

ASX Announcement

31 August 2020



Andromeda Metals Limited
ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash (30 June 2020): \$2.99 million

Issued Capital:

- 1,650,296,728 ordinary shares
- 497,740,012 ADNOB options
- 96,500,000 unlisted options

Directors:

Rhod Grivas

Non-Executive Chairman

James Marsh

Managing Director

Nick Harding

Executive Director and
Company Secretary

Joe Ranford

Operations Director

Andrew Shearer

Non-Executive Director

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Appointment of Internationally Experienced Marketing Services Provider

Summary

- **Heads of Agreement signed with specialist commodity marketing service provider Conrad Partners to support ADN's Asian marketing and services strategy.**
- **Conrad Partners have a large, well-qualified team of sales professionals based in mainland China who will work with Andromeda personnel to convert Letters of Intent (LOI's) signed by identified potential customers into binding offtake agreements.**
- **Existing LOI offtake customers represent over 200,000tpa of fully refined halloysite-kaolin product.**
- **Conrad Partners will also assist in sourcing and negotiating with toll refining facilities in China.**
- **The services agreement will cover all mainland China logistics and customer service requirements.**
- **Conrad Partners selected due to their extensive experience in securing binding contracts for the sale of Australian mineral commodities into China.**
- **Commercial quantities of refined product from the Great White Deposit have now been produced in Japan with further testing to be conducted in China and Australia prior to final distribution to potential ceramic customers.**

Discussion

Andromeda Metals Limited (ASX: ADN, Andromeda, the Company) is pleased to announce that it has engaged Conrad Partners (Conrad), a leading internationally focused marketing and logistics business specialising in the sale and distribution of mineral commodities, to work with the Company to implement its marketing strategy, predominantly into Asia.

The initial focus for Conrad will be to engage with existing customers who have been identified in order to convert already signed offtake Letters of Intent (LOI's) for fully refined halloysite-kaolin product into legally binding agreements, which will incorporate tonnage quantities to be supplied and the price to be paid.

Conrad will draw on their team of experienced commodity marketing personnel based predominantly in mainland China, to work closely with Andromeda staff to drive the marketing strategy which the Company is confident will lead to the securing of binding offtake agreements for both fully refined halloysite-kaolin product and initial Direct Shipping Ore (DSO) to be shipped in the first two years of operation as detailed in the Pre-Feasibility Study (*refer ADN ASX announcement dated 1 June 2020 titled "Pre-Feasibility Study further improves Poochera Halloysite-Kaolin Project Economics"*). Conrad will also assist with the sourcing and negotiations for toll-refining facilities in China and in the identification of any additional business opportunities that may arise.

Andromeda will utilise the experience Conrad has gained in formalising commodity contracts with customers over many years to complete contractual negotiations that will result in the optimisation of the Company's sales arrangements in Asia.

The agreement with Conrad also includes the provision of logistic services which will manage the movement of product into Asia with the aim that this service will ultimately transition into Andromeda once fully operational and working efficiently.

The directors consider the engagement of Conrad Partners to assist the Company to formalise binding offtake agreements and provide support with product logistics once the Great White Kaolin Project is operational to be an important step forward in delivering on the marketing strategy for the Project.

About Conrad Partners

Conrad Partners is a Hong Kong based marketing advisory organisation specialising in the mining and mineral commodities business. It is managed by experienced mining professionals with significant expertise in the marketing and logistics of mineral commodities from Australia into Asia, supported by a team of industry sales professionals located in Asia.

Conrad provide the full range of services required for commodity sales and marketing including marketing strategies, contract drafting and negotiation, logistics and shipping, counterparty performance analysis and optimisation, and complete management of marketing operations and marketing administration.

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