

10 July 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**

**Contact details:**

Level 10

431 King William Street,

Adelaide SA 5000

Tel: +61 8 7089 9800

[ir@andromet.com.au](mailto:ir@andromet.com.au)

[www.andromet.com.au](http://www.andromet.com.au)

## Letter of Intent received from IberoClays for exclusive distribution to the Mediterranean region

Andromeda Metals Limited (ASX: **ADN**) (**Andromeda**, the **Company**) is pleased to announce that it has received a signed **Letter of Intent** from IberoClays SLU (**IberoClays**), for the exclusive distribution of Andromeda's high-quality kaolin products into the Mediterranean region.

### Highlights

- IberoClays is a key supplier of kaolin into global markets and the leading formulator of ceramic tile minerals in Europe.
- Key terms under the Letter of Intent are:
  - Confirmed intention from IberoClays for an exclusive distribution agreement for the full portfolio of Andromeda's world class kaolin ceramic products from The Great White Project.
  - Exclusive distribution across Spain, France, Italy, Portugal, Morocco, Egypt and Turkey.
  - Target volumes of between 15,000-20,000 tonnes per annum (tpa) during the first 3 years of production.
  - Pre-payment for orders confirmed before September 30<sup>th</sup>, 2025, payable quarterly at the beginning of the quarter for product to be shipped during that quarter.
  - Agreement duration of an initial 3 years, with an evergreen provision thereafter, and to finalise the binding agreement by the end of October 2023.

**Bob Katsioularis, CEO & Managing Director of Andromeda, said** "We are excited by the opportunity this unique partnership represents, to commercialise our product strategy with a world-leader in the field of ceramic tile formulations.

"We are very much looking forward to the opportunity of working closely with IberoClays across the Mediterranean, and in validating our product in the high-end ceramic tile and glaze markets across Asia, as we prepare for shipments from October 2024."

## Discussion

Following receipt of the Letter of Intent, Andromeda confirms it intends to proceed with negotiations for a binding exclusive distribution agreement with IberoClays, the leading formulator of ceramic tile minerals in Europe. The Letter of Intent represents a unique opportunity between Andromeda and IberoClays to exclusively blend, formulate and commercialise Andromeda's world class kaolin across the Mediterranean region into the ceramic tile and glaze markets, where the product has already been tested and shown to have a high value-in-use.

Under the non-binding Letter of Intent, IberoClays will seek to finalise a binding exclusive distribution agreement with Andromeda by the end of October this year. The Letter of Intent represents a key element of Andromeda's well defined and communicated commercial strategy, built on participating as the 'supplier of choice' in the mineral formulations of high end, large format ceramic tiles with global producers. Through including Andromeda's kaolin products in these formulations, the Company will be well placed to target key markets for large format ceramic tiles and glazes across South East Asia.

**Mr Katsioularis, concluded,** *"The intent to negotiate a binding agreement and the indicative terms represent a unique opportunity to partner with a world-leader in the field of ceramic tile and glaze formulations. We greatly appreciate the testing, validation and support IberoClays has already provided, and look forward to securing their technical support going forward as we plan for shipments to commence from October 2024 onwards."*

**Mr. Alberto Piquer González, owner and CEO of Iberoclays SLU, commented:** *"Andromeda's products complete our portfolio of state-of-the-art formulations for high-quality porcelain tiles, slabs and ceramic glazes, for the production of high-end ultra-white ceramic surfaces. We are pleased to see this new potential source of kaolin become available, given tightening global supply conditions and are looking forward to our partnership with Andromeda in the Mediterranean markets".*

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

For more information about the Company and its projects, please visit our website, [www.andromet.com.au](http://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](mailto:Patrick.Sinclair@andromet.com.au)

## 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.

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 Stage 1A Processing 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 ceramic tiles, porcelain tableware, 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 also have the potential to use our high-quality kaolin as a feedstock 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.