



Andromeda

ANNUAL REPORT
2023

Company information

DIRECTORS

Mick Wilkes	Non-executive Chair
Bob Katsioularis	Managing Director
Melissa Holzberger	Non-executive Director
Austen Perrin	Non-executive Director
James Marsh	Executive Director, Sales & Marketing

COMPANY SECRETARY

Sarah Clarke	General Counsel and Company Secretary
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Highlights

Program for Environment Protection and Rehabilitation (PEPR)	✓ ✓	Lodged Approved
Land Access and Acquisition Agreements	✓	Signed
Procurement of Long Lead Items	✓	Ordered
Bankable Feasibility Study (BFS)	✓	Released
Debt Funding Data Room	✓	Opened
Rigorous Commercial Strategy	✓	Developed
Product Portfolio – Core and Complementary	✓	Refined
Updated Definitive Feasibility Study (2023 DFS)	✓	Released

Andromeda – strongly positioned for growth



Tier 1 mining jurisdiction

South Australia



Exploration endowment

Large portfolio of exploration tenements, totalling 8,348km² including earn-ins



Mineral resources

Kaolin Mineral Resource: >110Mt of Resources



Ore reserves

Kaolin Ore Reserve (GWKP): 15.1Mt of Reserves



Mining lease & PEPR

Great White Kaolin Project Mining Lease granted
Environmental Management Plan submitted and approved



Land acquisition

Agreements signed to acquire land covered under Mining Lease
Subdivision of land progressed



2023 DFS

65% increase in pre-tax NPV to \$1.01 Billion
Average annual EBITDA increased by 59% to \$130 million



Experienced team

Experienced and industry focused Board and Executive team
Construction ready

Letter from the Chair



Dear Shareholders,

Welcome to the Annual Report covering the Financial Year 2023 for Andromeda Metals Limited (Andromeda).

Looking over the past year, the Company made some crucial changes that has enabled significant progress to be made in the planned development of The Great White Project (TGWP or Project).

We continued moving towards making a final investment decision while progressively de-risking the Project and evaluating funding arrangements that best suit the long-term interests of the Company and its shareholders. These progressive steps are part of the invigorated long-term strategy to bring our product to the broader global market.

The staged approach to development was refined to reduce the initial capital investment required, through the construction of an initial Stage 1A Plant. The reduced capacity of Stage 1A was deemed prudent as it more closely matches production to signed offtake volumes in place and being negotiated.

In August 2022, the Program for Environment Protection and Rehabilitation (PEPR) was lodged with the South Australian Department for Energy and Mining (DEM) and, subsequently, approved in March 2023.

During the year, a number of additional offtake agreements were signed across our portfolio of halloysite-kaolin products to cover a significant proportion of planned Stage 1A production capacity. The growth profile of these agreements, as well as ongoing negotiations with several other potential customers, continue to provide us with the confidence that further offtake agreements will be signed.

To support the planned development of TGWP, the Board considered it appropriate to strengthen executive management capacity and capabilities. Accordingly, in October Joe Ranford was appointed Chief Operating Officer, moving from being a part-time consultant to a full-time employee, and subsequently resigned as a Director in November, to solely concentrate on advancing TGWP.

In January, Sarah Clarke was appointed as General Counsel & Company Secretary, bringing these functions in-house and reducing the cost of external consultants.

Also in January, Bob Katsioularis was appointed Managing Director and Chief Executive Officer. Bob joined Andromeda in April, with James Marsh transitioning to the role of Executive Director, Sales and Marketing.

In April 2023, the Research Agreement related to the carbon capture and conversion project (CC&C Project) with the University of Newcastle was terminated, by mutual agreement. The termination followed ongoing delays in the progress of the CC&C Project, including with the certification process for components of the Carbon Capture Pilot Plant and its set up and installation by GICAN, following its arrival in Newcastle. Andromeda retains control of the CC&C business opportunity and ownership of the CC&C Project intellectual property and the right to continue the CC&C Project and seek to further develop the opportunities identified, with suitable partners.

In considering funding arrangements it was necessary to develop a Bankable Feasibility Study (BFS) to underpin the Company's ability to secure a proportion of the funding required for TGWP's development through debt.

Letter from the Chair

In June, a virtual data room was opened to a number of debt-only financiers, for the purpose of pursuing debt financing discussions.

Additionally, following Bob's appointment we have been in discussions regarding a range of other potential funding options. For these discussions to progress in earnest, it was necessary to update the Definitive Feasibility Study (2023 DFS) covering planned production over the full 28 year life-of-mine.

Importantly, this updated DFS reflects a comprehensive review of the Company's corporate positioning and business strategy. This significant piece of work, which Bob explains in detail in his Managing Director's Report, and announced subsequent to year end, added significant incremental value from the 2022 DFS further confirming the long-term viability of TGWP.

In my letter last year, I also wrote how Andromeda acknowledges the importance of committing to safe and sustainable operations and extraction practices. As the Company moves towards production, it continues to aspire to adopt, monitor and report on relevant frameworks and metrics that emerge from the developing consensus and convergence of Environmental, Social and Governance (ESG) frameworks and standards.

This year, I am pleased to say that we have progressed our journey through the inclusion of a Sustainability section in this year's Annual Report, which can be found on page 30.

In the Sustainability section, you can read more about how we measure our anticipated Scope 1, 2 & 3 greenhouse gas (GHG) emissions and the plans we have to reduce them over time and as anticipated production expands.

The Board continues its commitment to responsible financial and business practices, and the highest standards of corporate governance. Last year, the Board made a number of changes to remuneration practices which continued to be embedded. I invite you to read about these in the Remuneration Report, starting on page 58 of this Report.

Thank you to all our stakeholders, in particular, I would like to thank all of our staff, led by Bob, for their ongoing commitment.

Finally, I would like to thank you, our shareholders, for your ongoing support. It has been a difficult year for the Company, as it has been for many industrial minerals companies, as we transition to a developer and producer of high quality kaolin, but rest assured the Board and Management remain committed and focused on maximising shareholder value through a considered and methodical approach to advancing TGWP's development.

Yours sincerely,



Mick Wilkes
Non-executive Chair

Managing Director's report



Andromeda's commercial strategy continuously defines:

"Where we want to play, why we want to play there, who we want to play with, and when."

My fellow Shareholders,

This is the first Annual Report in which I write to you, having commenced in my role in April this year.

Following my appointment, many shareholders have asked the question of what drove me to move to Adelaide and take on this role. The fact is, I first became aware of the significant size and high quality nature of the resource underpinning TGWP, over 15 years ago, and simply thought and believed that the time to commercialise it is "now".

At the time, both James Marsh and I worked for the same global kaolin company and looked forward to a time when the challenge of developing a resource located so far away from traditional kaolin markets, could be overcome.

At Andromeda, we now believe that time has come!

Focused approach to advancing TGWP

Since commencing in my role, my singular aim has been to narrow the focus of the business, with the aim of accelerating the progress of the development plans and financing options to support a final investment decision (FID) for TGWP being made.

This focused approach sought to prioritise activities that support TGWP's accelerated development, bringing forward the expected generation of revenue and cashflow linked to our world class deposit.

Business positioning and commercial strategy

To do this, the Company undertook a review of its business positioning and a rigorous, expedited approach to revising its Commercial Strategy.

As the proud owner of what are believed to be some of the last great white mineral deposits in the world, Andromeda revised its vision to becoming "The Great White Mineral Company", with the ambition of leading the world in the sustainable supply of superior quality industrial minerals.

Andromeda's revitalised Commercial Strategy involved identifying key priority markets and segments, that would attract above market value in use opportunities for Andromeda's kaolin products, which would in turn be accretive to the value of TGWP's development over the Life-of-Mine (LOM).

In doing so, the commercial strategy identified a product portfolio that balances a rigorous segmented market to mine approach with a disciplined and optimised mine to market response. You can read more about Andromeda's Commercial Strategy on page 11.

This led to interesting opportunities that weren't previously considered, and some difficult decisions being made.

In addition to confirming Great White CRM™ and Great White KCM™90 as having an above market value in use in porcelain tableware, an additional application for Great White CRM™ in ceramic tiles and glazes was found to have a potentially high value in use, due to its world-class high alumina/low iron ratio and rheological properties.

Whilst Great White HRM™ is subject to ongoing end customer validation, an independent study has demonstrated that Great White HRM™ is a cost-effective additive to decarbonise concrete, through enabling an 8% reduction in cement and water required, leading to an over 7% reduction in Global Warming Potential.

Additionally, an emerging shortage of industrial sand, both in Australia and South East Asia, was identified. This led to the opportunity to turn what had been considered as waste previously, both coarse and fine industrial sand, into revenue and margin accretive co-products.

