



# Andromeda

## The Great White Mineral Company

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Annual General Meeting –  
Managing Director's Report

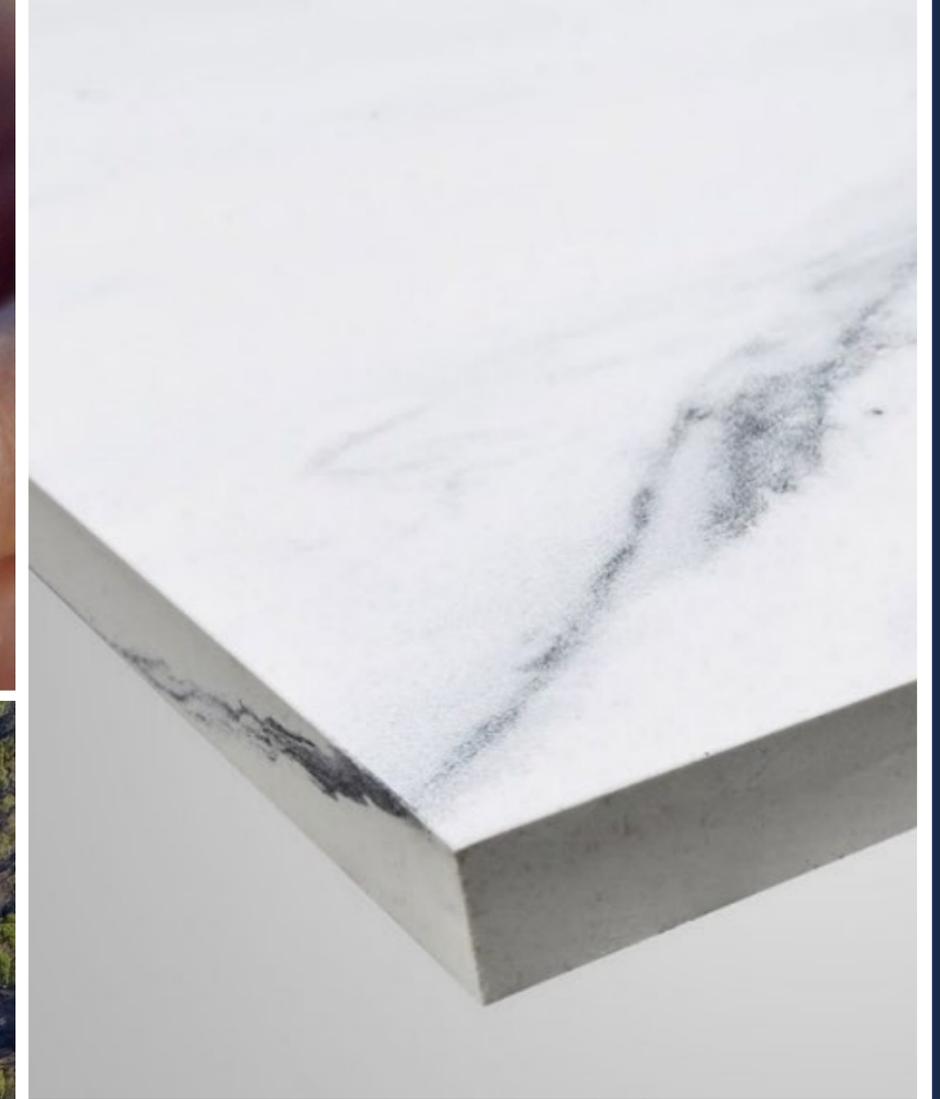
22 November 2023

**ASX:ADN**

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Authorised for release by the Board of Andromeda Metals Ltd



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### Assumptions and Notes for Financial Information on 2023 DFS this presentation:

Further details on the 2023 DFS and the assumptions and notes for the 2023 DFS can be found in the Company's ASX Announcement '2023 Definitive Feasibility Study Results' released on 24 August 2023.

### Third party data from consultants and government agencies

Andromeda has relied on information provided by specialist consultants and government agencies in preparing this presentation. Andromeda has reviewed all information to the best of its ability but does not take responsibility for its accuracy or completeness, or reliability of such information.

### Competent Person's Statements

The data in this presentation that relates to Mineral Resource estimates for The Great White Deposit and the Chairlift Deposit is based on information 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. Mr Whittaker is entitled to participate in Andromeda's employee incentive plan.

The data in this presentation that relates to Mineral Reserve estimates for The Great White Deposit is based on information evaluated by Mr John Millbank who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Millbank is the Director of Proactive Mining Solutions Pty Ltd, an independent mining consultancy, 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 Millbank consents to the information contained in this presentation being used in the form and context in which it appears. Mr Millbank, or any of the entities he directly controls, has no financial interests in Andromeda Metals Ltd or any of its subsidiaries.

