



Andromeda Metals Limited ASX: ADN ASX Announcement

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Andromeda expansion plans for The Great White Project

- Expansion plans for the GWP brought forward due to anticipated sales volumes
- Planned production of new Stage 1A+ for 90,000 tpa (from previous planned 50,000 tpa)
- Pre-tax NPV of the GWP increased by A\$64M

Andromeda Metals Limited (ASX: **ADN**) (**Andromeda**, the **Company**) is pleased to announce that it has taken the decision to bring forward expansion plans for The Great White Project (**TGWP**).

Anticipated sales volumes for TWGP's kaolin products under binding agreements currently exceed the planned production of 50,000 tonnes per annum (**tpa**) under the initial Stage 1A¹ of the project, as contemplated in the 2023 Definitive Feasibility Study (**2023 DFS**). The Company expects these binding volumes to be increased through the conversion of volumes under our existing Heads of Agreement (**HOA**), negotiations for which have now reached an advanced stage.

Given this position, the Company has taken the decision to bring forward the staged expansion of the project to reach cumulative nominal kaolin production of 90,000 tpa (100,000 wet metric tpa) (**Stage 1A+**) within 17 months of final investment decision (**FID**).

This has further led to the Company's decision to reschedule subsequent stages of the 2023 DFS, such that the expansion to TGWP's ultimate 300,000 tpa will now proceed as follows:

	Stage 1A+	Stage 1B	Stage 2	Total
Nominal kaolin production (dmt²)	90,000 tpa	100,000 tpa	110,000 tpa	300,000 tpa
Nominal kaolin production (wmt³)	100,000 tpa	~110,000 tpa	~120,000 tpa	~330,000 tpa
Construction start (months from FID)	0 months	12 months	30 months	n/a
First shipment (months from FID)	17 months	24 months	42 months	n/a
Full production (months from FID)	23 months	30 months	48 months	n/a

A comparison of the new staging to the prior staging is shown in the chart below.

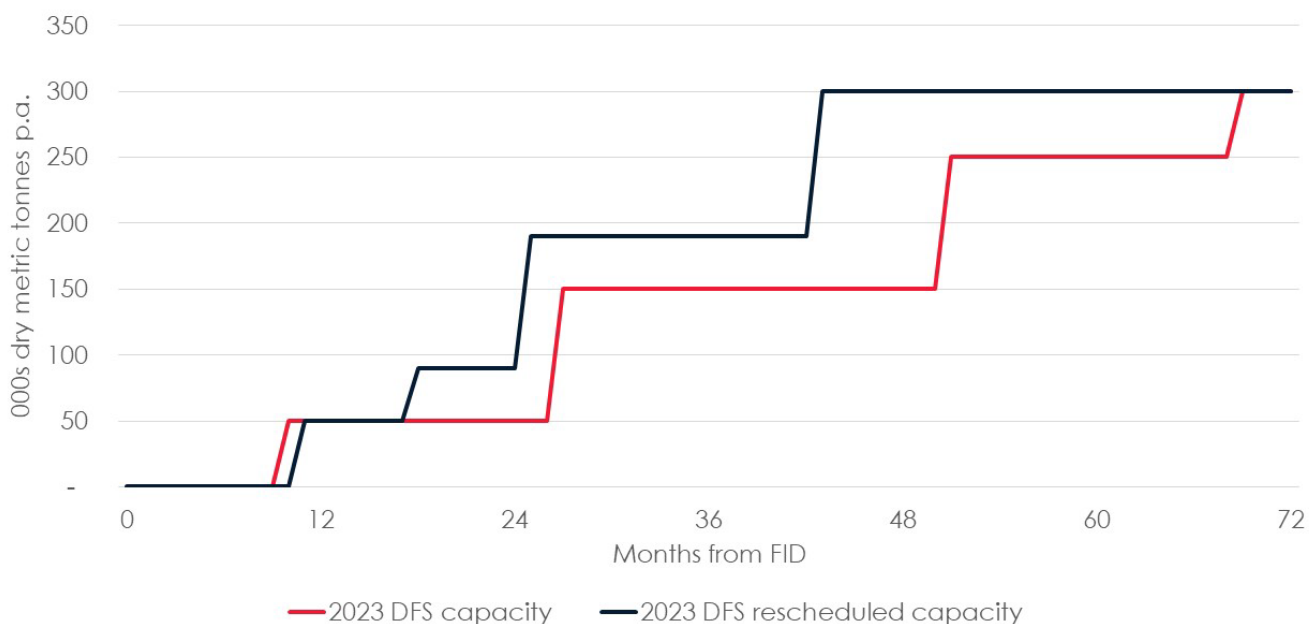
¹ Refer to ADN ASX dated 24 August 2023 titled *The 2023 DFS delivers significantly improved economics...*