Managing Director's report

This now sees Andromeda's core and complementary product portfolio, defined as:

CORE	COMPLEMENTARY
Great White CRM™	Great White HRM™
Great White KCM™ ⁹⁰	Industrial sand

This enhanced product portfolio targeting high value markets was incorporated into the 2023 DFS, along with an updated mine development plan (based on the Mine to Market response) that supported an accelerated sales profile and reduced costs across the LOM.

This led to the 2023 DFS, whose outcomes were announced following the end of the financial year, that delivered significantly improved economics and an increase of 65% in pre-tax net present value (NPV) to over \$1.1 billion, over the 2022 DFS².

Unfortunately, the difficult decisions that needed to be made included pausing some of our research and development activities, including into producing high purity alumina (HPA) and carbon capture. These activities will require further research and investment which the Company will consider once its generating cashflow or should a suitable partner be identified.

Reflecting over the past year, the Company has achieved numerous and significant milestones in progressing TGWP to the point of an anticipated final investment decision being made in the coming months.

Procurement activities for long lead items commenced, with all items now on order.

Ongoing negotiations for additional binding offtake agreements continue, which provide support for the planned development of Stage 1A and subsequent expansion.

The Project is construction ready, with the required permits in place and a committed Project Team poised for delivery.

We continue to assess potential funding arrangements that are appropriate for the Project. With the 2023 DFS recently completed, we can now progress our funding strategy to support an anticipated FID being made.

Supporting us in this endeavour, are our legacy metal assets, where we continue to seek opportunities to realise maximum shareholder value through divesting our gold and copper projects, while minimising the cost and management time incurred.

Progressing the Project represents a significant, long-term opportunity for Andromeda, you our shareholders, the local Eyre Peninsula community and the South Australian economy.

Andromeda is well-positioned to continue the advancement of TGWP through to anticipated development and, together with the numerous growth opportunities in front of us, this provides me with confidence of achieving success in executing on our strategy and in delivering long-term value for you, our shareholders.

Yours sincerely,



Bob Katsioularis
Managing Director & CEO

² Refer ADN ASX dated 24 August 2023 titled 2023 Definitive Feasibility Study Results.

Operations review

Andromeda is an Australian company with the vision to be “The Great White Mineral Company”, with the ambition of leading the world in the sustainable supply of superior quality industrial minerals.

Andromeda’s aim is to develop its globally significant, high-quality resources into world-class mining operations that produce superior quality halloysite-kaolin products with high value in use, for supply to key target segments across growing global markets.

Andromeda is the proud owner of what are believed to be some of the last great white mineral deposits in the world: a unique blend of bright kaolinite and halloysite clays, producing a refined product with a high average alumina content of greater than 36%.

Through developing The Great White Project (The Project or TGWP), Andromeda is focused on leveraging the potential of this unique, world-class resource for the long-term benefit of our shareholders, the local Eyre Peninsula community and the South Australian economy.

Together with our portfolio of halloysite-kaolin projects, Andromeda is also exploring several copper and gold prospects across Australia in conjunction with joint venture partners. Our strategy is to leverage our joint venture relationships to maximise shareholder value through divesting these assets, while also minimising the cost and management time incurred developing them.

Our purpose

Through the use of our industrial minerals and nanotechnologies we strive to enrich the lives of people by improving the environment, creating prosperity for our shareholders and delivering value for our stakeholders.



Our values



Innovation



Teamwork



Integrity

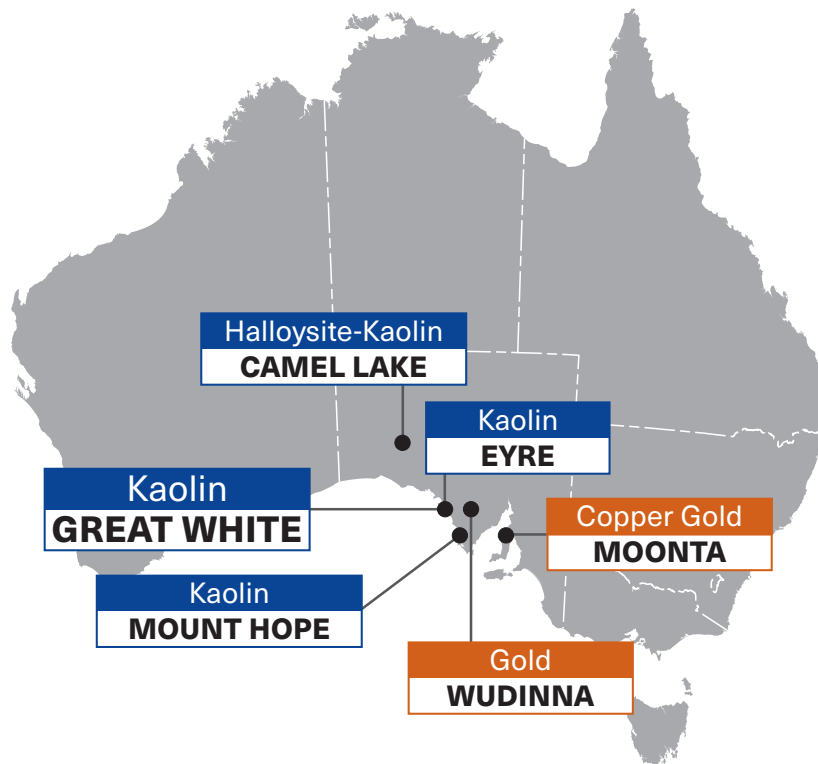


Quality

Andromeda’s team is passionate about developing, commercialising, and monetising TGWP and, our other high-grade kaolin deposits.

The safety and wellbeing of our employees and our communities is our first priority.

Overview of Andromeda's current projects and resources



THE GREAT WHITE PROJECT (TGWP)

Flagship project with 15.1Mt Ore Reserve and Resource ~100Mt³.

2023 DFS underpins 28-year operation with pre-tax NPV of \$1.01 billion⁴.

EYRE KAOLIN PROJECT /

MOUNT HOPE KAOLIN PROJECT /

CAMEL LAKE PROJECT

Projects focused on expanding halloysite-kaolin resources, across six tenements covering 3,481 km².

MOONTA COPPER GOLD PROJECT

Joint venture for potential extraction of copper via in-situ recovery (ISR) with Environmental Metal Recovery Pty Ltd.

WUDINNA GOLD PROJECT

Joint venture exploration for potential development of gold and rare earth elements (REE) deposits and prospects with Cobra Resources PLC over six tenements covering 1,832 km².

³ Refer ADN ASX announcement dated 6 April 2022 titled Great White Kaolin Project - Definitive Feasibility study and Updated Ore Reserve.

⁴ Refer ADN ASX dated 24 August 2023 titled 2023 Definitive Feasibility Study Results.

The Great White Project

SOUTH AUSTRALIA

100% Andromeda



The Great White Project (TGWP) is a wholly owned project that includes several high-quality deposits of halloysite-kaolin, containing naturally occurring kaolinite plates and halloysite tubes.

Subject to making a final investment decision with respect to TGWP, Andromeda aims to become a globally significant supplier of high-quality kaolin products to growing segments in global markets.

TGWP comprises three tenements centred within the District Council of Streaky Bay, approximately 15 km southwest of the township of Poochera.

Poochera is located on the Eyre Highway about 635 km northwest by road from Adelaide and 65 km east of Streaky Bay, on the Eyre Peninsula in South Australia (Figure 1).

Andromeda has continued to progress and de-risk The Project's development. During FY23, this included the submission of the PEPR to, and subsequent approval by, South Australia's Department for Energy and Mining.

Additionally, land purchase agreements were signed and the process of subdivision for the eventual transfer of ownership to Andromeda, were progressed.

The Project has highly valued kaolinite and halloysite mineral deposits with a world-class iron to alumina ratio, outstanding mechanical strength, exceptional fired brightness, and distinctive rheological properties.



Figure 1 The Great White Project regional location map.

Operations review

The Great White Project

COMMERCIAL STRATEGY

The Andromeda team is passionate about developing, commercialising, and monetising TGWP and, in time, Andromeda's other unique high-grade kaolin deposits.

TGWP, fueled by the team's passion, will be Andromeda's economic engine for its strategic intent to become the "Best" white mineral company in the world.

To be the "Best" white mineral company in the world, Andromeda will support selected customers in targeted high value market segments of non-commodity markets. These markets include high quality ceramic tiles, ceramic porcelain tableware and low-carbon concrete production.

Andromeda's commercial strategy identified a product portfolio that balances a rigorous segmented market to mine approach with a disciplined and optimised mine to market response.

Andromeda's commercial strategy map is presented in Figure 2.

Through the rigour of applying the methodology behind the Commercial Strategy Map, Andromeda understands the key drivers in both the macroenvironment and microenvironment in which it operates. From this understanding, strategic white mineral market opportunities are identified.

Through Andromeda's market to mine approach, white mineral options are proposed for those strategic market opportunities with the greatest business potential.

