

ASX ANNOUNCEMENT

ANDROMEDA METALS LTD (Andromeda, ASX: ADN)



1 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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Cancellation of offtake with Asia Material Resources Ltd

Andromeda Metals Limited (ASX: **ADN**) (**Andromeda**, the **Company**) advises that the offtake agreement with Asia Material Resources Ltd (**AMR**) has been cancelled.

On 26 July 2022 Andromeda announced it had entered into a binding offtake term sheet with Asia Material Resources Ltd in relation to the supply of 23,500-38,500 tonnes of Great White KCM™90 over the first three years of production, subject to standard conditions precedent.

This term sheet has been cancelled due to the conditions precedent relating to the parties' internal approvals not being satisfied.

Under the term sheet the parties agreed to enter into a long form Offtake and Marketing Agreement expanding on the terms and conditions in the term sheet and incorporating additional provisions customary for an offtake and marketing arrangement as described in the term sheet. Some of those additional terms and conditions required by AMR were not acceptable to the Company in its development phase and as a result the long form offtake has not been agreed.

The Company has been in the process of reviewing its strategic positioning and product offering in response to changing market demands. An investor update will be given on this on 9 June 2023, as per ASX announcement on 31 May 2023.

This ASX announcement has been approved for release by the Managing Director 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.