level at the start of 2026, though 6% below its peak. By contrast, Chinese domestic APT fell from a peak of around RMB 1.5m/t (c.US$2,500/mtu) in March to around RMB 600,000/t (c.US$1,000/mtu) by the end of August, as weaker domestic demand, higher inventories, and lower concentrate costs weighed on prices. China's export licensing means non-Chinese buyers continue to pay a substantial premium to secure supply. This underlines the strategic value of new tungsten sources outside China such as Brandberg West, however, BW's long-term value is in its scale and high grading potential that mean that it could be a profitable producer in a normal pricing environment as well, in our view. VSA's valuation of Brandberg West remains c£95m net to Andrada based on its current stage of development.

Lithium Ridge

Lithium Ridge continues to advance under the SQM-funded work programme set out in the three-stage earn-in agreement. Stage 1 drilling, which tested the down-dip continuity and grade distribution of the outcropping pegmatite swarms, was completed in May 2026. Results released during and since the interim period have been consistently positive confirming multiple stacked mineralised intercepts and areas of exceptionally high grade:

- Licence-wide grab sampling extended the main mineralised trend by 50%, from 6 km to 9 km, and identified new mineralised pegmatites beyond it.

- Drilling confirmed lithium mineralisation from surface to around 270 m depth. The first batch of results in February had confirmed it to 160 m.
- Tin and tantalum were present across the pegmatites in every batch.
- The fourth batch (14 holes, August) delivered the standout intercepts. LRD097 returned 35.59 m @ 1.52% Li_2O from 231.80m, including 24.08m @ 2.00% Li_2O, and LRD093 returned 30.24m @ 1.23% Li_2O.
- The fifth and most recent batch (October) intersected lithium in a newly identified pegmatite body outside the main trend and extended confirmed depth to 275m. Multiple pegmatites returned intersections above 1.5% Li_2O, suggesting the full potential of the licence is still being uncovered.

The Stage 1 assays so far demonstrate that the mineralised pegmatite bodies continue at depth, with zones of significant lithium enrichment. Robust tin and tantalum grades within the same pegmatites underscore the polymetallic endowment of the licence. Lithium Ridge looks increasingly like a coherent swarm of stacked pegmatites with continuity along strike and at depth, rather than a collection of isolated high-grade veins. This geometry is well suited to bulk open-pit mining.

With Stage 1 drilling complete and assays continuing to report, the next catalysts are the remaining results and a maiden JORC resource. Andrada has yet to comment on timing for SQM's Stage 2 decision.

VSA's valuation of Lithium Ridge remains at c.£88m net to Andrada. It is anchored on the SQM earn-in terms and is not benchmarked against a specific resource target.

Valuation

Our valuation methodology is unchanged from our initiation. We use a blended approach reflecting the range of commodities and stages of development across the portfolio, with Uis valued by a risked DCF and Lithium Ridge and Brandberg West valued against peers and their earn in structures. Within Uis, the tin and tantalum expansion is risked at 0.9x to reflect execution risk and the lithium and petalite value within the licence at 0.5x to reflect its earlier stage of definition, a conservative approach in our view. Cash flows are discounted at a WACC of 9.9% and converted to sterling at 0.75 USDGBP. As both Lithium Ridge and Brandberg West are pre resource, conventional EV/t metrics are not yet applicable, and we continue to value them against suitable peer groups and the terms of their respective earn in agreements. Following BPM's conversion of £578K of loan notes (£500K principal and £78K capitalised interest) at 5.0p into 11.6m new ordinary shares, the share count increases to 2,210.5m. Our valuation and target price reflect the new share count as well as the minor changes to earnings (interest and tax losses). The net effect is that our target price is unchanged.

The interim results demonstrate the leverage of Uis to stronger tin prices, which has been the major driver of share price performance over recent months, in our view. This visibility on earnings momentum should help the market attribute greater value to the growth projects since partner and debt funding is now in place to advance the derisking of Lithium Ridge and Brandberg West alongside the Uis tin expansion programme so the company is funded across its portfolio for its current work programmes.

Stronger earnings support a higher valuation multiple underpinning the market capitalisation. However, this also highlights how little value is currently attributed to the highly attractive growth projects at Lithium Ridge and Brandberg West. Our analysis suggests that, even at the current stage of development, each of these assets could justify a significant valuation on a standalone basis, before considering the ultimate value of advancing either a large-scale lithium asset or a tungsten led polymetallic asset through to production.