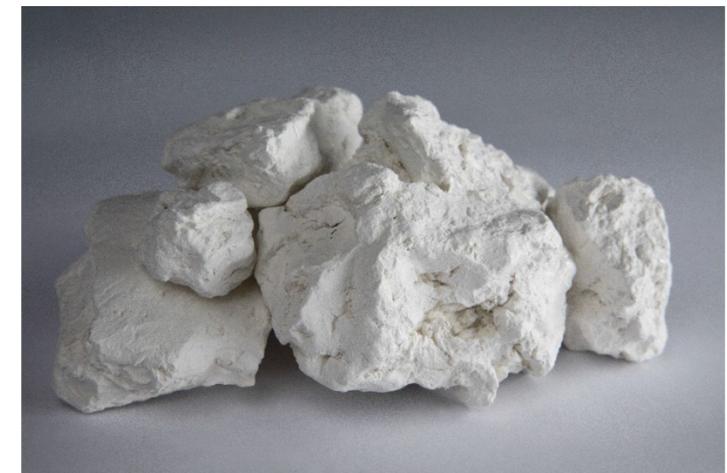
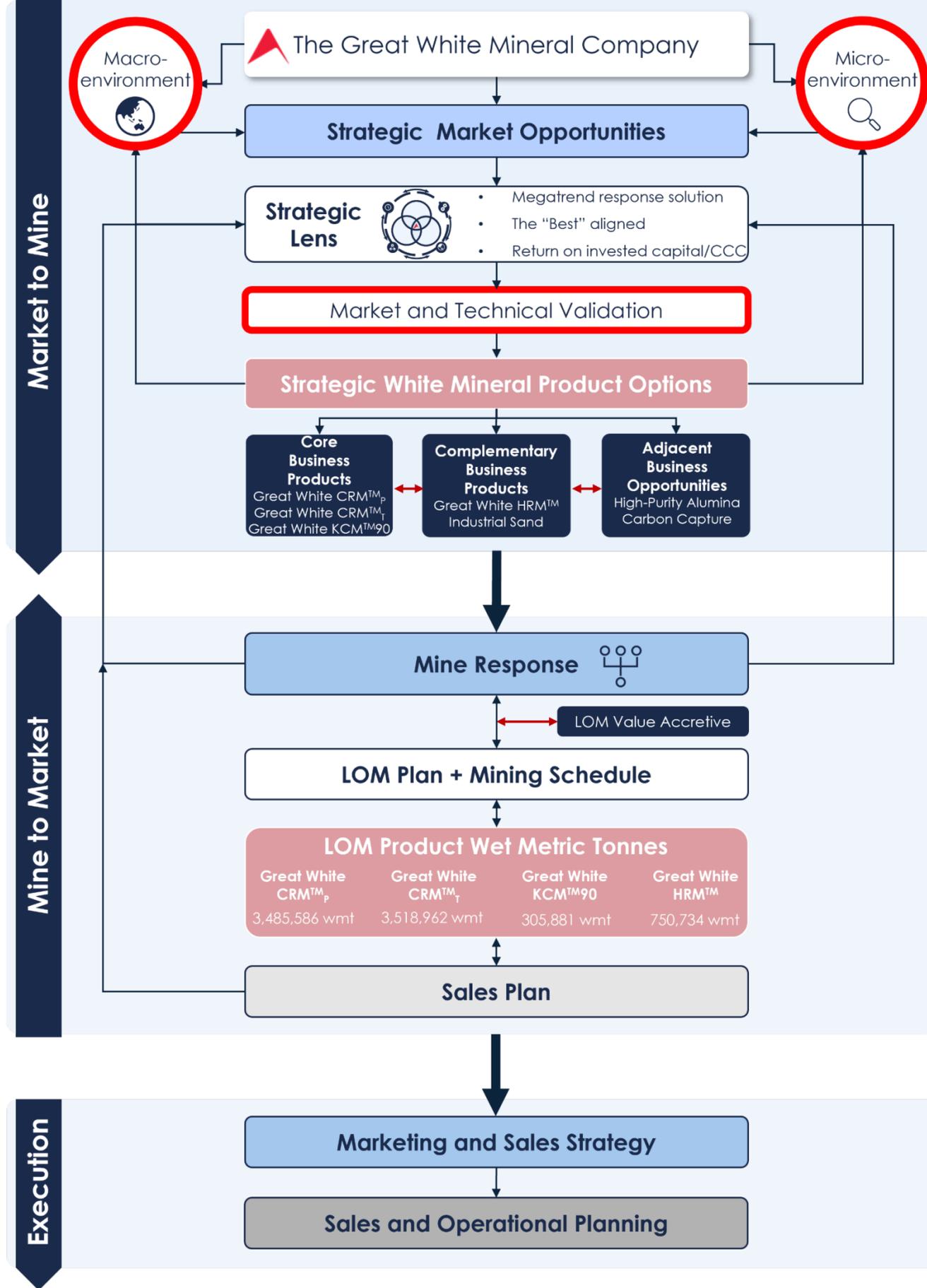
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# Key driver of the 2023 DFS is the Commercial Strategy review

Identified a product portfolio that balances a rigorous segmented market to mine approach with a disciplined and optimised mine to market response.



# 2023 DFS delivers a 65% NPV increase to \$1.01 Billion

Average annual EBITDA increased by 59% to \$130 million

The 2023 DFS follows a comprehensive commercial strategy review and approach to developing the world-class, high quality halloysite-kaolin of The Great White Deposit.