² dmt = dry metric tonnes

³ wmt = Wet metric tonnes (product specification which allows for up to 12% moisture)

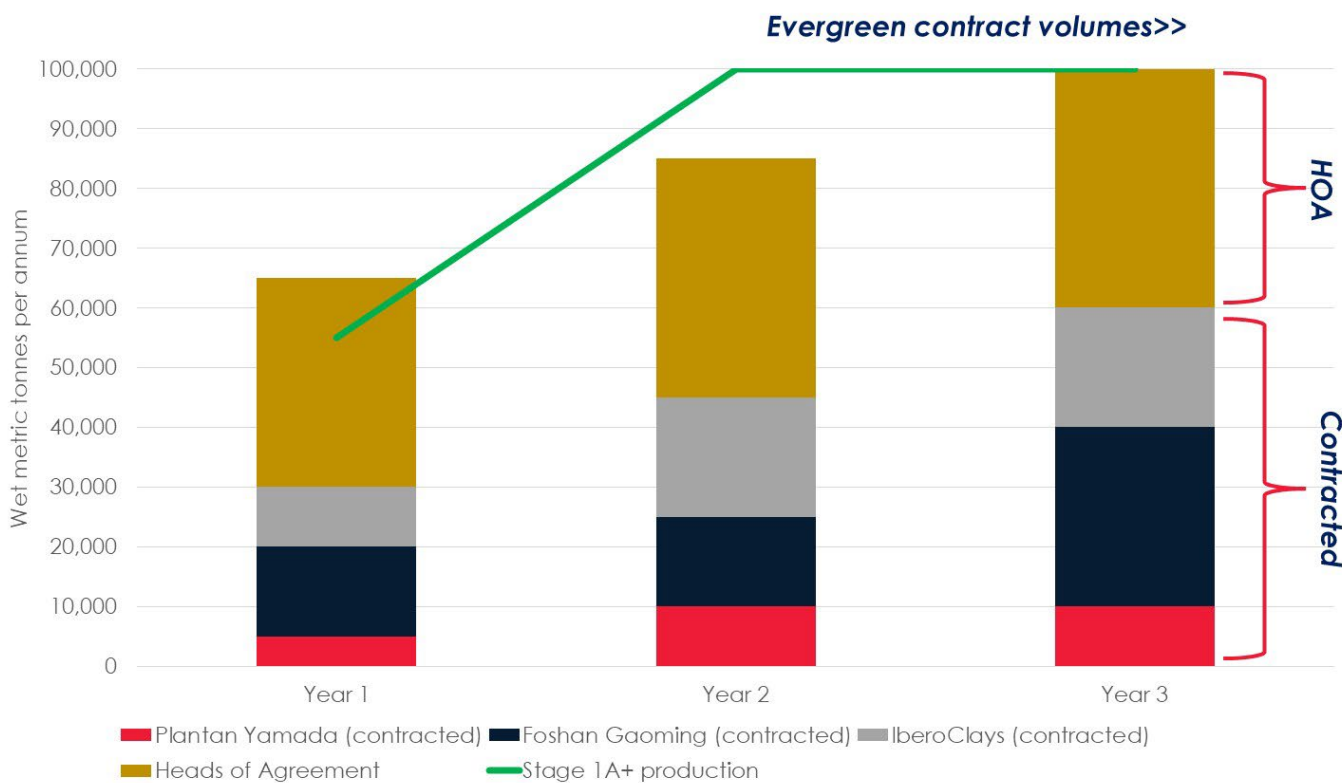


2023 DFS Capacity vs 2023 DFS Rescheduled Capacity



As noted, the decision follows the progress made in negotiations with current and potential offtake partners, including Traxys⁴. The Company now anticipates total volumes committed under binding offtake agreements to surpass nominal Stage 1A capacity from Year 1 and reach 100,000 wet metric tpa of kaolin in Year 3.

TGWP Production and Offtake Profile



⁴ Refer to 1) ADN ASX dated 21 November 2023 titled *Non-binding Heads of Agreement signed with Traxys* ⁴ 2) Refer to ADN ASX dated 9 November 2023 titled *Heads of Agreement signed for Indian and global markets*.