Valuation Summary

Division	Division NAV, £'000	Share, %	Attributable NAV, £'000	P/NAV	Fair Equity Value, £'000
UIS	82,629	100%	82,629	0.90	74,366
UIS Lithium	212,438	100%	212,438	0.50	106,219
Lithium Ridge					87,750
Brandberg West					94,967
TOTAL NAV, £'000					**363,302**
Consolidated Net Debt (FY 2027),	£'000				5,101
Treasury shares, £'000	£'000				-
Investments	£'000				-
Minority Interest	£'000				-
Total Equity Value, £'000					**358,201**
# of shares					2,210,471,653
Current price, p/share					6.82
12-mo Target Price, p/share					**16.20**

SOURCE: *Company data, VSA Capital Research.*

Our sum of the parts target price for ATM is 16.2p/sh.

Tin Peer Group

Company Name	Ticker	Market Cap US$m	Location	Stage	SP YoY %	M&I Sn %	Contained M&I Sn t	Inferred Sn %	Contained Inferred Sn t
Andrada Mining	ATM.L	199	Namibia	P	139	0.15%	66,500	0.16%	51,600
Alphamin	AFM.V	1,370	DRC	P	46	4.61%	199,000	4.57%	21,800
Metals X	MLX.AX	1,052	Australia	P	96	0.90%	359,700	1.36%	36,300
Cornish Metals	TIN.L	100	UK	D	24	1.50%	43,573	1.42%	37,364
Strategic Minerals	SMLP.L	185	UK	E/D	438	-	-	0.17%	29,000
Elementos	ELT.AX	122	Spain, Australia	E	59	0.53%	118,513	0.65%	13,421
First Tin PLC	1SN.L	97	Germany	E	71	0.14%	161,600	0.20%	216,100
Rome Resources	RMR.L	22	DRC	E	(42)	-	-	1.47%	6,760
Sky Metals	SKY.AX	122	Australia	E	127	0.17%	17,900	0.09%	18,800
Stellar Resources	SRZDA.AX	77	Australia	E	12	0.87%	71,930	0.86%	43,400
Cornish Tin	Private	n/a	UK	E	n/a	-	-	-	-
Tamar Minerals	TMRT.ASE	13	UK	E	210	-	-	-	-

SOURCE: *Company data, Workspace LSEG, VSA Capital Research.*

Lithium Peer Table

Company	Project	Location	Market Cap (US$m)	EV (US$m)	Resource Size. Mnt	Grade, Li2O	Contained LCE (t)	EV/t (US$)
Core Lithium	Finniss	Australia	476	579	48.5	1.26%	1,512,473	**38**
Wildcat Resources	Tabba Tabba	Australia	246	271	74.1	1.00%	1,833,975	**15**
Atlantic Lithium	Ewoyaa	Ghana	153	160	36.8	1.24%	1,129,392	**14**
Li-FT Power	Yellowknife (BIG East/North etc.)	NWT, Canada	111	115	50.4	1.00%	1,247,400	**9**
PMET Resources	Shaakichiuwaanaan	Canada	426	551	141.4	1.38%	4,841,645	**11**
Q2 Metals	Cisco	Canada	315	327	295.0	1.36%	9,929,700	**3**

SOURCE: *Workspace LSEG, Company Data, VSA Capital Research.*

Tungsten Peer Table

Company Name	Ticker	Market Cap (US$m)	Net Debt (US$m)	M&I Contained WO3 (Mtu)	Market Cap/ Total Contained (US$/Mtu)	EV/ Total Contained (US$/Mtu)	Stage
Almonty Industries	AII TSK	2,564.2	(77.5)	9,285,133	276	268	Production
EQ Resources Ltd	EQR ASX	963.3	5.6	7,100,400	136	136	Production
Group 6 Metals	G6M ASX	466.5	(19.0)	4,075,600	114	110	Production
Allied Critical Metals	ACM CSE	158.6	(15.7)	2,706,200	59	53	Development
Fireweed Metals	FWZ TSXV	403.9	(18.6)	30,156,000	13	13	Development
Guardian Metal Resources	GMET LSE	253.3	(52.5)	1,790,000	142	112	Development
Tivan Limited	TVN ASX	263.0	0.7	12,100,000	22	22	Development
Tungsten Mining NL	TGN ASX	217.4	(33.7)	26,500,000	8	7	Development
Viking Mines	VKA ASX	58.1	(14.2)	22,932,000	n/a	n/a	Development
American Tungsten Corp	TUNG CSE	34.4	(5.4)	n/a	n/a	n/a	Exploration
Apollo Minerals Limited	AON ASX	25.9	(2.8)	n/a	54	48	Exploration
Fox Tungsten Ltd	FOXT TSXV	5.1	n/a	480,500	n/a	n/a	Exploration
Makenita Resources	KENY CSE	151.9	4.0	n/a	6	6	Exploration
Northcliff Resources Ltd	NCF TSX	54.5	(7.2)	25,700,000	n/a	n/a	Exploration
Resolution Minerals	RML ASX	77.4	(20.8)	n/a	n/a	n/a	Exploration
Stellar Resources Ltd	SRZ ASX	185.1	0.1	n/a	*22*	*22*	Exploration
Strategic Minerals PLC*	SML LSE	18.0	(2.2)	*8,526,000*	n/a	n/a	Exploration