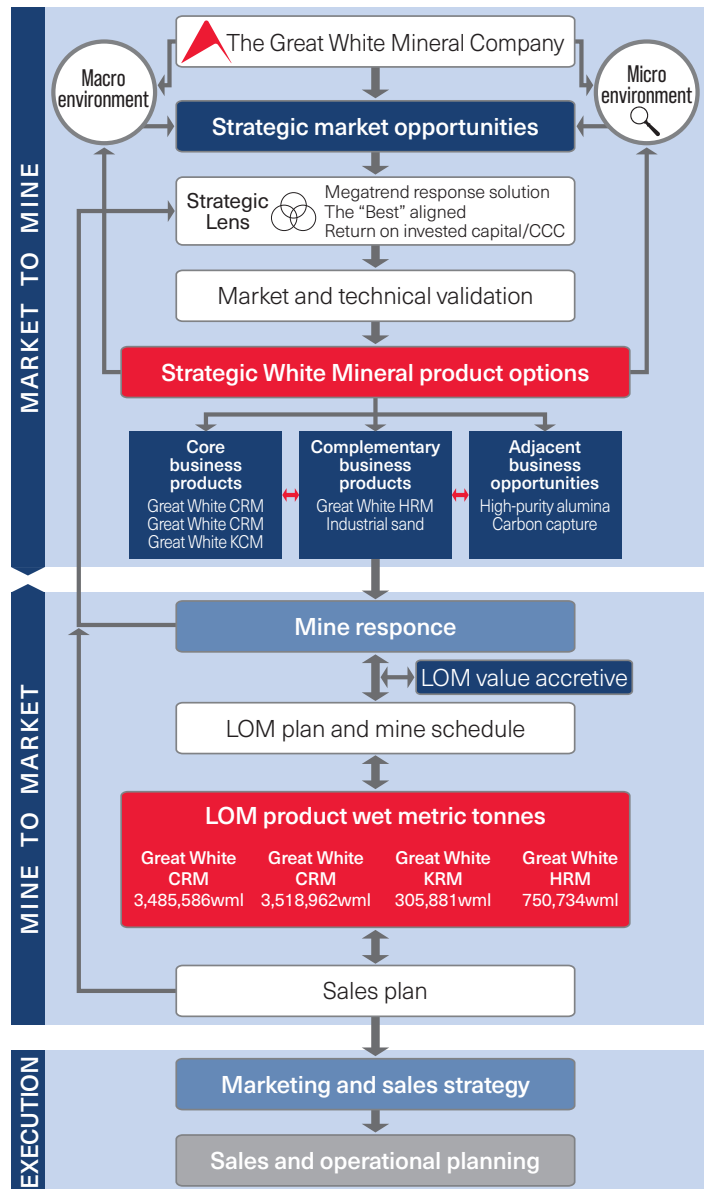


Figure 2 Andromeda's commercial strategy map.



Figure 3 Images show (from left) raw kaolin clay from Andromeda's TGWP, which is then refined and processed, before being graded and packaged into various products that meet our clients' exacting specifications.

Operations review

The Great White Project

Products within Andromeda's product portfolio may interchange from core to complementary to adjacent business lines. They may also be replaced by other newly originated white mineral products, dependent on measurable performance success in respective market segments.

Andromeda's commercial strategy uses both top down, market to mine, and bottom up, mine to market, approaches to carefully determine the most suitable markets to engage and strategically supply. The marketing and sales strategy is essential to ensure the success of the product in the market.

Andromeda's commercial strategy map and methodology continuously defines:

"Where we want to play, why we want to play there, who we want to play with, and when."

The commercial strategy map and methodology assist in providing direction towards the markets best suited for TGWP products, the underlying drivers for why they are the best suited, and the key customers, stakeholders, partners and competitors anticipated response.

By determining the "where", Andromeda can identify and efficiently capture the value in use potential for both preferred customers and for Andromeda alike. By understanding and actively revisiting the "why", Andromeda is able to respond and adjust to prevailing market conditions. The "who" will evolve over time as customers, stakeholders, partners and competitors will be driven by different strategic imperatives.

By keeping a disciplined approach across the commercial strategy map and methodology, Andromeda will have the commercial tools in place to understand these changing imperatives in order to prepare and capitalise or mitigate sustainably. More importantly the methodology allows a "first mover" response to leading macro and micro indicators.

MARKET TO MINE

Macroenvironment

The macroenvironment has a significant influence on the success of Andromeda's marketing efforts. The key macroenvironment elements considered by Andromeda on an ongoing basis, are:

- Geopolitical risk
- Decarbonisation
- Urbanisation and social trends
- Macroeconomics
- Shipping and ports
- Kaolin markets
- Water and energy
- Regional economies

Consideration of the global kaolin macroenvironment has determined that the low-margin and/or high entry cost markets of polymer, paper, pharmaceuticals and paint commodity markets will not be the focus for Andromeda.

Analysis of these factors identified the following key target markets for Andromeda to be:

- High quality ceramic tiles
- High quality ceramic porcelain tableware
- Low carbon concrete production
- Industrial sand.

Microenvironment

The microenvironment has a significant influence on the success of Andromeda's marketing ventures. The key microenvironment elements considered by Andromeda on an ongoing basis, for each key target market are:

- Global supply and demand
- Addressable market opportunities
- Contestable markets
- Product end use validation
- Competitor product, profiles and competitive positioning.

Operations review

The Great White Project

Strategic lens

Andromeda's strategic lens is an essential decision-making tool in the market to mine stage of the strategic map methodology. This tool is used to successfully identify strategic white mineral product options by determining how best to take advantage of macroenvironment and microenvironment trends and ultimately drive value creation.

How we identify strategic market opportunities and evaluate them against our three key strategic criteria:

1. Megatrend response solution

This criterion is based on the need for the white mineral product options to respond to one or more of the following key megatrends:

- » Urbanisation
- » Decarbonisation
- » Technology

2. Aligned with the "Best"

White mineral products are assessed against the best-in-class value in use, where this could result in premium pricing in selected target market segments.

3. Return on capital investment; Cash conversion cycle

This is a core competency for Andromeda, this determines who to sell to, on what terms and how quickly cash flow into the business could occur.

Opportunities are assessed according to the above criteria, then allocated to the corresponding numbered circles in Andromeda's Strategic Lens, as depicted in Figure 4.

Evaluating all opportunities against these strategic criteria is required to appropriately assess and pursue those that maximise the value creation potential for Andromeda.

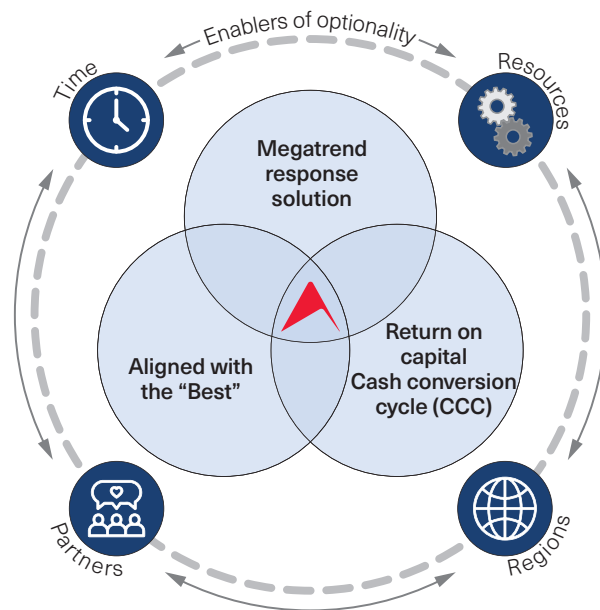


Figure 4 Andromeda's strategic lens.

Andromeda defines the outer ring as 'enablers of optionality'. Each enabler is addressed with some key questions:

- Partnerships
 - » Does Andromeda currently have a strategic partnership in place for this opportunity?
 - » Are there strategic partnerships available for this opportunity?
 - » Does this opportunity require a strategic partnership?
 - » Would this opportunity benefit from a strategic partnership?
- Resources
 - » Does Andromeda have access to the geological, financial, physical and human capital resources for this strategic opportunity?
 - » Does this opportunity require additional resources?
 - » Is there market demand for the geological resource?
- Regions
 - » Does Andromeda have access to the region where there is demand for this opportunity?
 - » Does this opportunity target regions of interest?
 - » Does this opportunity address demand/supply shortfalls of certain regions?
 - » What is the effect of the opportunity given the location of TGWP?
- Time
 - » Is there an immediate need in the market currently that this opportunity responds to?
 - » Can Andromeda respond in a timely way with this opportunity?
 - » What is the time requirement of this opportunity?

