



Andromeda Metals Limited ASX: ADN

ASX Announcement

10/431 King William Street
Adelaide, SA 5000

Tel: +61 8 7089 9800
admin@andromet.com.au

ABN
75 061 503 375

Quarterly Activity Report – December 2023

Andromeda Metals Limited (ASX: **ADN**) (**Andromeda, the Company**) reports the following activities during the quarter ended 31 December 2023, demonstrating continued progress in advancing The Great White Project (**TGWP** or **The Project**).

HIGHLIGHTS

Commercial

- Binding Sales and Distribution Agreement Signed with IberoClays SLU (**IberoClays BOA**);
- Binding Offtake Agreement signed for Chinese market signed with Foshan Gaoming Xing-Yuan Machinery Co. Ltd (**Foshan Gaoming BOA**);
- A non-binding Heads of Agreement signed with Traxys Europe S.A (**Traxys HoA**);
- A non-binding Heads of Agreement to pursue business opportunities linked to the Indian industrial minerals market with Opaque Ceramics Pvt Ltd (**Opaque HoA**); and,
- A Strategic Alliance Agreement for the commercialisation of Great White HRM™ with Hallett Group (**Hallett Agreement**).

Technical

- Great White CRM™ product validation testing program, including international benchmarking comparisons, key findings as follows:
 - above market value in use in the fast-growing large format porcelain and ceramic tiles and glaze segments; and,
 - Value in use work supports a 10-15% reduction of zircon in the ultra-white and super-white ceramic slab segments.

Operations

- Procurement of long lead items was progressed, with all items 'on order' and fabrication underway.

Regional Minerals Exploration

- A JORC-compliant Chairlift Kaolin Mineral Resource Estimate was announced.¹

Metal Projects

- Wudinna Gold Project – entered into a Subdivision and Sale Agreement with Cobra Resources plc
- Drummond Epithermal Gold Project – sale to Rush Resources Limited (Rush) was completed
- Moonta Copper Gold Project – entered into a Sale and Purchase Agreement with EnviroCopper Ltd (ECL) and its wholly owned subsidiary Environmental Metals Recovery Pty Ltd (EMR).

¹ Refer ADN ASX dated 16 November 2023 titled *Chairlift Kaolin Deposit Mineral Resource Estimate*, with underlying assumptions continuing to apply, and no material changes.



Discussion

Andromeda reports the following activities, which were undertaken during the quarter ended 31 December 2023.

Commercial

Andromeda continued executing its regional offtake strategy, through discussions with a range of potential customers during the quarter, aimed at securing offtake agreements for the Project's planned production.

Those discussions led to the following agreements being signed:

- Binding Sales and Distribution Agreement Signed with IberoClays SLU (**IberoClays BOA**)
- Binding Offtake Agreement signed for Chinese market signed with Foshan Gaoming Xing-Yuan Machinery Co. Ltd (**Foshan Gaoming BOA**), for sales into the Chinese market;
- Non-binding Heads of Agreement signed with Traxys Europe S.A (**Traxys HoA**);
- Non-binding Heads of Agreement to pursue business opportunities linked to the Indian industrial minerals market with Opaque Ceramics Pvt Ltd (**Opaque HoA**); and,
- Strategic Alliance Agreement for the commercialisation of Great White HRM™ with Hallett Group (**Hallett Agreement**).

Under the **IberoClays BOA**, Andromeda and IberoClays have agreed to terms for the sale and purchase of the following:

- **Great White CRM™** volumes of 8,000 wet metric tonnes (wmt) in the first year, with IberoClays having an option to increase this to 10,000 wmt, increasing to 10,000 - 20,000 wmt per annum from the second year onwards (at Andromeda's option). For sale into the ceramics and tile sectors with exclusive marketing and distribution in Spain, Portugal and Italy and non-exclusive rights in France, Morocco, Egypt and Turkey. Pricing from Year 2 onwards in line with assumptions made in the 2023 Definitive Feasibility Study (2023 DFS), with a discount of 7-8% applied to deliveries made in the first year, during which pre-payment terms will apply for shipments up to 30 September 2025, as per below.
- **Great White HRM™** volumes of 2,000 wmt per annum, for sale into the concrete industry with non-exclusive marketing and distribution rights in Spain and Portugal for concrete applications. Conditions precedent in IberoClays' favour relating to the certification for sales into Spain and Portugal, and the securing of an end-user agreement; and, Pricing that is significantly above the conservative product pricing assumptions made in the 2023 DFS.
- Prepayment terms for shipments until 30 September 2025, payable at the beginning of each quarter for all shipments due to be shipped during that quarter (based on 70% of provisional invoice).