SOURCE: *Workspace LSEG, Company Data, VSA Capital Research. *Inferred*

Risks

- **Commodity Prices**. The company is primarily exposed to base metal price (tin, tantalum, lithium and copper) and unexpected changes to commodity prices are likely to affect our valuation.
- **Political Risk.** Changes to the political regime and mining code in Namibia would potentially alter the risk profile.
- **Macro Risk.** Unexpected moves in the USDGBP or NAD and higher than expected inflationary pressure might significantly impact the company's earnings.
- **Operational Risk.** The potential for delays and operating issues is an inherent industry risk as well as execution risk on projects.

Financial Statements

Profit and Loss (£'000), February Year End

Profit & Loss	2025	2026	2027	2028	2029
Revenue	**23,805**	**30,088**	**43,641**	**62,300**	**80,291**
Cost of sales	(19,428)	(22,362)	(24,878)	(31,709)	(41,065)
Gross Profit	**4,377**	**7,726**	**18,763**	**30,591**	**39,226**
Corporate and administration expenses	(9,493)	(13,735)	(11,682)	(7,070)	(7,494)
Other income	991	3,439	-	-	-
Gain on Loss of Control	1,629	-	-	-	-
EBIT	(2,495)	(2,570)	7,080	23,521	31,732
Finance Income	1,719	150	150	150	150
Finance costs	(6,272)	(6,937)	(3,360)	(3,456)	(2,907)
Net finance costs	(4,553)	(6,787)	(3,210)	(3,305)	(2,757)
Profit before taxation	(7,048)	(9,357)	3,870	20,216	28,976
Mining and income tax	(1,322)	(1,342)	(387)	(2,022)	(11,900)
Profit for the year	**(8,370)**	**(10,700)**	**3,483**	**18,194**	**17,076**
Non controlling interest					
Attributable to equity holders of the company	(8,370)	(10,700)	3,483	18,194	17,076

SOURCE: *Company data, VSA Capital Research.*

Balance Sheet (£'000), February Year End

Balance Sheet	2025	2026	2027	2028	2029
Non-current assets					
Property, plant and equipment	41,648	51,065	56,849	56,872	91,359
Intangible Assets	11,396	13,343	13,343	13,343	13,343
Investment in associate	1,527	1,428	1,428	1,428	1,428
Other	-	-	-	-	-
Total non-current assets	**54,572**	**65,835**	**71,620**	**71,642**	**106,130**
Current assets					
Inventories	4,211	6,356	7,174	8,534	10,999
Trade and other receivables	7,986	7,116	5,978	6,827	8,799
Other	101	-	-	-	-
Cash and bank balances	2,701	8,923	17,975	27,738	44,050
Total current assets	**15,000**	**22,395**	**31,127**	**43,100**	**63,847**
Total assets	**69,572**	**88,230**	**102,747**	**114,742**	**169,977**
Equity and liabilities					
Issued Capital	62,058	70,593	78,282	78,282	78,282
Warrant Reserve	482	-	-	-	-
Share Based Payment Reserve	1,546	1,930	1,930	1,930	1,930
Convertible Loan Note Reserve	4,579	4,868	4,868	4,868	4,868
Foreign Currency Translation Reservce	(5,203)	(2,796)	(2,796)	(2,796)	(2,796)
Accumulated losses/Retained earnings	(39,753)	(50,294)	(46,811)	(28,617)	(11,541)
Other	-	1,225	1,225	1,225	1,225
Total equity	**23,710**	**25,526**	**36,697**	**54,892**	**71,968**
Non-current liabilities					
Loans and borrowings	15,527	8,138	13,191	13,191	48,402
Environmental Rehabilitation Provision	1,604	2,192	2,192	2,192	2,192
Deferred Tax Liabilities	1,136	2,373	2,373	2,373	2,373
Other financial liabilities	12,136	15,231	15,231	15,231	15,231
Lease Liability	284	120	120	120	120
Total non-current liabilities	**30,687**	**28,053**	**33,106**	**33,106**	**68,317**
Current liabilities					
Loans and Borrowings	6,130	11,679	9,885	1,534	1,534
Other Financial Liabilities	1,794	14,310	14,310	14,310	14,310
Lease Liability	265	384	384	384	384
Income Tax Liability	186	526	526	526	526
Trade and other payables	6,802	7,753	7,838	9,991	12,938
Total current liabilities	**15,175**	**34,651**	**32,943**	**26,745**	**29,692**
Total liabilities	**45,862**	**62,704**	**66,049**	**59,851**	**98,010**
Total equity and liabilities	**69,572**	**88,230**	**102,747**	**114,742**	**169,977**