Operations review

The Great White Project

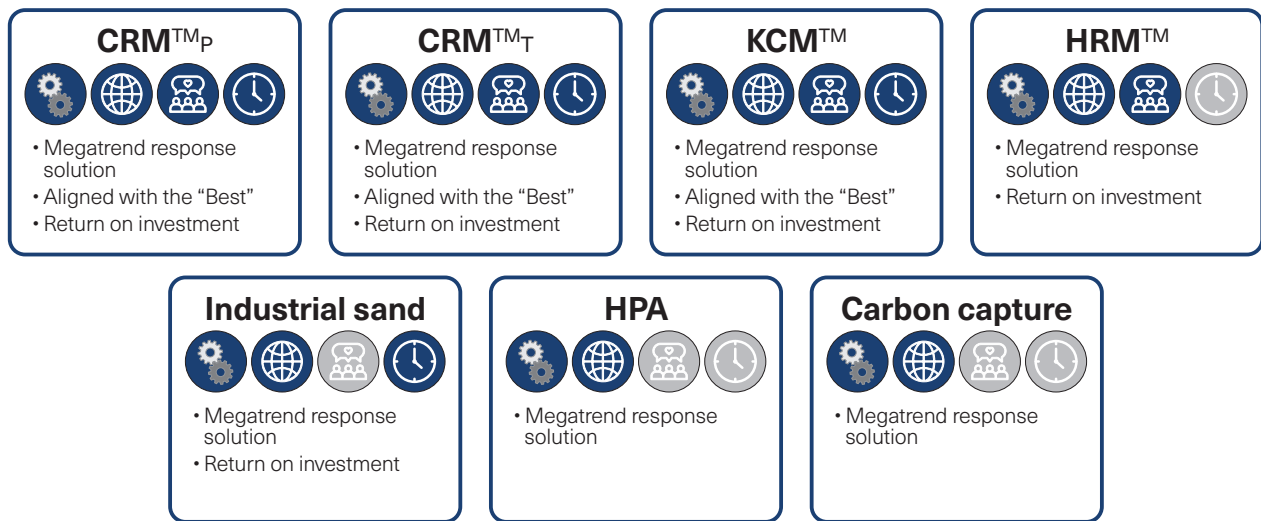


Figure 5 Andromeda's product portfolio.

The bidirectional arrows around the outer ring represent the flexibility between the enablers and how these navigate optionality. Therefore, the focus between lenses is in response to changing circumstances or strategic priorities. Opportunities are first considered against the enablers and then against the strategic criteria.

It must be understood that this is a dynamic strategic lens, and although an opportunity may initially be placed in one area this is not fixed and should be reassessed proactively. This ensures opportunities capitalise on favourable conditions.

The lens encourages well-informed choices that contribute to long-term success and competitiveness through understanding the strategic criteria and their interplay. Ultimately outputting prioritised potential white mineral product options for market and technical validation.

Prioritised white mineral options with strategic fit were then evaluated to assess their market and technical viability for value in use within the target market segments. Validated strategic white mineral product options were allocated into either core, complementary or adjacent business products based on the met criteria (Table 2).

The comprehensive commercial strategy review conducted during the second half of the 2023 financial year, identified a product value in use that was above the existing market value for The Great White Project's kaolin core product portfolio, Great White CRM™ and Great White KCM™90, in established and growing markets for high quality ceramic tiles and ceramic porcelain tableware.

The complementary product portfolio has been defined as Great White HRM™ and industrial sand co-product. In addition to the identified use of Great White HRM™ as a rheology modifier, the global market for low-carbon concrete production has been identified as a further opportunity. Industrial sand co-product will be sold to meet the regional shortfall in the construction market.

Andromeda's adjacent businesses (including high purity alumina (HPA) and carbon capture) are considered still at scoping or pre-scoping stage. Accordingly, research activities related to their development were put on hold, in order for the Company to prioritise the development of TGWP.

Subject to additional funding, the commercial strategy review identified an opportunity for HPA to become part of Andromeda's complementary product portfolio following technical and market validation. This is proposed to restart post commissioning of TGWP.

Operations review

The Great White Project

Table 1 Andromeda's products and end-uses.

PRODUCT	DESCRIPTION	END-USE
Great White CRMTM_P	Fully refined and dried kaolin product. High brightness and ultra-fine.	High quality porcelain tableware
Great White CRMTM_T	Fully refined and dried kaolin product. High brightness, ultra-fine and high alumina.	High quality ceramic tiles
Great White KCMTM90	Refined, bright white kaolin product.	Ceramics and it can also be used for further refinement by other parties to give a premium grade product for other industry applications. It can be directly added into lower grade resources to increase the total value of the resultant combined product.
Great White HRMTM	Highly reactive halloysite-kaolin rheology modifier	High solids slurries including concrete and a large range of associated applications where its suspension properties are very effective.
Industrial sand	There two potential Andromeda sand grades, coarse and fine sand.	Construction market
High purity alumina (HPA)		Sapphire glass, LED lights and lithium-ion battery manufacturing
Carbon capture and conversion		Heavy industry carbon producers, who need carbon capture materials

Table 2 Andromeda product lifecycle comparison table.

MARKET AND TECHNICAL VALIDATION ELEMENT	GREAT WHITE CRM TM	GREAT WHITE KCM TM 90	GREAT WHITE HRM TM	INDUSTRIAL SAND	HPA
Determine key market segments	✓	✓	✓	✓	✓
Conduct initial process testwork	✓	✓	✓	✓	✓
Conduct initial product testwork	✓	✓	✓	✓	Planned
Identify addressable market	✓	✓	✓	✓	✓
Value in use assessment	In progress	In progress	In progress	n/a	Planned
Identify contestable market share	✓	✓	Planned	Planned	Planned
Conduct commercial scale pilot trials	In progress	In progress	Planned	Planned	Planned

Operations review

The Great White Project

MINE TO MARKET RESPONSE

Andromeda's commercial strategy map methodology led to the selection of its Core, Complementary and Adjacent business products. These business products are presented in Figure 6 aligned with the global megatrends they primarily respond to.

The Great White Deposit's 15.1 Mt JORC reserve delineated by Core and Complementary products aligned to market demand, is presented in Figure 7.

Stage 1A – Design and construction.

A staged, scalable approach to developing TGWP, is achieved through the initial development of the Stage 1A Processing Plant that more closely matches production to total commitments for signed offtake agreements.

This approach has the additional benefits of reducing initial up-front capital requirements, while also enabling the scaling up of production volumes in line with subsequent signed offtake agreements.

Stage 1A represents the beginning of a staged approach to developing TGWP that continues to aim to deliver on the production and financial outcomes of the 2023 DFS.

The staged approach de-risks the development of the Project whilst building the Great White brand, reputation, and value in the market.

After revising and rescheduling the mine plan, the Stage A Plant was able to reduce the initial capital required while meeting the sales forecasts and design plans detailed in the 2023 DFS.

When fully operational, the Stage A Plant is planned to process a nominal rate of 100,000 tpa of ore and have a nameplate capacity of 50,000 tpa of refined product to fulfil customer demand.

The plant is designed to produce Great White CRM™, Great White KCM™90 and Great White HRM™, with built-in optionality to provide the feedstock to meet the need for other products customers may demand.

The location of the Stage 1A Pit enables the ability to access Andromeda's core kaolin products and enable for the ramp-up of production in accordance with market demand.

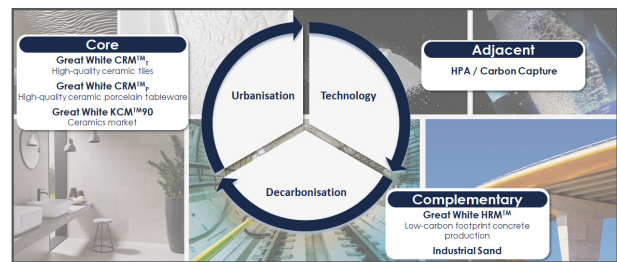


Figure 6 Andromeda business, products and global megatrend responses (Andromeda business products and megatrend response – product positioning).

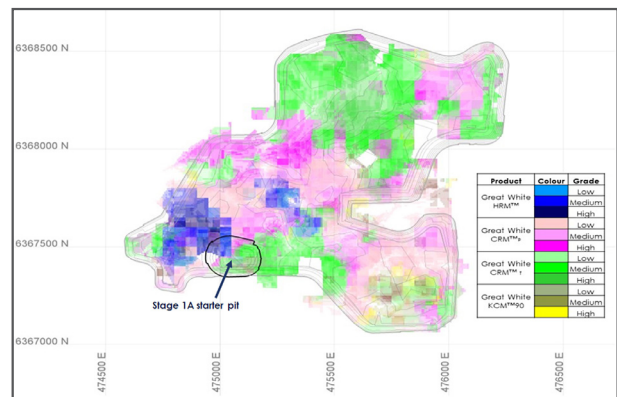


Figure 7 The Great White Project 2023 DFS starter pit position, products, and grades.