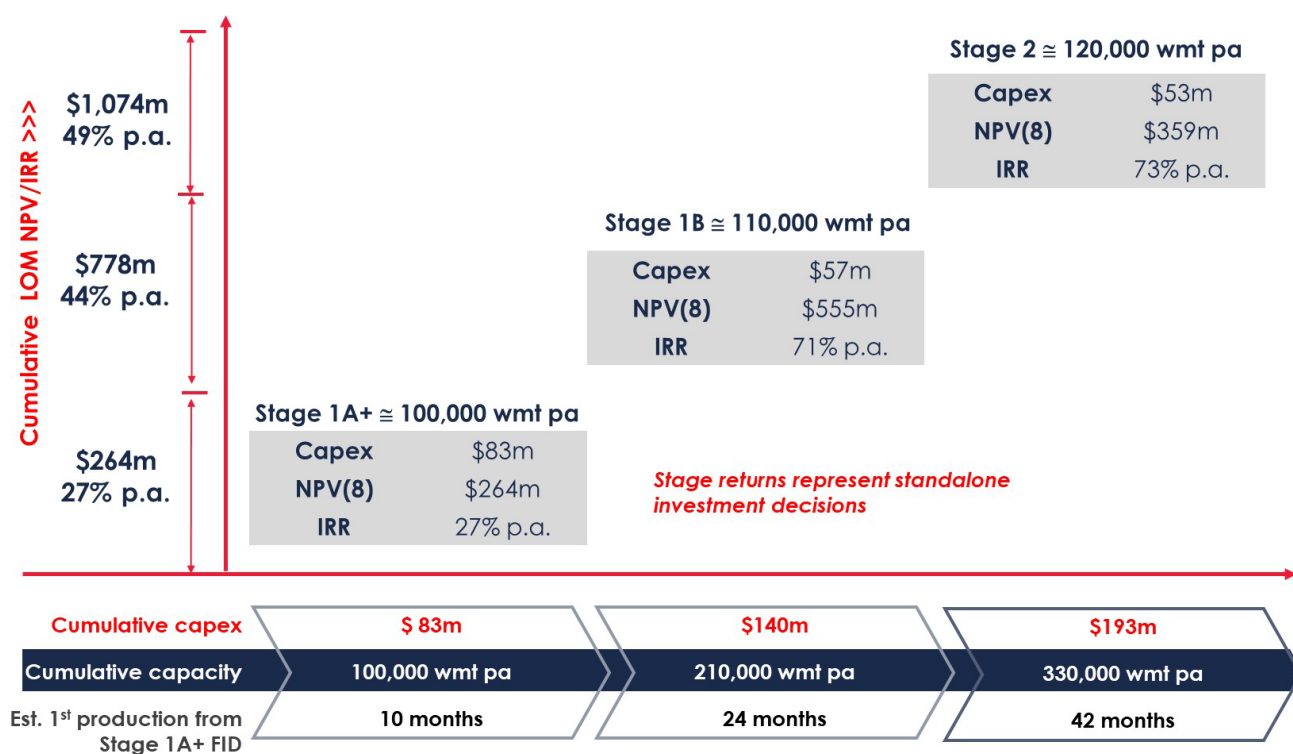
The above volumes include anticipated commitments for Great White CRM™ and Great White KCM™, which target the high-value ceramic tile/countertop and porcelain tableware markets. Volume commitments for Great White HRM™ have been excluded and, subject to end user testing, will support future expansion opportunities.

All material assumptions used in the 2023 DFS⁵ continue to apply and have not materially changed. Forecasts are based on TGWP 2022 Ore Reserve Estimate⁶. The pre-tax NPV (8) of TGWP has increased by A\$64 million due to the revenues brought forward by the re-scheduling of the expansion stages.

	2023 DFS	Re-staged 2023 DFS
Pre-tax NPV (8) (real)	\$1,010 million	\$1,074 million

In re-staging TGWP, Andromeda has assessed the economic impact of each Stage of development, as summarised below. The results of this analysis are shown on a pre and post-tax basis in the figures below. As noted above, all material assumptions used in the 2023 DFS⁷ continue to apply and have not materially changed.

