

ASX ANNOUNCEMENT

ANDROMEDA METALS LTD (Andromeda, ASX: ADN)



7 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

Contact details:

Level 10

431 King William Street,

Adelaide SA 5000

Tel: +61 8 7089 9800

ir@andromet.com.au

www.andromet.com.au

Term Sheet signed for significant quantities of kaolin products for Chinese market

Andromeda Metals Limited (ASX: **ADN**) (**Andromeda**, the **Company**) is pleased to announce it has signed a Term Sheet for the supply of high-quality kaolin from the Great White Project (GWP) during the first 5 years of production, into China.

Highlights

The Term Sheet:

- is signed with Foshan Gaoming Xing-Yuan Machinery Co. Ltd (**Foshan Gaoming**), a company based in Foshan City, a major ceramics production base located in Guangdong Province, China.
- is for the supply and delivery of a total of:
 - 115,000 tonnes of Great White CRM™ over the five-year period, and
 - 5,000 tonnes of Great White KCM™90 in the first year of production.
- is subject to standard conditions precedent, including those relating to financing of the Great White Project and the achievement of commercial production of Great White CRM™ and Great White KCM™90.

Under Term Sheet, the parties have agreed to enter into a long form Offtake and Marketing Agreement, incorporating additional provisions customary for an offtake and marketing arrangement, by no later than 30 September 2023.

Bob Katsioularis, CEO & Managing Director of Andromeda, said **“We are excited to partner with Foshan Gaoming for the sale of a substantial proportion of planned initial production from The Great White Project.**

“Sales of our premium refined Great White CRM™ product fits strategic positioning and commercial strategy, and comes at a time of a tightening of global markets for the supply of high-quality kaolin.”

About Foshan Gaoming

Foshan Gaoming was established in 2004 and is located in China's ceramics production base in the Gaoming district of Foshan City, Guangdong Province.

Foshan Gaoming has been extensively involved in the kaolin industry, since its founding in 2004, and manufactures a range of machinery and magnets for the processing of ceramics and rare earth markets, including end-to-end mineral processing solutions for kaolin.

The Company has received satisfactory independent, third-party 'know your customer' and credit reports for Foshan Gaoming.

Mr Katsioularis, concluded, "The development of The Great White Project is coming at a crucial time in global kaolin markets. Increasing scarcity, particularly of high-quality kaolin, is producing emerging opportunities in markets and geographies, beyond just our own Asia-Pacific region.

"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, as 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

Patrick Sinclair

T: 08 7089 9819

M: 0403 708 431

e: Patrick.Sinclair@andromet.com.au

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.