The staged nature of current offtake agreements and signing of additional offtake agreements is expected to see production increase to the processing capacity of 300,000 tpa outlined in Stage 1A of the 2023 DFS, and subsequent Stages 1B, 2 and 3.

Ordering of long lead items

In August 2022, preparations for the procurement process of long lead items for Stage 1A commenced. The procurement process has progressed in line with all items scheduled to arrive according to the construction schedule.

In December 2022, the Fluidised Bed Dryer was ordered, followed by the Drum Washer in June 2023.

Subsequent to the end of the financial year, the Thickener, Filter Press and Filter Cake Feeder have also been ordered. This completes the ordering of long lead items, with ordering since progressing to other capital equipment required for Stage 1A.

Subject to making a final investment decision, all planned and current activities underway will be run in parallel to complete construction as efficiently as possible.

Operations review

The Great White Project

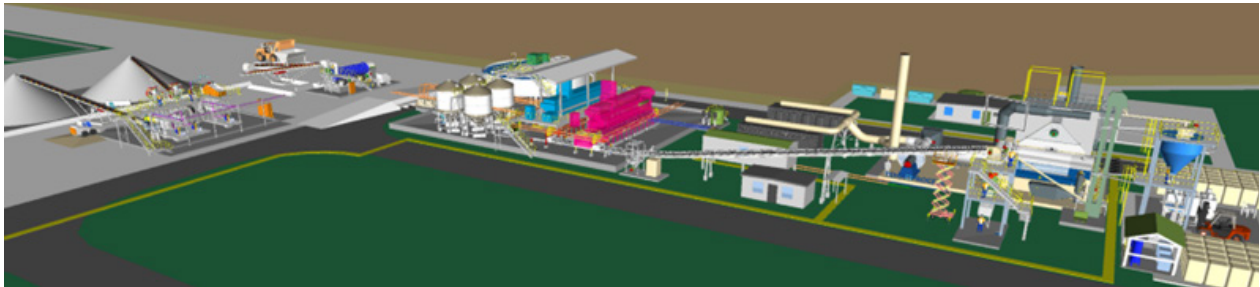


Figure 8 Stage 1A – 3D design model of processing plant.

Streaky Bay Pilot Plant

During FY23, the Streaky Bay Pilot Plant continued to be operated. This enabled Andromeda to confirm the product quality of samples collected from the area that will be mined in the early years of TGWP.

During the period, the pilot plant continued successfully producing new samples for customer and partner evaluation and to undertake further test work, in addition to informing the engineering design of the TGWP processing plant, project execution and financial modelling of the Project.

In June 2023, ahead of an expected increase in requests for samples, a comprehensive review was undertaken. The focus of the review was to enable a scaling up of operations to support additional customer testing and further product validation, while ensuring safe, sustainable operations.

Following the review, a re-set of operations was undertaken with the Streaky Bay Pilot Plant recommencing in late-July, with the expanded ability to produce large scale samples.

REGULATORY APPROVALS AND LAND ACCESS AGREEMENTS

During August 2022, further progress was achieved, and risk reduced, in advancing TGWP, with the PEPR for Stage 1A and 1B submitted for assessment and approval to the South Australian Department for Energy and Mining.

Additionally in August 2022, agreements to acquire all the required freehold land from relevant landowners for the Project were signed. These agreements include the land access waivers that are required as part of the PEPR approval.

Both these activities followed months of extensive stakeholder consultations with landholders, regulators and the broader Eyre Peninsula community.

In March 2023, approval of the PEPR was received from DEM. Additionally, EPA Works approval was granted by the Environment Protection Authority (EPA) of South Australia.

These approvals now result in TGWP being construction ready with the required permits in place.

Progression to the construction phase is dependent on the lodgment of the Environmental Bond and payment into the Native Vegetation Fund.

Operations review

The Great White Project

EXECUTION

Branding and market positioning

Andromeda's vision is to be "The Great White Mineral Company" with ambition to lead the world in the sustainable supply of superior quality industrial minerals. Andromeda's core products are targeted at the high quality ceramic tile and porcelain tableware segments, and this requires the best and most consistent kaolin available. The Andromeda core products will be positioned for this target audience using specific industry advertising and alignment with independent experts, institutions and associations. Price positioning will reflect the value in use of the Great White suite of products.

"The Great White Mineral Company" will be used as a positioning statement and branding tool.

Offtake strategy

Andromeda's offtake strategy is based on a hub and spoke model.

Andromeda establishes its hub for each core and complementary business in a selected geographical region that is world-leading in the respective targeted market segment.

The selection of each hub is for the required technical validation of Andromeda's matching core and complementary products.

Technical validation requires credible independent institutions and/or Andromeda partners with the requisite industry expertise, capability, and equipment to test and validate Andromeda's products. Where needed, these organisations can also guide product development for Andromeda to gain traction and grow in target markets.

Once technical validation is successfully achieved in Andromeda hubs, testing certification and technical information is leveraged for market penetration in targeted regions. Initially this is within hub regions and then into other prioritised regions that are influenced by hub regions.

Andromeda services targeted markets through its working relationships and The Project product delivery spokes.

Working relationships are established either directly by Andromeda with end use customers and/or with distribution partners, who in turn engage with end-use customers.

Andromeda likewise delivers its products either directly to end use customers and/or to distribution partners, who in turn deliver to end-use customers.

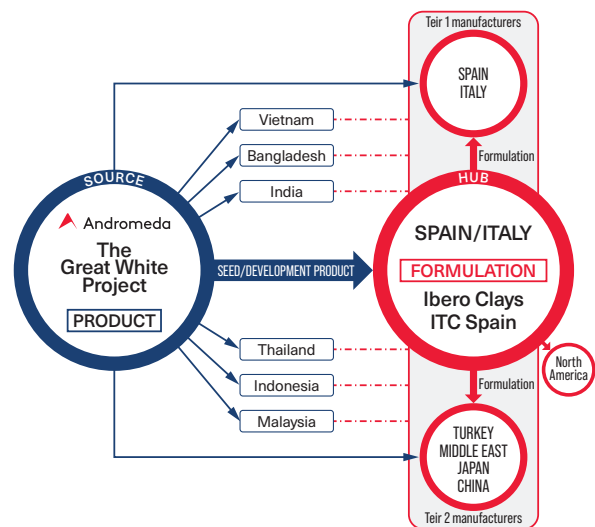


Figure 9 Andromeda's offtake strategy for the global high quality ceramic tiles market.

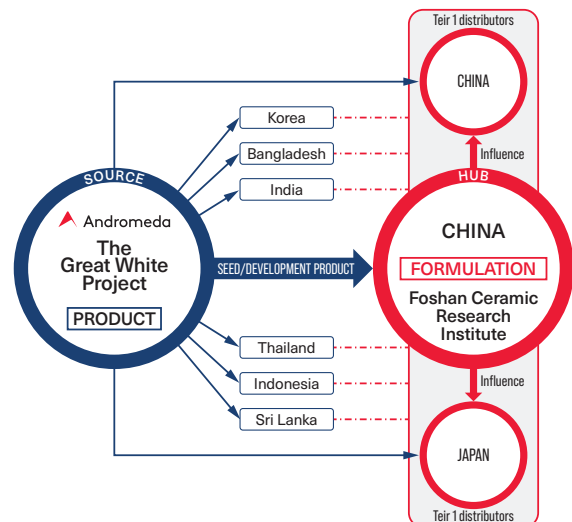


Figure 10 Andromeda's offtake strategy for the global high quality ceramic porcelain tableware market.

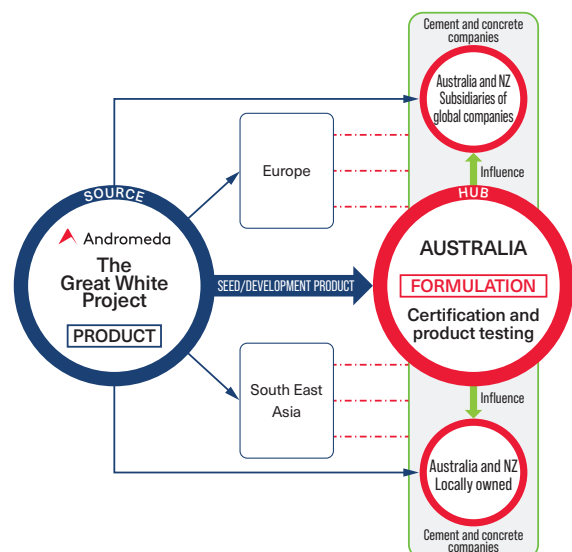


Figure 11 Andromeda's offtake strategy for the global cement and concrete market.

Operations review

The Great White Project

SALES AGREEMENTS

Securing good quality binding offtake agreements for kaolin products is a lengthy and complicated process.

