

ASX ANNOUNCEMENT

ANDROMEDA METALS LTD (Andromeda, ASX: ADN)



26 July 2022

Andromeda Metals Limited

ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash (31 Mar 2022): \$35.5m

Issued Capital:

3,110,008,432 ordinary shares

69,480,000 unlisted options

22,333,325 performance rights

Directors:

Mick Wilkes

Non-Executive Chair

James Marsh

Managing Director

Joe Ranford

Operations Director

Melissa Holzberger

Non-Executive Director

Andrew Shearer

Non-Executive Director

Austen Perrin

Non-Executive Director

Company Secretary:

Andrea Betti

Contact details:

Level 10

431 King William Street,
Adelaide, South Australia
5000

PO Box 1210

Unley BC SA 5061

Tel: +61 8 7089 9800

Fax: +61 8 8271 0033

admin@andromet.com.au

www.andromet.com.au

Andromeda Signs Binding Halloysite-Kaolin Offtake Term Sheet

Highlights

- Andromeda has signed a legally binding offtake Agreement with the Vietnam and Hong Kong based Asia Minerals Resources (AMR) to supply halloysite-kaolin from the Great White Kaolin Project.
- The binding Agreement is for up to a total of 38,500 tonnes of Great White KCM™ 90 over the first three years of production at a price in excess of the Definitive Feasibility Study pricing.
- The Agreement includes sales into the ceramics sector covering Vietnam, Malaysia, Singapore, Bangladesh, India, Pakistan, Philippines, South Korea, Indonesia, Thailand and the UAE.
- Negotiations are in progress to lock in strategic offtake agreements for the balance of the initial Great White plant output to further de-risk the project.
- This includes the Great White HRM™ concrete additive and Great White SRM™ suspension aid additive where a Letter of Intent for exclusive distribution rights into Asia/Pacific has already been signed with IMCD who are the world's largest additives distributor.

Andromeda Metals Limited (ASX: ADN) (**Andromeda**, the **Company**) a near-term producer of the halloysite-kaolin industrial mineral is pleased to announce that it has signed a legally binding offtake supply term sheet (**Agreement**) with Asia Material Resources Limited (**AMR**) to supply its Great White KCM™90 product from the Great White Kaolin Project in South Australia subject to standard conditions precedent.

Under the Agreement, Andromeda will produce and supply up to 38,500t of KCM™90 over the first three years of operation with price reviews at 12 months and automatic extension for ongoing years subject to agreement.

With headquarters in Hong Kong, AMR has, since 2008, been a reputable supplier of high-performance kaolins and other white materials and ancillaries to the ceramic industry for the manufacturer of high-quality tile, tableware and sanitaryware. AMR works closely only with competent and reliable partners who are inspected and audited to ensure they meet their high standards along with any ethics and applicable environmental legislation.

AMR's directors are based in Vietnam, China, Hong Kong, Thailand and Malaysia which gives it a broad base of rich ceramic experience from mining, processing, quality control and logistics to the end-use of finished products.

This Agreement follows extensive product application testing carried out by AMR's partner Vitis Joint Stock Company (**Vitis JSC - VITIS®**) at their ceramic testing centre in Vietnam. Vitis JSC is an industrial supplies company focused on its core business of ceramic market development and distribution of associated industrial materials, machinery and equipment to support AMR, their sales arm.

Vitis JSC acts as a mineral-link between suppliers and end-users through the professional networking of AMR, who have been their major channel of mineral export to the targeted regional markets since 2008.

The Vitis/AMR cooperation on both commercial and R&D aspects of new products has led to the development of high-quality kaolin products for export markets in the region, with supply to the world's top manufacturers in Tableware and Sanitaryware sectors for over 12 years.

AMR identified Andromeda and its KCM™90 product with at least 28 years of supply potential as a long-term partner to enable them to become the leading supplier of premium kaolin products into the ceramic sector.

Andromeda's Managing Director James Marsh, said **"This Agreement with AMR is a significant milestone for Andromeda as it is the first one for our initial Great White KCM™90 product with a leader in the world of high-quality ceramics which confirms the quality and value of the unique Great White resource. We look forward to a long and productive relationship with AMR."**

This ASX 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:

Investor Relations

Peter Taylor
NWR Communications
T. 0412 036 231
E: peter@nwrcommunications.com.au

Media Enquiries

Sylvia Rapo
Managing Principal
Consentium
E: sylvia.rapo@consentium.com.au