

ASX ANNOUNCEMENT

ANDROMEDA METALS LTD (Andromeda, ASX: ADN)



8 June 2023

Andromeda Metals Limited

ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash (31 March 2023): \$19.6m

Issued Capital:

3,110,270,932 ordinary shares

24,760,000 unlisted options

18,596,711 performance rights

Directors:

Mick Wilkes

Non-Executive Chair

Bob Katsioularis

CEO & Managing Director

James Marsh

Executive Director, Sales & Marketing

Melissa Holzberger

Non-Executive Director

Austen Perrin

Non-Executive Director

Company Secretary

Sarah Clarke

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Binding Offtake Agreement signed for Japanese market

Andromeda Metals Limited (ASX: **ADN**) (**Andromeda**, the **Company**) is pleased to announce it has signed a legally binding offtake agreement (**Agreement**) with Plantan Yamada Co Ltd (**Plantan Yamada**), solidifying their relationship for delivery of high-quality kaolin from The Great White Project (**GWP**) into the Japanese market.

Highlights

- The Agreement is with Plantan Yamada, a highly respected Japanese manufacturer of high-quality ceramics and porcelain.
- The Agreement is for supply of 25,000 tonnes of high-quality Great White KCM™90 over the first three years of production .
- The Agreement cover sales into the ceramics sector of Japan and replaces the previous terms sheet signed between the parties and announced via ASX in August 2022¹.
- The Agreement is subject to standard conditions precedent in favour of the Company including those relating to a financial investment decision by the Company for the GWP and commercial production of Great White KCM™90.

Bob Katsioularis, CEO & Managing Director of Andromeda, said ***“This Agreement with a highly respected, multi-generational Japanese porcelain producer fits the company’s strategic positioning and commercial strategy, in response to the tightening of global markets for high-quality kaolin.”***

¹ Refer ADN ASX dated 8 August 2022 titled *Andromeda signs another Binding Offtake Agreement for KCM™90 from the Great White Project.*

About Plantan Yamada

Plantan Yamada is a multi-generational ceramics company with headquarters in Nagoya, Japan and production facilities in China and Japan. It is involved in the manufacture and sale of over 2,000 different high quality porcelain products as well as raw materials for ceramics. Its tableware products are used extensively throughout Japan where reputation is crucial as well as being exported around the world.

Mr Yamada, owner of Plantan Yamada's owner said, *"We are excited to expand our partnership with Andromeda for the supply of high-quality kaolin from The Great White Project. The agreement follows extensive, multi-year analysis and testing of Andromeda's kaolin products, which confirmed its superior qualities to us.*

"We are also pleased to secure a consistent supply of high-quality kaolin given increasingly uncertain world supply and look forward to a long and productive partnership."

Mr Katsioularis, concluded, *"This agreement with Yamada Plantan, together with the one signed recently with Foshan Gaoming, demonstrate the elevated level of interest for sales of kaolin from The Great White Project given the increasing scarcity, particularly of high-quality kaolin, in international markets and geographies.*

"Andromeda's development of The Great White Project is coming at a crucial time in global kaolin markets.

"I look forward to providing investors with an update to these changing market conditions, and how Andromeda is responding to the emerging opportunities they present, at the investor update on 9 June, previously announced via ASX on 31 May 2023."

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

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

Manager, Investor Relations & Corporate Affairs

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About Andromeda

Andromeda Metals (ASX: ADN) is an ASX-listed emerging industrial minerals producer. Our vision is to lead the world in the sustainable supply of superior quality industrial minerals and advancement of nanotechnologies.

We see 2023 as a transformational year for Andromeda. Following which we anticipate becoming a globally significant producer of halloysite-kaolin products. Having received all major regulatory approvals, we are progressing towards early-stage-construction of the Stage 1A Starter Plant, while also advancing funding discussions aimed at enabling a final investment decision to be made.

From there, we aim to leverage the uniqueness of our Great White Project resources to grow through meeting the growing long-term demand for kaolin, expanding our range of high-margin kaolin-based products and developing many new technologies at the forefront of science, and essential to building a more sustainable future.

Andromeda's kaolin deposits are located in South Australia's Eyre Peninsula, a Tier 1 mining jurisdiction, and contain some of the highest purity kaolin ever discovered. Kaolin has been used in ceramics production for centuries because of its unique properties as a bright white inert mineral with very fine particle size. In addition to ceramics, today, kaolin can be found in a range of everyday products,

including cosmetics, paint, rubber, medicines, paper, pesticides, orthodontics, orthopedics, and plastics. Every modern home and car contains kaolin in some form.

Using a novel flowsheet, we are also researching using kaolin to produce the critical mineral High-purity Alumina (HPA).

Our large, high-quality deposits also contain a rare form of kaolin called halloysite, a naturally occurring nanotube. Halloysite is highly desirable in some applications where it attracts a premium price. Halloysite-kaolin can be used in emerging high-tech nanotechnologies and applications, such as carbon capture, soil remediation, water purification, hydrogen storage, medicine delivery and renewable energy.