Andromeda's strategic approach to marketing has led to the following sales agreements.

Great White KCM™90



Plantan Yamada Co Ltd has signed a long form offtake agreement for the supply of 25,000 tonnes of Great White KCM™90 over the first three years of production for sales into the ceramics sector of Japan subject to conditions precedent⁵

Great White CRM™ & Great White KCM™90



Foshan Gaoming Xing-Yuan Machinery Co. has signed a terms sheet with to purchase 115,000 tonnes of Great White CRM™ over a five year period and 5,000 tonnes of Great White KCM™90 in the first year, subject to conditions precedent⁶

Great White HRM™



IMCD has signed a terms sheet for exclusive sales into Australia and New Zealand with an indicative total of 22,500 tonnes of Great White HRM™ over an initial term of three years, with a maximum of 30,000 tonnes and a minimum of 15,000 tonnes subject to conditions precedent⁷

Additionally, Andromeda has received a signed Letter of Intent from IberoClays⁸ for exclusive distribution to the Mediterranean region of the full portfolio of Andromeda's ceramics kaolin products.

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:

- 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 30 September 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.

Ongoing negotiations for further offtake agreements continue with several other interested parties across multiple markets and segments.

⁵ Refer to ADN ASX dated 8 August 2022 titled *Andromeda signs another Binding Offtake Agreement for KCM™90 from the Great White Project*.

⁶ Refer to ADN ASX dated 7 June 2023 titled *Term Sheet signed for significant quantities of kaolin products for Chinese market*.

⁷ Refer to ADN ASX dated 24 November 2022 titled *Andromeda Signs Binding Offtake Agreement for Great White Concrete Additives*.

⁸ Refer to ADN ASX dated 10 July 2023 titled *Letter of Intent received from IberoClays for exclusive distribution to the Mediterranean region*

Operations review

The Great White Project

2023 DEFINITIVE FEASIBILITY STUDY (2023 DFS)

Following the updated Commercial Strategy, Andromeda updated the previous 2022 DFS by developing the 2023 DFS.

The 2023 DFS confirmed the staged approach (Figure 12) to the development of The Great White Project, which results in low initial capital requirements and a 12-month construction and commissioning program required for each stage.

The 2023 DFS is based on a staged expansion (Stage 1A, 1B, 2 and 3), and currently has a 28-year mine life. The processing method has been updated to provide an improved mine to market response. The 2023 DFS covers the four-stage development of The Project to ramp up to full anticipated production of 300 ktpa over the 4 stages. The production summary across the LOM can be seen in Table 3.

Following the development of vigorous revision Commercial Strategy, Andromeda revised the planned development of TGWP by developing the 2023 DFS.

The 2023 DFS confirmed the staged approach to the development of The Great White Project, would deliver strong financial returns in low initial capital requirements and a 12-month construction and commissioning program required for each stage.

The 2023 DFS confirmed TGWP could deliver strong long term cashflows from a range of high-grade kaolin products and industrial sand co-products, with sufficient Reserves to sustain a 28-year mining operation based on assumptions at that time.

Using conventional mining and processing techniques, the 2023 DFS found TGWP could generate high quality products, leading to high margin cashflows with a pre-tax NPV of \$1,010 million and average EBITDA of \$130 million per annum.

The 2023 DFS is based on a staged expansion (Stage 1A, 1B, 2 and 3) ramping-up to the 600,000 tpa feed rate envisaged in the previous 2022 DFS. The processing method has been updated to provide an improved mine to market response. The 2023 DFS covers the four-stage development of The Project to ramp up to full anticipated production of 300 ktpa over the 4 stages. The summary of the 4 stages across the LOM can be seen in Table 3.

The four-stage approach to development outlined in the 2023 DFS, was expected to deliver average annual EBITDA of \$130 million, an increase of 59% from the 2022 DFS, and require an initial capital cost of \$62.4 million, which is a 33% reduction from that envisaged under the 2022 DFS.

The payback period of 5.1 years under the 2023 DFS is an improvement on the 5.9 years in the 2022 DFS, and includes capital costs to develop Stages 1A, 1B and 2. Capital costs for Stage 3 are intended to be funded by the cash flows generated by The Project.

Please refer to the ASX announcement released by the Company on 24 August 2023 titled 2023 Definitive Feasibility Study Results for further details on the 2023 DFS, including the assumptions and qualifications on which the outcomes are based.

Table 3 Production summary (wet metric product tonne) across the LOM.

PRODUCTION SUMMARY							
Product	Great White CRM TM _P	Great White CRM TM _T	Great White KCM TM ₉₀	Great White HRM TM	Coarse sand	Fine sand	Total with sand
Wet metric product tonne	3,485,588	3,518,962	305,881	750,374	4,459,008	1,486,336	14,006,149

Stage	Stage 1A	Stage 1B	Stage 2	Stage 3
First shipment	October 2024	December 2025	December 2027	December 2029
Kaolin production	50,000 tpa	150,000 tpa	250,000 tpa	300,000 tpa
Nominal capacity	100,000 tpa	300,000 tpa	500,000 tpa	600,000 tpa
Capital cost	\$62.4 million	\$57.6 million	\$57.2 million	\$10.9 million

Figure 12 2023 DFS planned development stages.

Operations review

Exploration

During the period Andromeda's focus was on developing The Great White Project with regional exploration activities minimised to levels where core exploration tenements were maintained in good standing, Eyre Kaolin Joint Venture requirements were met, and divestment of non-core assets advanced.

Great White Deposit

SOUTH AUSTRALIA

Andromeda 100%



The initial focus of TGWP is centered around The Great White Deposit which underpins the planned 28-year mining operation detailed in the 2023 DFS (see page 20).

The Ore Reserve Estimate for The Great White Deposit is 15.1 Mt of bright white kaolinised granite, comprising 34% Proved Reserve and 66% Probable Reserve⁹, producing a refined product with a high average alumina content of greater than 36%, with properties suited to the high end porcelain and tiles markets.

In December 2021, a Mining Lease (ML 6532) underpinning the TGWP, was granted by South Australia's Department for Energy and Mining (DEM), along with supporting Miscellaneous Purposes Licences (MPL 163 & 164).

In August 2022, following an extensive and ongoing program of landholder and community engagement, Andromeda announced that it had signed land purchase agreements and had lodged its PEPR related to the Great White Deposit¹⁰.

The DEM subsequently approved the PEPR in March 2023¹¹.

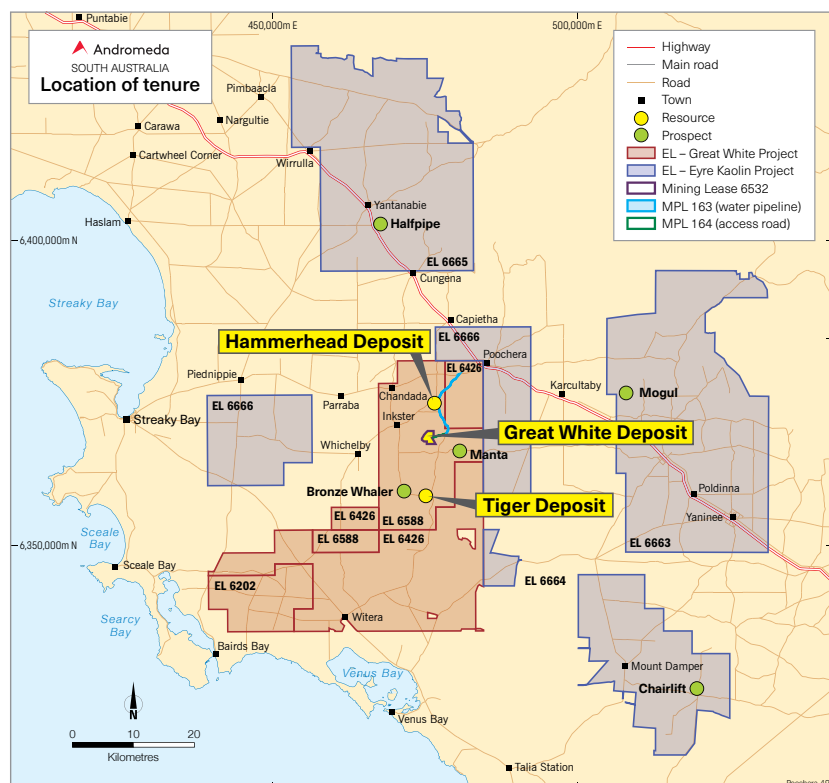


Figure 13 Great White Deposit Mining Lease and Miscellaneous Purposes Licences.

RESERVE CATEGORY	MT	YIELD (%)	HALLOYSITE (%)	BRIGHTNESS (%)	Fe ₂ O ₃ (%)
Proved	5.2	45	14	84	0.5
Probable	10.0	46	10	83	0.5
Total	15.1	46	11	84	0.5

⁹ Refer ADN ASX announcement dated 6 April 2022 titled "Great White Kaolin Project - Definitive Feasibility study and Updated Ore Reserve".