Improvement in Net Present Value (**NPV**) compared to the 2022 DFS is driven by:



## Capitalising on Core and Complementary products

Enhanced product mix and partner portfolio

Established high value-in-use of Andromeda products in key market segments



## Responsive to macro- and microenvironment trends

Strengthened global prices driven by geopolitical risk and global and regional supply shortages



## Focused on enhancing value

Supports an accelerated sales profile and reduced costs across the Life of Mine (LOM)

Improved weighted average product margin by 34% to \$450/tonne of product



## Safe and sustainable development

Adopting a low-impact approach to processing and mining

Plan to improve Scope 1 and Scope 2 emissions, to meet or exceed global industry benchmarks

Further details on the 2023 DFS and the assumptions and notes for the 2023 DFS can be found in the Company's ASX Announcement '2023 Definitive Feasibility Study Results' released on 24 August 2023.

The 2023 DFS financial model methodology has been verified by an independent financial consultant.



# Technical Marketing of Great White CRM™

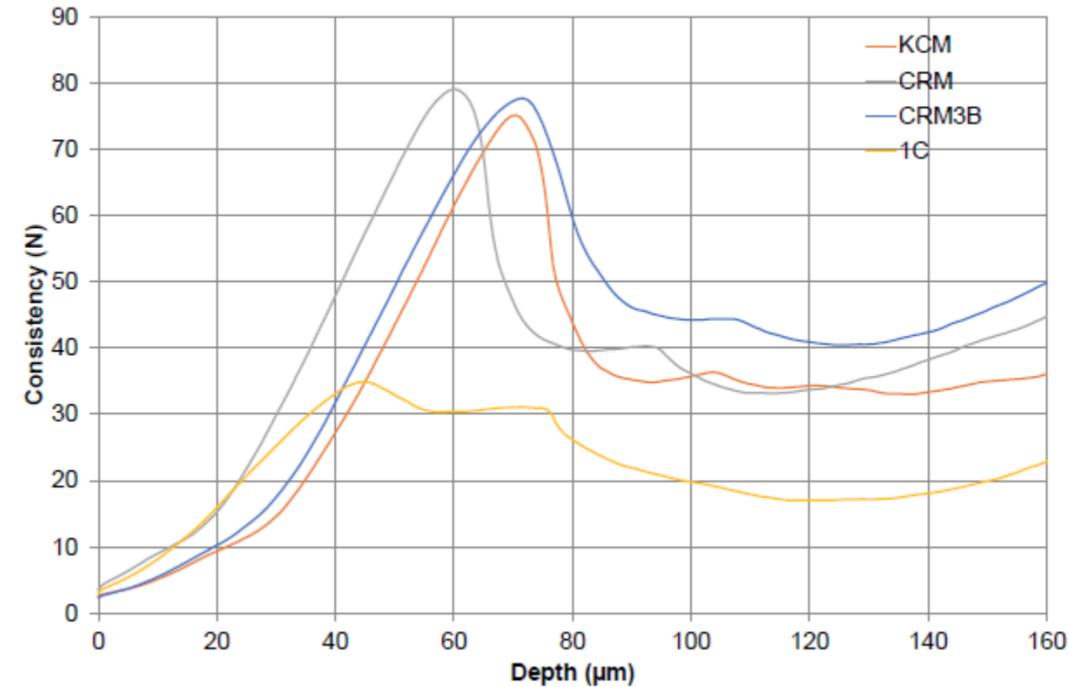
Test results confirm superior performance in key market segments

## CERAMIC TILE BODY

Kaolin	CRM (1097)	Interval
Reject at 40 μm (%)	0.4	0-2
Dry bulk density (g/cm <sup>3</sup> )	1.32	1.55-1.67
Linear shrinkage at 1180°C (%)	6.5	3.0-6.6
Linear shrinkage at 1280°C (%)	12.5	6.0-12.4
Water absorption at 1180°C (%)	28.7	19.3-25.4
Water absorption at 1280°C (%)	15.7	6.4-20.3
L* at 1280°C	96.8	91.5-97.4
a* at 1280°C	0.0	-0.2 – 0.6
b* at 1280°C	3.2	2.2-7.3

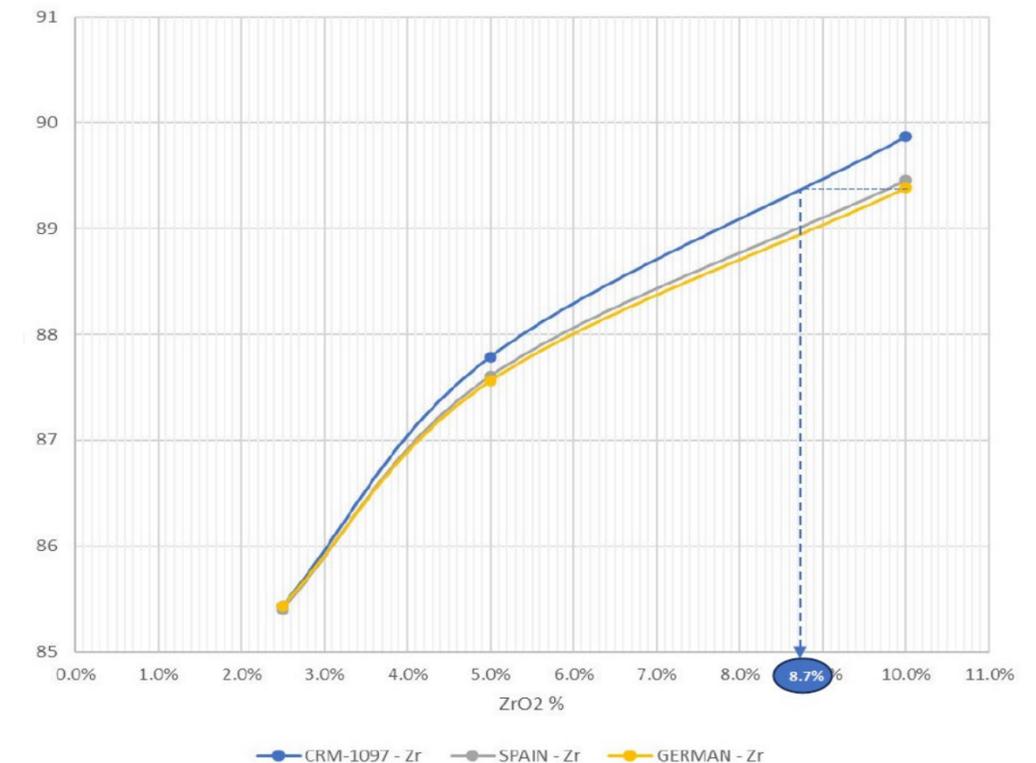
- Validated for use in blends where **Great White CRM™ lends superior chromatic coordinate properties** compared to the interval values of standard kaolins in the market

