



Andromeda Metals Limited ASX: ADN ASX Announcement

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Binding Sales and Distribution Agreement Signed with IberoClays

Andromeda Metals Limited (ASX: **ADN**) (**Andromeda**, the **Company**) advises that it has entered into a sales and distribution agreement (**Agreement**) for Andromeda's high-quality kaolin products into the Mediterranean region, with IberoClays SLU (**IberoClays**).

Under the Agreement, the parties agree to terms for the sale and purchase of the following:

- **Great White CRM™ for sale into the ceramics and tile sectors**
 - 8,000 wet metric tonnes (**wmt**) in the first year, with IberoClays having an option to increase this to 10,000 wmt;
 - 10,000 - 20,000 wmt per annum from the second year onwards (at Andromeda's option);
 - Exclusive marketing and distribution in Spain, Portugal and Italy and non-exclusive rights in France, Morocco, Egypt and Turkey; and
 - Pricing from Year 2 onwards in line with assumptions made in the 2023 Definitive Feasibility Study (**2023 DFS**), with a discount of 7-8% applied to deliveries made in the first year, during which pre-payment terms will apply for shipments up to 30 September 2025, as per below.
- **Great White HRM™ for sale into the concrete industry**
 - 2,000 wmt per annum;
 - Non-exclusive marketing and distribution rights in Spain and Portugal for concrete applications;
 - Conditions precedent in IberoClays' favour relating to the certification for sales into Spain and Portugal, and the securing of an end-user agreement; and,
 - Pricing that is significantly above the conservative product pricing assumptions made in the 2023 DFS.

Prepayment terms for shipments until 30 September 2025, payable at the beginning of each quarter for all shipments due to be shipped during that quarter (based on 70% of provisional invoice).

The Agreement includes an initial term of 5 years from delivery of the first shipment, with automatic yearly extensions thereafter (unless either party gives 12 months' notice of termination), for delivery to, and warehousing at, the Port of Castellón, Spain.

The Agreement includes standard conditions precedent in Andromeda's favour, relating to conducting due diligence, a final investment decision being made for The Great White Project, and achievement of commercial production of Great White CRM™ and Great White HRM™.



The Agreement follows the receipt of a Letter of Intent from IberoClays¹ and extensive testing on the suitability of Great White CRM™ for use in ceramics, including international benchmarking comparisons, conducted by both IberoClays and Institute of Ceramic Technology (ITC), located at the University of Castellón in Spain.

The Agreement is a significant step in the execution of Andromeda's go-to-market strategy, through establishing a strategic partnership with a key supplier of kaolin into global markets and the leading formulator of ceramic tile minerals in Europe.

In signing the Agreement, IberoClays acknowledges the high quality and value in use of Andromeda's Great White CRM™ and Great White HRM™ kaolin products, and the consequently premium pricing they can command.

Mr. Alberto Piquer González, owner and CEO of IberoClays SLU, commented: *"We are excited by the opportunity to launch Andromeda's high-quality kaolin products for sale into the Mediterranean region.*

"The emergence of The Great White Project as a new source of supply comes at a crucial time in global kaolin markets. Ongoing geopolitical supply disruptions, in addition to the depletion of traditional high-quality sources of supply, is seeing elevated pricing for high-quality kaolin that can be used in ceramics.

"The Great White Project's products not only complete our portfolio of advanced formulations for high-quality porcelain tiles, slabs and ceramic glazes, but opens up the potential for a new market for kaolin as a high-performance additive that can decarbonise concrete."

CEO and Managing Director, Bob Katsioularis, said: *"Partnering with IberoClays, a recognised world-leader in ceramic tile formulations, is a major coup that validates the high-quality nature of our kaolin products from The Great White Project.*

"Through leveraging IberoClays customer and distribution network and being included in formulations in the market-leading and technology-driven European ceramics market, Andromeda aims to open up further opportunities in the Asia-Pacific region.

"The inclusion into the agreement of our high-performance concrete additive, that can be used to decarbonise concrete, offers a distribution opportunity into Europe. Entry into the European market is a large, high-value opportunity for this product, given its comprehensive Emissions Trading System (ETS) and would follow the successful completion of the required product validation and certification processes."

¹ Refer to ADN ASX dated 10 July 2023 titled *Letter of Intent received from IberoClays for exclusive distribution to the Mediterranean region.*



Photos showing IberoClays' recently built warehouse where Andromeda's kaolin products will be warehoused for distribution, located within the Port of Castellón, Spain, a major global ceramics hub.



This announcement has been approved for release by the Board of Directors of Andromeda Metals Limited.

For more information about the Company and its projects, please visit our website, www.andromet.com.au or contact:

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About IberoClays

IberoClays SLU was founded in 2013 to supply the raw materials needed by the ceramics industry in Spain. Since then, IberoClays has grown to now offer multiple mineral solutions to the ceramics sector throughout Europe, Middle East and Africa (EMEA) region. From its distribution hub located in the Port of Castellon, handles volumes exceeding 350,000 tonnes per annum of kaolin, ball clay, feldspar and other raw materials, used mainly in the production of ceramics, tiles, engobes & glazes and sanitaryware.