¹⁰ Refer ADN ASX announcement dated 18 August 2022 titled "Andromeda progresses Great White Kaolin Project with signing of Land Acquisition Agreements and lodgement of PEPR".

¹¹ Refer ADN ASX announcement dated 2 March 2023 titled "Andromeda locks-in regulatory approval for its Great White Project".

Hammerhead Deposit

SOUTH AUSTRALIA

Andromeda 100%



Andromeda's Hammerhead Deposit is approximately 5 km northeast of the Great White Deposit (See Figure 13).

An Inferred Mineral Resource for the Hammerhead Deposit of 51.5Mt of kaolinised granite reported at an ISO Brightness (ISO B R457) cut-off of 75 in the minus 45µm size fraction has been estimated (refer Table 4).

Table 4 Hammerhead Kaolin Mineral Resource

DOMAIN	MT	PSD <45 µm	KAOLINITE %	HALLOYSITE %
Main	43.1	52.7	43.2	5.4
Halloysite	8.4	52.1	40.5	12.0
Total	51.5	52.6	42.7	6.5

Note that all figures are rounded to reflect appropriate levels of confidence.

The Resource yields 27.1Mt of High Bright kaolin product (ISO B >80) in the minus 45µm recovered fraction, with the remaining approximate 47.4% of material being largely residual quartz derived from the weathered granite. The Halloysite sub domain contains 4.7Mt of minus 45µm material comprised of 21.6% halloysite with an ISO B of 82.9.

Significantly, some areas within the Hammerhead Deposit show high levels of halloysite (>20%) that is similar to the existing resource reported at the Great White Deposit.

Table 5 Hammerhead Kaolin Mineral Resource <45µm.

DOMAIN	MT	ISO B	KAOLINITE %	HALLOYSITE %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %
Main	22.4	82.0	82.7	10.4	36.90	0.63	0.73
Halloysite	4.7	82.9	72.9	21.6	37.47	0.64	0.62
Total	27.1	82.2	81.0	12.3	36.99	0.63	0.71

Note that all figures are rounded to reflect appropriate levels of confidence.

Tiger Deposit

SOUTH AUSTRALIA

Andromeda 100%



Andromeda's Tiger Kaolin Deposit is approximately 10km south of the Great White Deposit.

A Mineral Resource Estimate for the Tiger deposit of 12.1Mt containing 7.2Mt of kaolinite (in the <45 µm size fraction) has been estimated.¹²

The Tiger Kaolin Deposit further demonstrates GWKP's potential to become a world class producer of kaolin.

Table 6 Tiger Kaolin Mineral Resource.

CLASSIFICATION	Mt	PSD <45µm	KAOLINITE + HALLOYSITE %
Inferred	12.1	59.9	56.7

Note that all figures are rounded to reflect appropriate levels of confidence

Table 7 Tiger Kaolin Mineral Resource <45µm

CLASSIFICATION	Mt	ISO B	KAOLINITE + HALLOYSITE %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %
Inferred	7.2	83.1	94.7	37.2	0.81	0.61

Note that all figures are rounded to reflect appropriate levels of confidence

¹² Refer ADN ASX announcement dated 23 March 2022 titled "Maiden Tiger Kaolin Resource and Regional Rare Earth Element Potential".

Eyre Kaolin Project

SOUTH AUSTRALIA

Andromeda 0%

(earning up to an 80% interest in the tenements through sole funding expenditure of \$2.75 million over six years from commencement of the joint venture)¹³

Andromeda entered into a binding Heads of Agreement with private entity Peninsula Exploration Pty Ltd (Peninsula) to form the Eyre Kaolin Joint Venture (EKJV) comprising four tenements near GWKP on the western Eyre Peninsula of South Australia. The four exploration licences cover 2,799 km² and are explored for kaolin with properties that are complementary to those of the Great White Deposit's kaolin.

During the financial year the Company announced an Exploration Target Estimate of 80-120Mt of High Bright White kaolin (ISO B in the range of 80 to 84) on the Chairlift Prospect¹⁴, located on tenement EL 6664. The potential quantity and grade of the Chairlift Exploration Target is conceptual in nature as there has been insufficient drilling results to estimate a Mineral Resource, and it is uncertain if further exploration drilling will result in the estimation of a Mineral Resource.

Following the announcement of the Chairlift Exploration Target an additional 23 holes were completed for 842 metres, and at the Halfpipe Prospect located on EL 6665 a further 15 drillholes were completed for 633 metres. From this drilling, the Company continues to await the full results of the samples that were submitted for processing and analysis.



¹³ Refer ADN ASX announcement dated 12 August 2021 titled "Andromeda enters new kaolin Joint Venture."

¹⁴ Refer ADN ASX announcement dated 29 November 2022 titled "Exploration Target Defined for Chairlift"

Mount Hope Kaolin Project

SOUTH AUSTRALIA

Andromeda 100%



Andromeda holds a 100% interest in the Mount Hope Kaolin Project, approximately 160km southeast of GWKP.

Work undertaken by Andromeda defined significant areas of ultra-high bright white kaolin with exceptionally low iron contaminant levels.

An Inferred Mineral Resource for Mount Hope of 18.0Mt of bright white kaolinised granite was subsequently estimated using an ISO B cut-off of 75, yielding 7.5Mt of minus 45µm quality kaolin product.

Table 8 Mount Hope Kaolin Mineral Resource (whole rock).

DOMAIN	Mt	PSD <45µm	KAOLINITE %	HALLOYSITE %
Main	12.8	40.95	33.6	0.9
Halloysite	1.6	39.13	25.6	6.7
Ultra-bright	3.7	44.37	38.0	0.7
Total	18.0	41.49	33.8	1.4

Note that all figures are rounded to reflect appropriate levels of confidence

The ultra-bright sub domain contains 1.6Mt of minus 45-micron material with an ISO B of 84.1 and the halloysite sub domain contains 0.6Mt of minus 45-µm material comprised of 17.2% halloysite.

Table 9 Mount Hope Kaolin Mineral Resource (in the <45µm).

DOMAIN	Mt	ISO B	KAOLINITE %	HALLOYSITE %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %
Main	5.2	81.8	82.1	2.2	35.1	0.56	0.62
Halloysite	0.6	81.2	65.4	17.2	34.8	0.60	0.63
Ultra-bright	1.6	84.1	85.7	1.5	36.0	0.32	0.63
Total	7.5	82.2	81.4	3.3	35.3	0.51	0.62

Note that all figures are rounded to reflect appropriate levels of confidence.

The ultra-bright domain is of extremely high purity, bright white kaolin with low halloysite levels. This makes it ideally suited to high-value markets in specialist coatings and polymers.

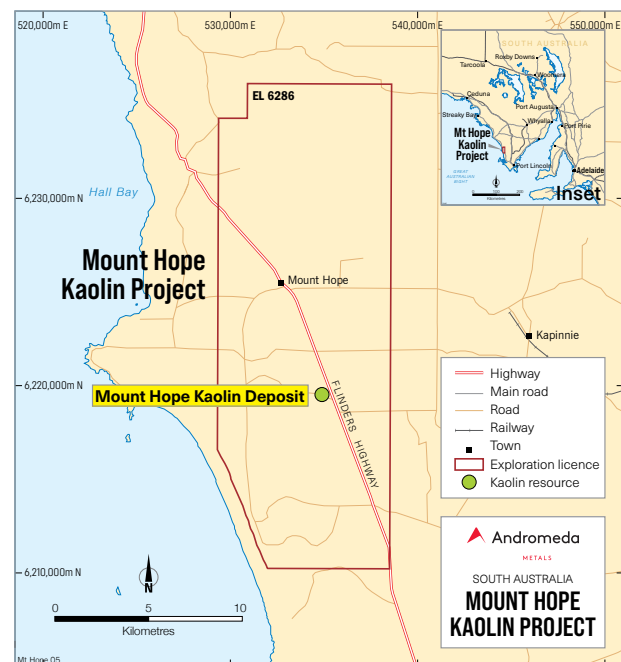


Figure 14 Mount Hope licence area.

Operations review

Exploration

Wudinna Gold Project

SOUTH AUSTRALIA

*Andromeda 25%,
royalty payment 1.5% of the Net Smelter Return to
Alcrest Royalties Australia Pty Ltd*

The Wudinna Gold Project (WGP) comprises five tenements that total 1,832km² in the Central Gawler Ranges.

In October 2017, a Heads of Agreement was entered into with Lady Alice Mines (LAM) for expenditure of up to \$5.0 million by LAM on the tenements in order to earn a 75% interest. LAM was subsequently acquired in early 2019 by Cobra Resources PLC (Cobra), a listed London Stock Exchange entity.