## CERAMIC GLAZE



- Great White CRM™ (and Great White KCM™ 90) tested in glaze applications as showing **considerably higher mechanical strength** compared to standard
- High mechanical strength can **reduce glaze defects** during the manufacturing process

## ZIRCON-REPLACEMENT POTENTIAL



- Premium slabs and porcelain tiles in super and ultra-white use micronized zircon
- Value in use** work supports a **10-15% reduction in zircon by using Great White CRM™**

# Technical Marketing of Great White CRM™

## Next Steps

- Additional **Institute of Ceramic Technology (ITC)** study commissioned to **independently validate zircon replacement potential**. Results expected by end of December 2023
- Further **leveraging ITC partner and sponsor relationships** through their pioneering university –business cooperation system:
  - Final validation with **industrial scale tile production**, conducted in cooperation with an ITC sponsor and **Tier 1 multinational**
  - Facilitating and fast-tracking **additional future sales** through leading ceramics businesses in Europe



# Positioned to be the industrial mineral of choice in the global ceramics market

## Great White CRM™ properties and applications<sup>1</sup>



**Top 3 Iron/Alumina ratio**  
(Fe<sub>2</sub>O<sub>3</sub>/Al<sub>2</sub>O<sub>3</sub>) of global kaolin samples



**High brightness is retained in high temperatures**, with very good colour evolution, which is valued in **high quality porcelainware and ceramic tiles**



**High dry mechanical strength** is highly valued in **large format porcelain tiles**



**Zircon-replacement** potential in **super and ultra-white** premium slabs and porcelain tiles

Strongly positioned to offer exceptional value in use in:

**Porcelain tableware; large format porcelain ceramic tiles and glazes;  
and super and ultra-white premium porcelain tiles and slabs**

<sup>1</sup> As determined by testing conducted on Great White CRM™ by Instituto de Tecnología Cerámica (ITC), located at the University of Castellón in Spain, and IberoClays.

# Outcomes from September meetings in Europe

Discussions centred on CERSAIE Ceramics Conference in Bologna, Italy



Discussions progressed based on **LOI received from Iberoclays** – discussions targeting 15,000-20,000 tpa during the first 3 years of production.

Qualifications with **Italian super-white porcelain tile manufacturers**

Qualified as a supplier to **Tier 1 technology supplier** for manufacture of **porcelain tiles and slabs**

**HoA signed with Opaque Ceramics** for discussions on sale and distribution of Great White CRM™ and new zircon-kaolin product development

**South-East Asia** – qualifications with multinationals that have operations in the region

# TRAXYS – Non-binding Heads of Agreement Signed

Leading Global Industrial Minerals Trading Company

## Global industrial minerals presence and reach

- Recently announced US\$1.57 billion multi-bank revolving credit facility



t = tonnes  
tpa = tonnes per annum  
wmt p.a. = wet metric tonnes per annum

# TRAXYS



Traxys Group - 27th June 2023

**TRAXYS S.A.R.L. - USD 1,570,000,000  
MULTICURRENCY SYNDICATED REVOLVING  
CREDIT FACILITY**

PRESS RELEASE TRAXYS S.A.R.L. USD 1,570,000,000  
MULTICURRENCY SYNDICATED REVOLVING CREDIT FACILITY 27th  
June 2023 Traxys Sarl ("Traxys" or the "Company"), a leading global  
physical trader and merchant in

[Read More](#)

# TRAXYS – Non-binding Heads of Agreement Signed

Comprehensive strategic relationship



## HEADS OF AGREEMENT – Key terms for discussions:

- Targeting a term of 5 years, with first shipment Q1 2025
- Option for 60 or 90-days pre-shipments advances, during the first 24 months of production
- **Direct sales of Great White CRM™**
  - Targeting 20,000 – 30,000 wmt p.a. for the first Stage
  - Potential geographies of Turkey, Middle East, Scandinavian countries, and Latin America (LATAM)
- **Direct sales of Great White HRM™**
  - Targeting 10,000 – 15,000 wmt p.a. for the first Stage
  - Potential geographies of Europe, Middle East and Africa (EMEA), India and the Persian Gulf region
  - End-user validation and homologation and certification for each market to be completed