The IberoClays BOA includes an initial term of 5 years from delivery of the first shipment, with automatic yearly extensions thereafter (unless either party gives 12 months' notice of termination), for delivery to, and warehousing at, the Port of Castellón, Spain.

The **Foshan Gaoming BOA** covers the supply and delivery of high-quality kaolin from TGWP during the first 5 years of production, into the Chinese market, as follows:

- 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.

Pricing aligns to the pricing assumptions used in the 2023 DFS and Andromeda may require payment obligations to be secured by a letter of credit. The Foshan Gaoming BOA is subject to standard conditions



precedent in Andromeda's favour relating to due diligence investigations on Foshan Gaoming, a financial investment decision by the Company for the TGWP and commercial production of Great White CRM™ and Great White KCM™90.

Under the non-binding **Traxys HoA**, Andromeda will work with Traxys to pursue mutually beneficial business opportunities linked to the sale and purchase of Andromeda's halloysite-kaolin products for distribution into global ceramics and other markets, into selected geographies, through:

- **Direct sales of Great White CRM™** – targeting 20,000 – 30,000 wet metric tonnes (wmt) per annum for the first Stage, and seeking to proportionally increase over subsequent Stages, covering the potential geographies of Turkey, Middle East, Scandinavia, and Latin America (LATAM). Targeting a term of 5 years, with first shipment during the first quarter of calendar year 2025 (Q1 2025), with the option for 60 or 90-days pre-shipments advances, for a portion of agreed target volumes during the first 24 months of production;
- **Direct sales Great White HRM™** – targeting 10,000 – 15,000 wmt per annum for the first Stage, and seeking to proportionally increase over subsequent Stages, covering the potential geographies of Europe, Middle East and Africa (EMEA), India and the Persian Gulf region, with end-user validation and homologation and certification for each market to be completed. Targeting a term of 5 years, with first shipment during Q1 2025 and an option for 60 or 90-days pre-shipment advances, for a portion of agreed target volumes during the first 24 months of production; and,
- **Potential equity and debt arrangements** – through participation in funding raises to support the Company in the period until an anticipated Final Investment Decision (FID) is made, and a contribution towards funding requirements following an anticipated FID being made, including, potentially, as a cornerstone equity investment or via the provision of working capital facilities.

Under the non-binding **Opaque HoA**, Andromeda will work with Opaque to pursue business opportunities linked to the Indian industrial minerals market, including distribution of Andromeda's kaolin products across Opaque's extensive global network of ceramics manufacturers, and through the development and potential distribution of kaolin-zircon mixtures. India is the second largest ceramics market in the world, forecast to grow by 9-10%², representing a significant opportunity for Andromeda's products.

Key terms for discussion under the HoA include offtake agreements for a term of 5 years, with first shipments planned during Q1 2025, for the following:

- **Purchase of 5,000-10,000 wmt p.a. of Great White CRM™** by Opaque for direct sales and distribution into the ceramic tile, ceramic glaze, porcelain tableware and sanitaryware markets in India and potentially other markets, including Bangladesh, Sri Lanka, Middle East, Saudi Arabia and Oman; and,
- **Development of a new kaolin-zircon product**, utilising an additional 5,000-10,000 wmt p.a. of Great White kaolin product, to enhance or expand the existing range of Opaque's zircon-based products, through incorporating the unique qualities of Great White kaolin, including high-brightness and its zircon-replacement potential.

Under the **Hallett Agreement**, Andromeda will work with Hallett Group in a **strategic alliance for the commercialisation of Great White HRM™**, through developing the market for Great White HRM™ in Australia and commercialising its use in various applications, including reduced cement concrete, reduced fines concrete, improved performance shotcrete, backfill and other building products.

² India, Ceramics Tile Market, Manufacturing Economics Studies (MECS), Edition Year 2022-23.



Technical

Andromeda continued progressing the technical knowledge and understanding of how The Project's high-quality kaolin can serve global markets, identifying and targeting the highest value in use segments.

The Great White CRM™ product validation program conducted independently by the Institute of Ceramic Technology (ITC), located at the University of Castellón in Spain, was progressed.

During the quarter, the final report on the suitability of Great White CRM™ for ceramic glazes, confirming zircon replacement potential and including international benchmarking comparisons, was received.