SOURCE: *Company data, VSA Capital Research.*

Statement of Cash Flows (£'000), February Year End

Cashflow Statement	2025	2026	2027	2028	2029
Cash Flows From Operating Activities					
Net income	(8,467)	(10,700)	3,483	18,194	17,076
Adjustments for:					
Depreciation & Amortisation	4,435	5,885	6,716	8,477	10,512
Impairment/(reversal of imparment)	(16)	77	-	-	-
Movements in working capital:	-	-	-	-	-
(Increase)/decrease in inventories	(1,134)	(1,633)	(818)	(1,360)	(2,465)
Decrease/(increase) in trade and other receivables	(3,017)	186	1,138	(849)	(1,972)
Decrease in trade and other payables	499	312	86	2,152	2,948
Provisions	-	-	-	-	-
Change in working capital	(3,652)	(1,135)	405	(57)	(1,489)
Other	(1,107)	2,013	-	-	-
Interest received	(1,719)	(150)	-	-	-
Interest paid	6,272	6,937	-	-	-
Taxes paid	-	-	-	-	-
Net cash generated by operating activities	(3,999)	4,705	10,604	26,614	26,100
Cash flows from investing activities					
Payment for property, plant and equipment	(11,510)	(6,942)	(12,500)	(8,500)	(45,000)
Payments towards escrow funds	-	-	-	-	-
Other	1,629	-	-	-	-
Net cash (used in)/generated by investing activities	(12,865)	(7,919)	(12,500)	(8,500)	(45,000)
Cash flows from financing activities					
Proceeds from borrowings	6,170	691	3,259	-	35,211
Repayment of borrowings	(374)	(965)	-	(8,351)	-
Proceeds from issue of share capital	-	5,535	8,100	-	-
Share issue costs	-	(260)	-	-	-
Dividends paid	-	-	-	-	-
Net cash used in financing activities	4,251	10,055	11,359	(8,351)	35,211
Net increase in cash and cash equivalents	(12,690)	6,695	9,463	9,763	16,311
Effects of exchange rate changes on the balance of cash held in foreign currencies	(77)	(145)	-	-	-
Cash and cash equivalents at the beginning of the year	14,506	1,816	8,512	17,975	27,738
Cash and cash equivalents at the end of the year	1,816	8,512	17,975	27,738	44,050

SOURCE: *Company data, VSA Capital Research.*

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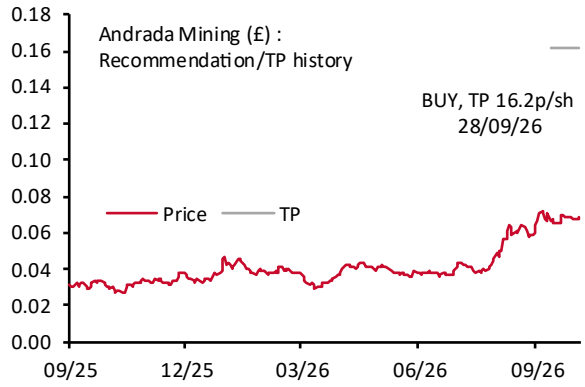
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Equities breakdown: 21/10/26	BUY	SPEC BUY	HOLD	SELL
Overall equities coverage	78%	22%	0%	0%
Companies to which VSA has supplied investment banking services	100%	100%	n/a	n/a

Recommendation and Target Price History



Source: Workspace LSEG, VSA Capital Research

Valuation basis

SOTP based on DCF valuation and peer group analysis.

Risks to that valuation

Commodity prices, political risk, execution risk, financing risk, permitting risk and macro risk.

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