## Potential equity and debt arrangements:

- Participation in pre-FID funding raises
- Contribution towards funding requirements following FID, including potentially as a cornerstone equity investment or via the provision of working capital facilities

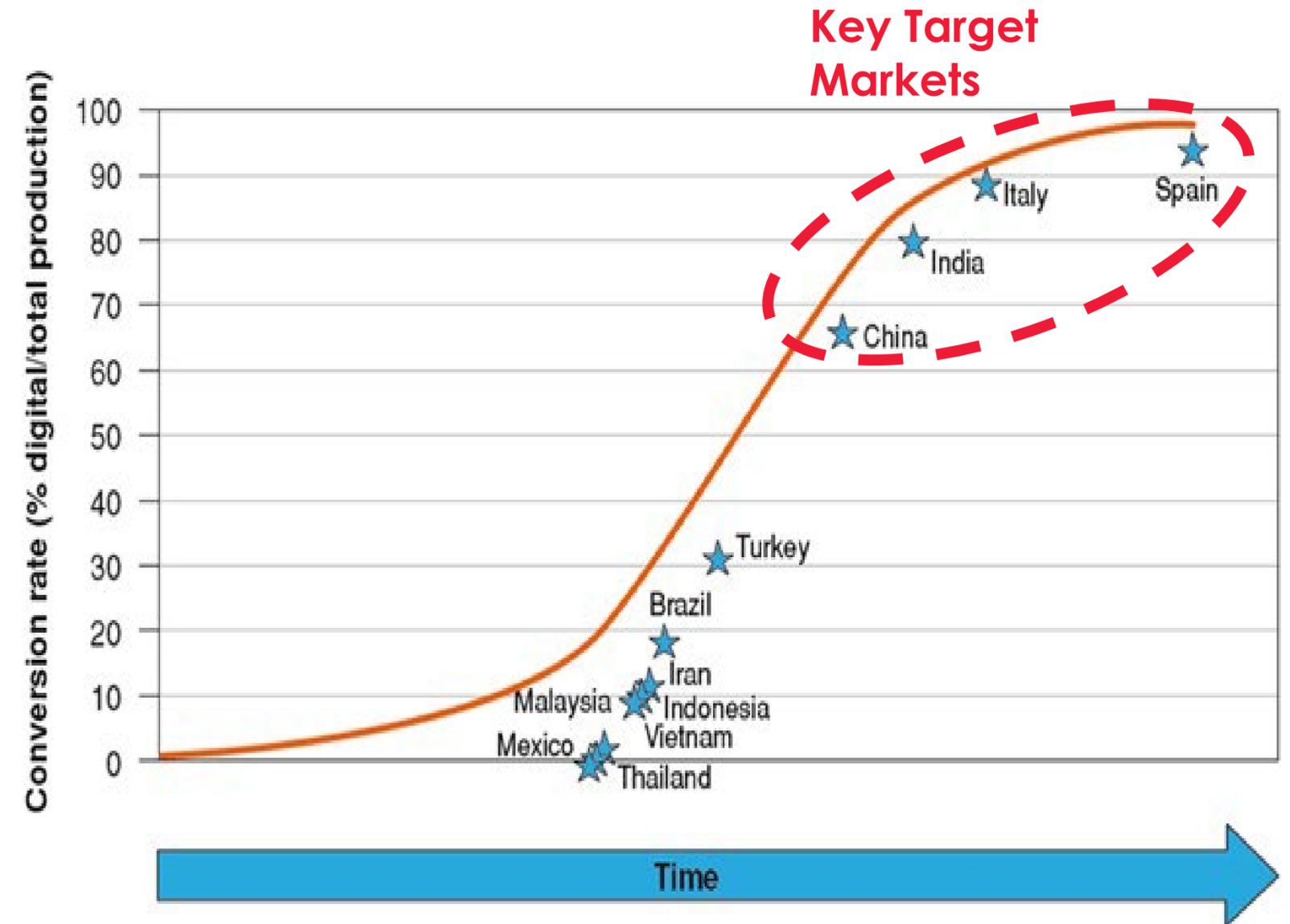
## Andromeda CEO has extensive past experience with Traxys Leadership team, across a portfolio of metals and minerals:

- Zircon
- Concentrates
- Aluminum
- Titanium Oxide (TiO<sub>2</sub>)

# Global Markets - India

Favourable freight rates and free trade<sup>1</sup> agreement make India an attractive market

- Second largest ceramics market in the world<sup>2</sup>
- Ceramic tile production in 2024 forecast to be 3.3 billion square metres, with CAGR of 9-10%
- India's growth is supported by it being the world's most populous country, having recently surpassed China
- Average economic growth rate of 5.5% p.a. over the past decade
- India has overtaken the United Kingdom to become the world's fifth largest economy



Source: Ferrari (2016).