Key results from the final report are:

- Validated for use in blends where Great White CRM™ lends superior chromatic coordinate properties compared to the interval values of standard kaolins in the market;
- High-whiteness due to considerably lower iron, high alumina and typical titanium content, that provides the potential to reduce usage of higher-cost zircon in ultra white and super white ceramics segments;
- Great White CRM™ (and Great White KCM™90) tested in glaze applications as showing considerably higher mechanical strength compared to industry benchmarks. High mechanical strength can reduce glaze defects during the manufacturing process.

The results confirmed and validated the testing conducted previously by IberoClays, which found that Great White CRM™ provides above market value in use to the fast-growing large format porcelain and ceramic tiles and glaze segments³.

Additionally, further testing and analysis on the value in use of Great White CRM™ in reducing the need to add zircon in the ultra-white and super-white ceramic slab segments was conducted. The analysis found that through using Great White CRM™, instead of other standard European kaolins, manufacturers could reduce the use of higher-cost and increasingly scarce zircon by between 10-15%. The ultra-white and super-white ceramic slab segments, which use formulations containing ~25% kaolin, are a significant and growing opportunity for Andromeda.

Operations

Andromeda continued planning activities in anticipation of a final investment decision being made.

During the quarter, the procurement of long lead items was progressed, with the following activities conducted and status, as at the end of the quarter:

- Fluidised bed dryer – factory acceptance testing conducted, warehoused ready for shipment
- Thickener –factory acceptance testing completed
- Drum washer – factory acceptance testing planned for Q1
- Filter Press – order placed and engineering continuing
- Filter Cake Feeder – order placed and fabrication commenced

The Company also progressed procurement of the 'balance of plant' capital and infrastructure items.

During the quarter, operations at the Streaky Bay Pilot Plant continued supporting additional sample requests for customer testing and further product validation, while ensuring safe, sustainable operations.

³ As determined by testing conducted on Great White CRM™ by IberoClays (May/June 2023).



The subdivision of all the required freehold land underpinning TGWP (ML 6532 and MPL 164) was progressed. Following the completion of the subdivision process, existing property boundaries will be realigned to allow for the settlement of the Land Purchase Agreements (as previously announced⁴) to proceed.

During the quarter there were no lost time injuries, and no reportable environmental incidents.

Regional Minerals Exploration

With the Company focused on developing the Great White Deposit, regional exploration has been minimised, to focus on regions with complementary attributes to TGWP, while keeping the tenements in good standing.

TGWP – Regional exploration (Andromeda 100%)

Eyre Kaolin Project

(Andromeda farming in under Stage 1 to earn a 51% interest by expending \$750,000 by November 2024)

Following analysis of the results from follow-up drilling conducted at the Chairlift kaolin prospect, located on tenement EL 6664 and conducted in March 2023, a combined Inferred Resource of 53.5 million tonnes (Mt) of kaolin was announced⁵, comprising of:

- 27.0 Mt of Bright White, low titanium kaolinised granite (Chairlift CRM); and,
- 26.5 Mt of rheology modifier kaolin (Chairlift HRM).

Metals Projects

Andromeda's strategic focus remains on developing our portfolio of kaolin projects. Accordingly, the Company made significant progress in reaching agreement to realise maximum shareholder value for its gold and copper assets.

Wudinna Gold Project (Andromeda farm-out 25%)

During the quarter, the Company entered into a Subdivision and Sale Agreement (**Agreement**) with Cobra Resources plc (**Cobra**) for the sale of the remaining 25% interest held in the tenements related to the Wudinna Gold Project, for the consideration of \$500,000 in cash and \$1,000,000 in shares of Cobra (valued at GBP 1 pence each).

Cobra, through its wholly owned subsidiary Lady Alice Mines Pty Ltd (**LAM**), will acquire Andromeda's interest in the Wudinna Project, held by wholly owned subsidiary Peninsula Resources Pty Ltd (**Peninsula**), either via a tenement transfer or utilising the sub-division process under section 30AA of the Mining Act 1971 (SA).

Completion of the Agreement is subject to the following conditions precedent:

- Cobra successfully undertaking a capital raising to the value of \$500,000;
- Cobra receiving the necessary shareholder approval to issue the Consideration Shares; and
- obtaining any necessary third-party consents required for the transaction.

⁴ Refer ADN ASX dated 18 August 2022 titled *Andromeda progresses Great White Kaolin Project with signing of Land Acquisition Agreements and lodgement of PEPR*.

⁵ Refer ADN ASX dated 16 November 2023 titled *Chairlift Kaolin Deposit Mineral Resource Estimate*, with underlying assumptions continuing to apply, and no material changes.