Pre-tax NPV (8) (real) of each Stage of TGWP



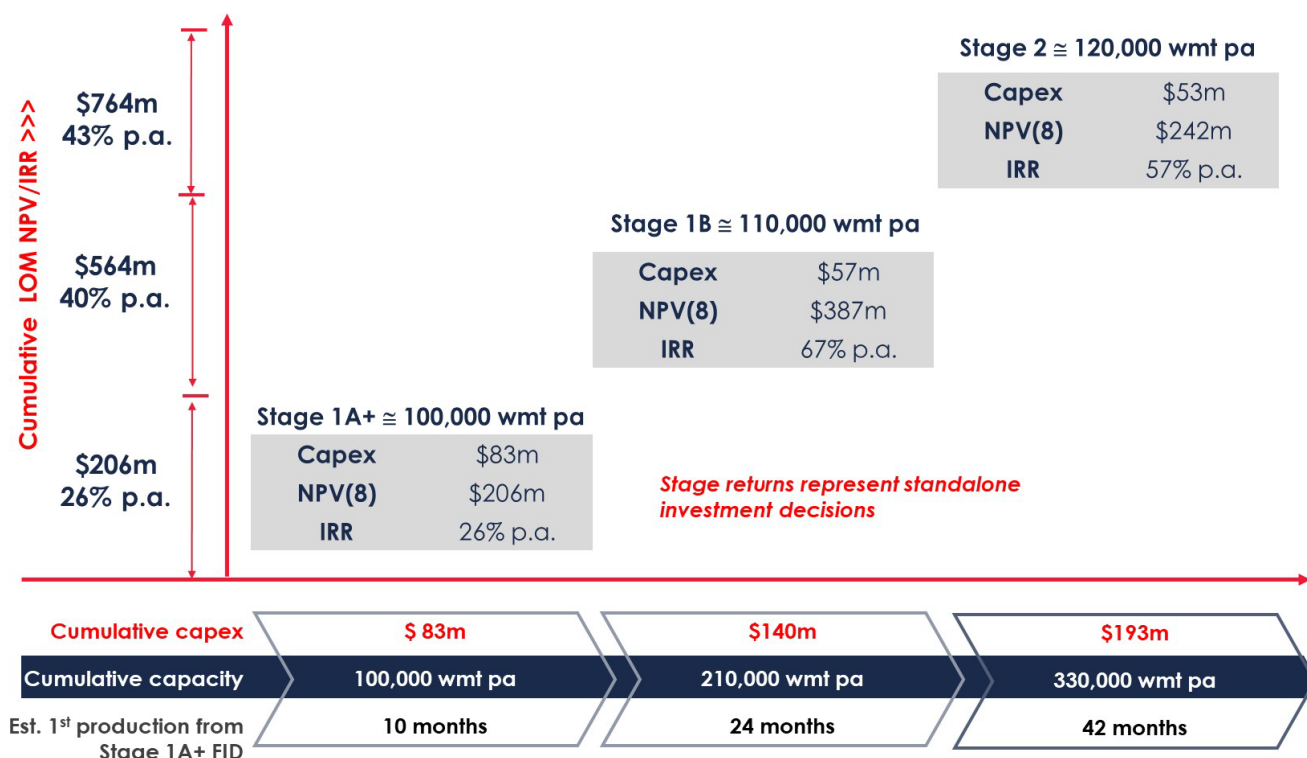
⁵ Refer to ADN ASX dated 24 August 2023 titled *The 2023 DFS delivers significantly improved economics...*

⁶ Information that relates to Mineral Resource Estimate has been previously announced to ASX on 26 November 2020, "Updated Mineral Resource for the Great White Kaolin Project" and, information that relates to Ore Reserve Estimate has been previously announced to ASX on 6 April 2022, "Great White Kaolin Project –Definitive Feasibility Study and Updated Ore Reserve" both available at <https://www2.asx.com.au/markets/company/adn>. Andromeda confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

⁷ Refer to ADN ASX dated 24 August 2023 titled *The 2023 DFS delivers significantly improved economics...*



Post-tax NPV (8) (real) of each Stage of TGWP



Bob Katsioularis, Andromeda's CEO and Managing Director said:

"The decision to increase the scale of our planned Stage 1A+ operation is a significant step forward in Andromeda's commercial strategy, which greatly improves capital efficiency and financial outcomes, and support the ongoing discussions with the numerous debt providers currently underway."

This announcement has been approved for release by the Board of Directors of Andromeda Metals Limited.

This announcement contains certain forward-looking statements and comments about future events, that are based on Andromeda's beliefs, assumptions and expectations and on information currently available to management as at the date of this announcement. Forward looking statements may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and production potential, financial forecasts, product quality estimates of future Mineral Resources and Ore Reserves. Such statements are only expectations or beliefs and are subject to inherent risks and uncertainties which could cause actual values, results or performance achievements to differ materially from those expressed or implied in this announcement. Readers are cautioned against placing undue reliance on forward-looking statements. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Andromeda, the directors, and management of Andromeda.

For more information about the Company and its projects, please visit our website, www.andromet.com.au or contact:

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