<sup>1</sup> Australia-India Economic Cooperation and Trade Agreement (ECTA): <https://www.dfat.gov.au/trade/agreements/in-force/australia-india-ecta>

<sup>2</sup> India, Ceramics Tile Market, MECS, Edition Year 2022-23

# India – Heads of Agreement signed with Opaque Ceramics

Discussions on distribution of Great White CRM™ and new product development

## Sale and Distribution of Great White CRM™

- 5,000-10,000 wmt p.a. of Great White CRM™
- For direct sales and distribution into the ceramic tile, ceramic glaze, porcelain tableware and sanitaryware markets in India
- Potential to target other markets, including Bangladesh, Sri Lanka, Middle East, Saudi Arabia and Oman

## New Product Development

- New product development, utilising an additional 5,000-10,000 wmt p.a. of Great White kaolin
- Focus on expanding or enhancing Opaque's existing range of Opaque zircon-based products
- Leveraging unique qualities of Great White kaolin, including high-brightness and its zircon replacement potential.

Opaque's existing range of zircon-based products used to opacify (whiten) ceramics:



# Great White HRM™ commercialisation

## Strategic Alliance Agreement signed with Hallett Group

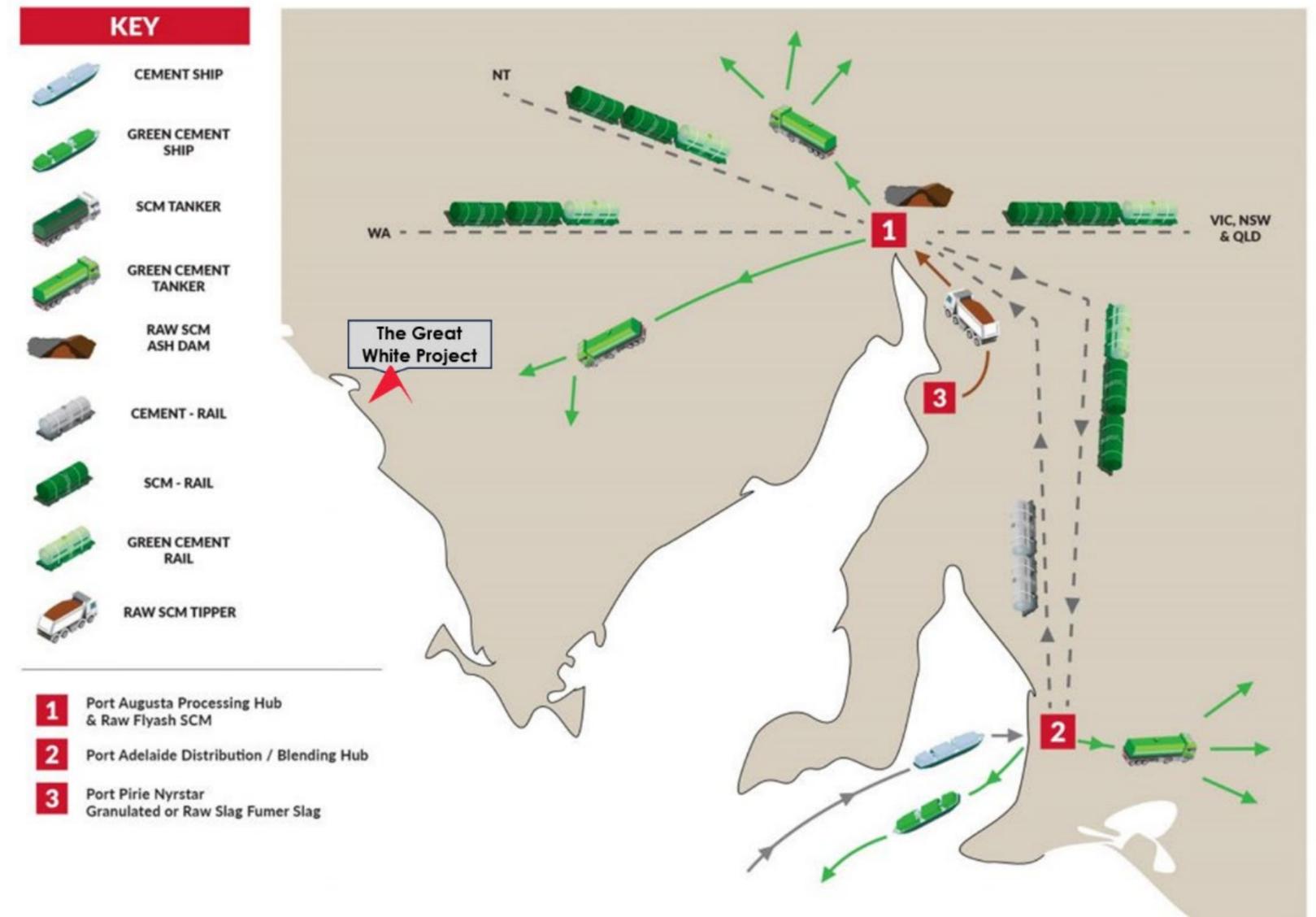
### STRATEGIC ALLIANCE – Intent to commercialise Great White HRM™

- Develop the market in Australia for Great White HRM™
- Commercialise use of Great White HRM™ in various applications, including reduced cement concrete, reduced fines concrete, improved performance shotcrete, backfill and other building products

### HALLET GROUP

- Established in 1978, it has grown to become the largest integrated supplier of building and construction materials in South Australia
- A supplementary cementitious materials (SCM) company with a range of products focused on lowering the carbon footprint of concrete
- Potential to assist Hallett Group in:
  - Expanding market share in the markets for low carbon concrete, shotcrete and fines reduction concrete
  - Replacing some of the 300,000 tonnes of cement Hallett Group currently imports each year
  - Hallett Group's \$125 million Green Cement Transformation Project centred in Port Augusta
  - Formulations for the concrete supply industry, such as for the upcoming \$15 billion River Torrens to Darlington Project (T2D) major roadworks project undertaken by the South Australian Government