In January 2024, 52,010,000 Cobra shares (**Consideration Shares**) were issued to Peninsula in advance of completion of the sale. As the Consideration Shares have been issued in advance of completion, they are subject to a call option in favour of Cobra, obliging Peninsula to sell all the Consideration Shares for £1 in total if the conditions precedent are not satisfied and the Agreement with Cobra terminates without completion occurring. The Consideration Shares are subject to escrow (subject to standard exclusions) until the earlier of:

- i. when LAM becomes the registered holder of the tenements applicable to the Wudinna Project (via tenement transfer or the subdivision process in section 30AA of South Australia's Mining Act 1971); or
- ii. the date that is 12 months from the date of issue of the Consideration Shares.

The remaining condition precedent to be satisfied relates to third party consents required for the transaction.

Drummond Epithermal Gold Project (Andromeda 100%)

During the quarter, the sale of the Drummond Epithermal Gold Project (**Drummond**), via the disposal of Andromeda's wholly owned subsidiary Adelaide Exploration Pty Ltd, to Rush Resources Limited (**Rush**), was completed.

As a result of Rush being acquired by ASX-listed Trigg Minerals Limited (Trigg, ASX: TMG), Andromeda received 29,500,000 shares, valued at \$295,000, as consideration and for reimbursement of expenses related to the sale of Drummond.

The shares were issued in addition to the payment of \$27,000 in cash and a cash refund of \$7,500 in respect of the environmental bonds for the project.

Moonta Copper Gold Project (Andromeda partial farm-out 100%)

During the quarter, Andromeda entered into a Sale and Purchase Agreement, via wholly owned subsidiary Peninsula Resources Pty Ltd (**Peninsula**), for exploration licence EL5984 (related to the Moonta Copper Gold Project) with EnviroCopper Ltd (**ECL**) and its wholly owned subsidiary Environmental Metals Recovery Pty Ltd (**EMR**).

As consideration for the sale, Andromeda will receive the following:

- At completion of the sale:
 - \$50,000 in cash;
 - 203,008 fully paid ordinary shares in ECL, representing 5% of current issued capital in ECL;
 - Grant of a royalty, equal to 10% of the operating cashflow derived from the Moonta ISR JV Project Area, up to \$15 million, and
 - Grant a royalty, equal to 10% of the operating cashflow derived from in respect of the Moonta Project Area, up to \$15 million.
- Following successful completion of a Site Environmental Lixiviant Test (SELT) within the Project Area being undertaken, at the sole discretion of Andromeda, either:
 - \$100,000 in cash; or
 - 101,504 fully paid ordinary shares in ECL, representing 2.5% of current issued capital in ECL;
- Following granting of a Mining Lease within the Project Area to ECL, its related body corporate, nominee or assignee, a further \$150,000 in cash.

Completion of the sale occurred on 24 January 2024.



Research Projects

The Company continued to strategically assess the optionality of its research opportunities following its revised Commercial Strategy, which determined they were Adjacent opportunities.

Carbon Capture & Conversion Project (CC&C Project) – During the quarter, a strategic review of the project was conducted. The review outcomes led to a decision being taken to recycle the contained steel included in the Carbon Capture Pilot Plant.

The Company retains ownership of CC&C Project intellectual property (IP) and business opportunity.

Corporate

Capital Structure

No shares were issued during the quarter.

On 17 November 2023:

- 1,606,751 Performance Rights lapsed due to the conditions no longer being able to be satisfied.
- 3,110,000 Unlisted Options lapsed due to the conditions not being satisfied.

On 28 November 2023, 12,500,000 Options lapsed due to the conditions not being satisfied.

On 23 December 2023, 14,199,331 Performance Rights expired without exercise or conversion.

Finance

The Company continued to prudently manage costs during the period. Cash and cash equivalents at the end of the quarter were \$8,378k, a decrease of \$4,713k from the previous quarter's closing balance of \$13,091k. This included payments of \$1,218k related to long lead and other capital items.

During the quarter, Andromeda submitted its Income Tax Return for the 2023 financial year, with the Australian Tax Office (ATO) and has since received a tax refund of \$3.1 million related to research & development incentives undertaken during the 2023 financial year.

During the quarter, net funds used in operating activities were \$2,007k. Net funds used in investing activities were \$2,652k. Net funds used in financing activities were \$54k.