### Hallett Group's Green Cement Transformation Project – with location of The Great White Project



# Commercial Position

Good progress towards a high-quality, sustainable, growing revenue line

CUSTOMER	Market / Region	Year 1	Year 2	Year 3	
<b>Plantan Yamada</b>	Japan	5	10	10	Binding Offtake Agreement
<b>Foshan Gaoming</b>	China	15	15	30	
<b>IMCD</b>	Australia/NZ	5	5	5	Term Sheet Agreement
<b>Iberoclays</b>	Mediterranean	15	20	20	Advanced Opportunity
<b>Opaque Ceramics</b>	India	7	15	15	
<b>Traxys</b>	Various	20	30	30	
<b>Hallett Group</b>	Australia				New Opportunity
<b>TOTAL VOLUME TO BE CONTRACTED (tonnes)</b>		<b>67</b>	<b>95</b>	<b>110</b>	

# Update on other projects

## Divestment of non-core assets and tenements

### Drummond Epithermal Gold Project

- Sale to Trigg Minerals Limited – **COMPLETED**
- 29.5 million shares (valued at \$295,000) allotted, as consideration and reimbursement of expenses and
- Upfront payment of \$27,000 in cash and a cash refund of \$7,500 in respect of the environmental bonds, received

### Wudinna Gold Project

- Agreement executed for sale of remaining 25% interest in relevant tenements to Cobra Resources Limited
- Consideration of \$500,000 in cash and \$1,000,000 in shares of Cobra

### Carbon Capture & Conversion Project

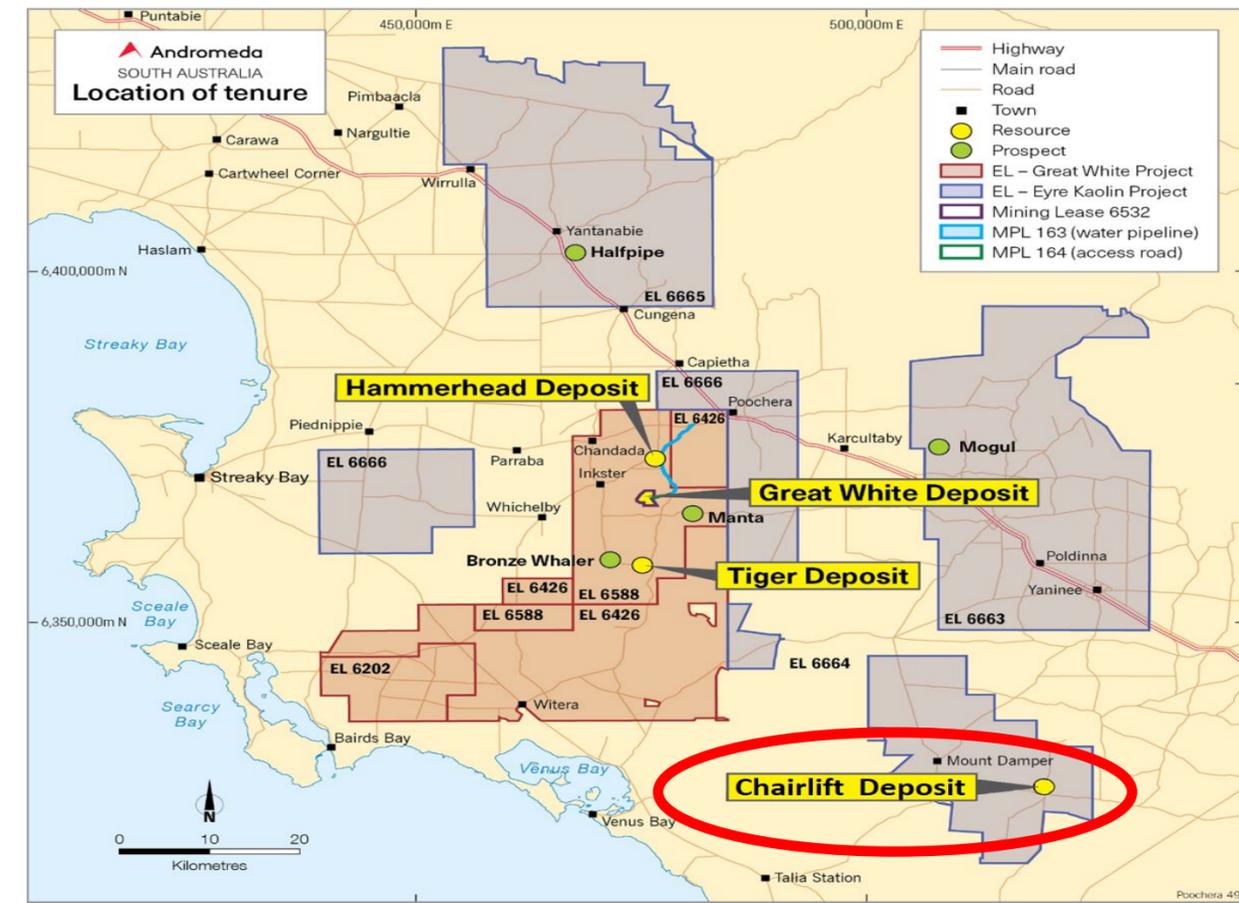
- Andromeda retains ownership of Project intellectual property (IP) and business opportunity
- Strategic Review, conducted as part of revised Commercial Strategy, determined it as an Adjacent opportunity
- Carbon Capture Pilot Plant – a decision has been made to recycle the contained steel
- Progressing discussions with potential suitable industry partners to determine most appropriate path forward

### Camel Lake Project

- Remote location and access issues has led to a decision being made to allow the exploration rights of tenement to expire

### Chairlift Kaolin Deposit Mineral Resource Estimate<sup>1</sup>

- Inaugural combined Inferred Resource of 53.5 million tonnes (Mt):
  - 27.0 Mt of Bright White, low titanium kaolinised granite (Chairlift CRM)
  - 26.5 Mt of rheology modifier kaolin (Chairlift HRM)



1. Refer to ASX Announcement 16 November 2023 'Chairlift Kaolin Deposit Mineral Resource Estimate'

# Next Steps – H1 2024

## Traxys

Progress discussions towards **binding agreements** for **offtake commitments** and **financing arrangements**, including **potential cornerstone equity investment**

## Environmental Bond

Lodgement of **Environmental Bond** and payment into **Native Vegetation Fund** are to be paid in order to **access resource** in support of producing **samples for marketing purposes**

## Opaque Ceramics

Progress discussions towards **binding offtake agreement** for Great White CRM™ and development and customer testing of new zircon-kaolin product

## Hallett Group

**HRM commercialisation** aligned with market opportunities in South Australia and Hallett Group portfolio of projects – concrete, shotcrete, low-fines cement

## Stage 1A+

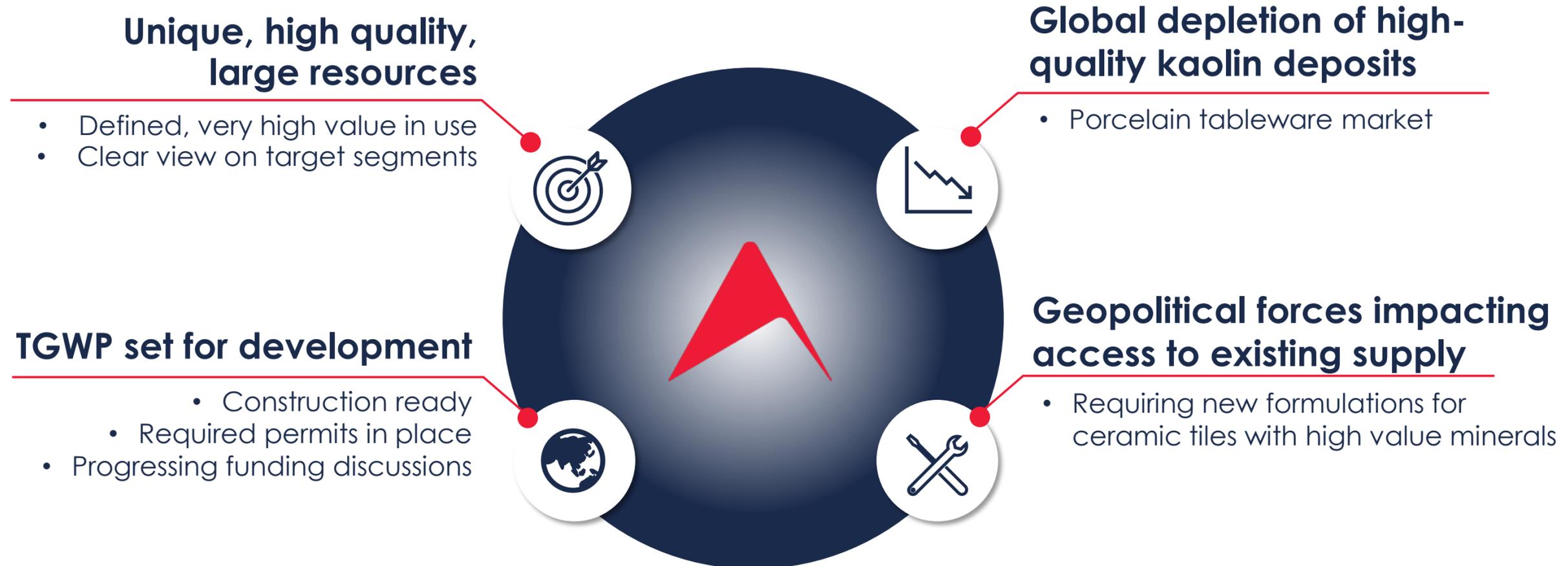
**Cost/benefit analysis** of potential expansion from 50ktpa to 100ktpa (Stage 1A+), based on **market demand**, including the inclusion of India market, potentially supporting a **higher level of debt**

## Financing

Working towards **binding offtakes agreements** to lock in revenue that optimises the **debt and equity funding mix**

# Why “now”?

Forces making “now” the right time for developing The Great White Project





# Andromeda

## The Great White Mineral Company

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For more information about the Company, please visit our website, [www.andromet.com.au](http://www.andromet.com.au) or contact:

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