Exploration and Evaluation Expenditure during the quarter was \$1,441k. Full details of exploration and evaluation activity during the Quarter are set out in this report, including activities for the progression of the TGWP set out above.

There were no substantive mining production and development activities during the quarter.

Payments to related parties of the Company and their associates during the quarter were \$441k, consisting of executive director salaries and non-executive director fees.

Funding

During the quarter, the Company continued moving towards making a final investment decision while evaluating funding arrangements that best suit the long-term interests of the Company and its shareholders. The financing arrangements considered include a range of debt and equity mix options.



Discussions with potential debt financiers continued, while completion of the 2023 DFS supported discussions with potential equity financiers.

Results of Annual General Meeting

The Company held its Annual General Meeting on 22 November 2023. All resolutions were conducted by a poll vote of shareholders, resulting in the following outcomes:

- Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2023, was carried;
- Resolution 2 – Re-election of Mr Michael Wilkes as a Director, was carried;
- Resolution 3 – Approval of Issue of Securities under the Employee Incentive Plan, was carried;
- Resolution 4 – Approval of Amendment of Constitution to insert Proportional Takeover provisions, was carried;
- Resolution 5 – Approval to amend the Constitution to allow for virtual meetings and other minor amendments, was not carried; and,
- Resolution 6 – Approval of 10% Placement Facility, was not carried.

Executive and Board changes

On 20 November 2023, Pascal Alexander-Bossy commenced his appointment as Chief Financial Officer. Additionally, during November, following a review of the Company's organisational structure, James Marsh (Sales and Marketing) and Tim Anderson (Chief Commercial Officer), departed the Company.

Competent Persons Statement

The data that relates to exploration results and Mineral Resource Estimates are based on information compiled and evaluated by Mr. Eric Whittaker who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr. Whittaker is the Chief Geologist of Andromeda Metals Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr. Whittaker has over 30 years of experience in the mining industry. Mr. Whittaker consents to the information in the form and context in which it appears.

This 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:

Manager, Investor Relations & Corporate Affairs

Patrick Sinclair

T: 08 7089 9819

M: 0403 708 431

E: Patrick.Sinclair@andromet.com.au



SUMMARY SCHEDULE OF TENEMENTS AS AT 31 DECEMBER 2023

Project	Tenement	Tenement Name	Area km ²	Registered Holder or Applicant	Nature of Company's Interest %
South Australia					
<i>The Great White Project</i>	ML 6532	Great White	319 ha	Andromeda Industrial Minerals Pty Ltd ¹	AIM 100%
	MPL 163	Water Pipeline MPL	78 ha	Andromeda Industrial Minerals Pty Ltd	AIM 100%
	MPL 164	Access Road MPL	13 ha	Andromeda Industrial Minerals Pty Ltd	AIM 100%
	EL 6588	Tootla	372	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd ²	AIM 75% GSK 25%
	EL 6202	Mt Hall	147	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd	AIM 75% GSK 25%
	EL 6426	Mt Cooper	648	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd	AIM 75% GSK 25%
<i>Wudinna Gold Joint Venture</i>	EL 6317	Pinkawillinie	156	Peninsula Resources Ltd ³	PRL 25% LAM 75%
	EL 6131	Corrobinnie	1,303	Peninsula Resources Ltd	PRL 25% LAM 75%
	EL 6489	Wudinna Hill	42	Peninsula Resources Ltd	PRL 25% LAM 75%
	EL 5953	Minnipa	184	Peninsula Resources Ltd	PRL 25% LAM 75%
	EL 6001	Waddikee Rocks	147	Peninsula Resources Ltd	PRL 25% LAM 75%
<i>Moonta Copper Gold Project⁴</i>	EL 5984	Moonta-Wallaroo	713	Peninsula Resources Ltd	100%
	EL 5984	Moonta Porphyry JV	106	Peninsula Resources Ltd	90% - option to acquire 100% from AIC Mines Ltd
<i>Eyre Kaolin Project</i>	EL 6663	Aspen	976	Peninsula Exploration Pty Ltd ⁵	AIM 0% Peninsula 100%
	EL 6664	Whistler	452	Peninsula Exploration Pty Ltd	AIM 0% Peninsula 100%
	EL 6665	Hotham	875	Peninsula Exploration Pty Ltd	AIM 0% Peninsula 100%
	EL 6666	Thredbo	496	Peninsula Exploration Pty Ltd	AIM 0% Peninsula 100%
<i>Mt Hope Kaolin Project</i>	EL 6286	Mt Hope	227	Andromeda Industrial Minerals NZ Pty Ltd ⁶	100%
Western Australia					
<i>Dundas Project</i>	E 63/2089	Circle Valley	29	Mylo Gold Pty Ltd ⁷	100%
<i>Camel Lake Halloysite Project</i>	EL 6128	Camel Lake	455	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd	AIM 75% GSK 25%
	ELA 2019/73	Dromedary	481	Demetallica Operations Pty Ltd ⁸	AIM 75% GSK 25%

1 Andromeda Industrial Minerals Pty Ltd (AIM), (incorporated 9 August 2018) is a wholly owned subsidiary of Andromeda Metals Ltd.

2 Great Southern Kaolin Pty Ltd (GSK) is a wholly owned subsidiary of Andromeda Metals Ltd.

3 Peninsula Resources Ltd (PRL), (incorporated 18 May 2007) is a wholly owned subsidiary of Andromeda Metals Ltd. PRL has a farm-out agreement with Lady Alice Mines Pty Ltd (LAM), a wholly owned subsidiary of Cobra Resources PLC, and a sale agreement with LAM for its remaining 25% interest – refer ADN ASX announcement dated 15 November 2023 title *Sale of remaining 25% interest in Wudinna Gold Project*.

4 Andromeda Metals Ltd has agreed to sell EL 5984 to Environmental Metals Recovery Pty Ltd (EMR), as described in this report.

5 Andromeda Industrial Minerals Pty Ltd has a farm in agreement with Peninsula Exploration Pty Ltd (Peninsula) over the Eyre Kaolin Project.

6 Andromeda Industrial Minerals NZ Pty Ltd is a wholly owned subsidiary of Andromeda Metals Ltd.

7 Mylo Gold Pty Ltd (acquired 21 December 2017) is a wholly owned subsidiary of Andromeda Metals Ltd.

8 Demetallica Operations Pty Ltd, which is a wholly owned subsidiary of AIC Mines Ltd. Registered interest was to be transferred to AIM (75%) and GSK (25%) upon grant, but the application has or will be withdrawn.

Due to the remote location and access issues, during the quarter the company made a decision to allow the exploration rights to expire for Camel Lake Halloysite Project

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ANDROMEDA METALS LIMITED

ABN

75 061 503 375

Quarter ended ("current quarter")

31 December 2023

	Current quarter \$A'000	Year to date (6 months) \$A'000
1 Consolidated statement of cash flows		
1 Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(638)	(999)
(e) administration, corporate, marketing and R&D costs	(1,407)	(3,044)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	43	203
1.5 Interest and other costs of finance paid	(5)	(11)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	516
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,007)	(3,335)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1,218)	(1,656)
	(d) exploration & evaluation (capitalised)	(1,441)	(2,521)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	7	7
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other		
	- Government grants, subsidies and tax incentives	-	691
2.6	Net cash from / (used in) investing activities	(2,652)	(3,479)
3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Lease repayments)	(54)	(109)
3.10	Net cash from / (used in) financing activities	(54)	(109)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4	Net increase / (decrease) in cash and cash		
4.1	Cash and cash equivalents at beginning of period	13,091	15,301
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,007)	(3,335)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,652)	(3,479)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(54)	(109)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,378	8,378

5 Reconciliation of cash and cash equivalents		Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	8,378	13,091
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,378	13,091

6 Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(439)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(2)

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The amount at items 6.1 and 6.2 comprises executive director salaries, bonuses & termination payments, non-executive director fees and consulting fees paid to directors or related corporations of directors of the Company during the quarter.

7	Financing facilities	Total facility amount at quarter end	Amount drawn at quarter end
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	\$A'000	\$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (credit card facility)	90	9
7.4	Total financing facilities	90	9
7.5	Unused financing facilities available at quarter end		81
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>The Company has a credit card facility financed through Westpac with a limit of \$90,000. This facility is denominated in Australian dollars and is secured against cash deposits of the same amount shown as restricted cash in Item 5.4 of this report. An annual fee is charged for this facility at market rates. There are no set amounts are payable under this facility, other than the annual fee, unless the consolidated entity does not adhere to the terms of the agreements.</p>			

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,007)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,441)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,448)
8.4	Cash and cash equivalents at quarter end (item 4.6)	8,378
8.5	Unused finance facilities available at quarter end (item 7.5)	81
8.6	Total available funding (item 8.4 + item 8.5)	8,459
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.45
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing
- 2 This statement gives a true and fair view of the matters disclosed.

31 January 2024

Date:

By the Board

Authorised by:

(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.