During the financial year, Cobra completed 20 Reverse Circulation (RC) drillholes for 2,466m and a 6,000m Aircore (AC) drilling program, both jointly aimed at expanding the existing gold resources, and testing for Rare Earth Elements (REE) over the existing gold prospects and new exploration targets Barns East, Boland and Thompson.

This work, subsequent to the period, led to an updated combined WGP Mineral Resource Estimate of 5.81Mt at 1.5 g/t gold for 279,000 Oz and a REE Mineral Resource Estimate of 41.6 Mt at 699 ppm Total Rare Earth Oxides (TREO)¹⁵ in the overburden above and adjacent to the Clarke and Baggy Green deposits. Note, the maximum recovery of the REEs was 35% at pH 1.

During the period Newcrest Mining Limited sold their royalty of 1.5% of the Net Smelter Return to Alcrest Royalties Australia Pty Ltd, and Cobra met the Stage 3 expenditure commitments of solely funding \$5 million on expenditure within a 6-year period, and therefore earned a 75% equity interest in the tenements.



Moonta Copper Gold Project

SOUTH AUSTRALIA

*Andromeda 100%
(except Moonta Porphyry Joint
Venture: Andromeda 90%,
Demetallica Limited 10%)*



The Moonta Copper-Gold Project falls near the southern end of the Olympic Copper-Gold Province in South Australia. The Olympic Copper-Gold Province is highly prospective for world class Iron Oxide Copper Gold (IOCG) deposits as exemplified by Olympic Dam, Prominent Hill and Carrapateena Mines.

In December 2018, the Company executed a binding Earn-in and Joint Venture Agreement with Environmental Metals Recovery Pty Ltd (EMR) to form the Moonta ISR Joint Venture covering the northern part of the Moonta tenement (EL 5984). The Joint Venture Agreement allowed EMR to earn an initial 51% interest of the Moonta ISR JV area by sole funding \$2.0 million within 4 years of the execution Joint Venture Agreement. Although the 51% earn-in requirements were not satisfied within the 4-year timeframe, negotiations between the parties in relation to the tenement are continuing.

In August 2022, South Australia's DEM approved EMR's Program for Environmental Protection and Rehabilitation to undertake drilling and pump trials using tracers.

During the financial year EMR continued to undertake work with two Ambient Noise Tomography (ANT) surveys completed over a portion of the Alford West project area using ExoSphere by Fleet Space. The surveys delineated a "trough" like structure that correlates well with the deep weathering associated with the defined oxide copper-gold mineralisation. EMR intends to integrate the subsurface ANT results with information with existing drillhole data to prioritise exploration drill targets with potential for oxide copper-gold mineralisation.

Additionally, a trial electro-seismic survey was undertaken at the Alford West Project site that successfully mapped out the highly saline ground water and deep weathering (typically 100 to 300m below surface) associated with the copper mineralisation.

In parallel, the Company continued its review of the Moonta Project, utilising existing drilling results, to assess the in-situ recovery (ISR) potential of 100% Andromeda held copper prospects¹⁶.

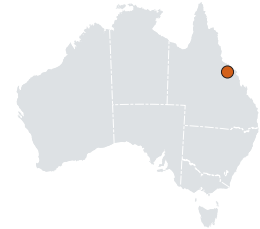
¹⁵ Cobra Resources PLC LSE announcement dated 7 September 2023, "Rare Earth and Gold Resource Upgrades",

¹⁶ Refer ADN ASX announcement dated 30 June 2022 titled "Investor presentation update".

Drummond Epithermal Gold Project

QUEENSLAND

Andromeda 100%



The Drummond Epithermal Gold Project comprises five tenements securing a total area of 539km² in the Drummond Basin in North Queensland. The Drummond Basin is considered prospective for high grade epithermal gold deposits.

During the period, the Company determined that maximum shareholder value is achieved through accepting an offer for the Drummond Epithermal Gold Project from Rush Resources Limited (Rush) for approximately \$250,000 worth of fully paid ordinary shares in Rush. A binding Term Sheet Agreement was signed, which was subject to Rush listing on ASX.

Subsequent to the period, Andromeda was informed that rather than listing on the ASX directly, Rush will become a subsidiary of ASX-listed Trigg Minerals Limited (Trigg; ASX: TMG)¹⁷. As a result, rather than receiving shares in Rush as consideration for the sale of Drummond, Andromeda will instead receive shares in Trigg to the value of the following:

- \$250,000 as consideration for the sale of Drummond to Rush, and
- Reimbursement of all expenditure incurred by Andromeda in respect of the Drummond tenements from 1 August 2022 until 30 June 2023, up to an amount of \$45,000 (excluding GST).

Shares in Trigg will be issued at the price equal to the 5-day volume-weighted average price (VWAP) of Trigg shares for the five trading days up to completion of the sale.

Andromeda will also receive a non-refundable upfront payment of \$27,000 in cash and will receive a cash refund of \$7,500 in respect of the environmental bonds for the project at completion of the sale.

¹⁷ Refer ADN ASX announcement dated 15 September titled "Update on Sale of Drummond Epithermal Gold Project".

Corporate

SALE OF DRUMMOND

Following the October 2022 announcement announcing that Andromeda had entered into an agreement with Rush for the sale of Drummond (via the disposal of shares in subsidiary Adelaide Exploration Pty Ltd), the Company was informed that Rush will become a subsidiary of ASX-listed Trigg Minerals Limited (Trigg) (ASX: TMG), via a share sale agreement between the shareholders of Rush and Trigg¹⁸.

Completion of both the binding agreement between Rush and Trigg, and for the sale of Drummond to Rush will occur simultaneously, subject to satisfaction of a number of conditions precedent by 31 October 2023.

During the 2023 financial year, the Company undertook a corporate restructure in preparation for anticipated funding of TGWP and facilitate potential sell-down or divestment of projects or assets.

BOARD AND MANAGEMENT CHANGES

On 1 July 2022, Mr Austen Perrin was appointed as an Independent Non-executive Director of the Company. Mr Perrin is an experienced corporate executive and company director with more than 35 years of experience in corporate and financial roles. He has considerable knowledge of transport, logistics, infrastructure and the mining industries. He also has in-depth experience across commercial, accounting and the finance spectrums.

On 24 August 2022, Mr Andrew Shearer resigned as an Independent Non-executive Director due to the increasing demands of his executive and other board roles.

On 20 October 2022, Joseph (Joe) Ranford was appointed Chief Operating Officer (COO). In doing so, Mr Ranford transitioned from a part-time consultant to a full-time employee and, given the COO role's importance and additional focus on progressing the TGWP, resigned as a director on 22 November 2022.

In January 2023, Ms Sarah Clarke commenced her role as General Counsel & Company Secretary at the Company.

In March 2023, Michael Zannes resigned as Chief Financial Officer.

On 1 April 2023, Bob Katsioularis commenced as CEO, with James Marsh transitioning to Executive Director, Sales and Marketing. Mr Katsioularis' directorship as Managing Director took effect on 27 April 2023.

TAX RULINGS

During the financial year, a private ruling with respect to the ability for Andromeda to claim an upfront instant asset write-off deduction related to the acquisition of Minotaur Exploration Ltd was received from the Australian Taxation Office. The private ruling enables Andromeda to claim an upfront deduction of approximately \$117 million in its 2022 tax return for the acquisition of Minotaur Exploration Ltd.

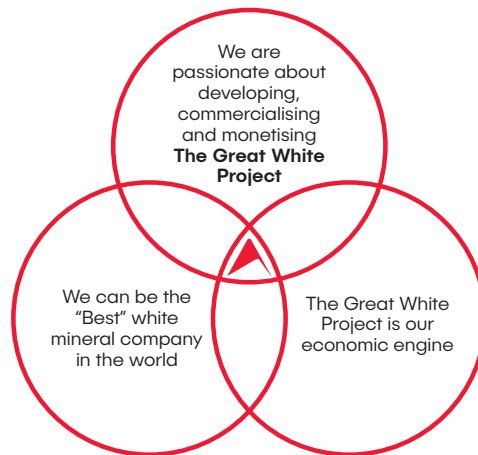
Additionally, a favourable Private Ruling from the ATO was received, relating to the historical tax losses of Minotaur Exploration Limited (Minotaur), following its acquisition by Andromeda. The Private Ruling confirms that \$21.8 million of historic carried forward tax losses of Minotaur, can be transferred, and utilised by Andromeda subject to the normal tax rules related to carry forward losses.

This brings the total of Andromeda's carried forward tax losses to \$191 million as at 30 June 2023, further reducing tax payable by Andromeda on future profits, subject to the normal tax rules related to carry forward losses.

¹⁸ Refer ADN ASX announcement dated 15 September titled "Update on Sale of Drummond Epithermal Gold Project".

Sustainability

Our vision and strategic intent To be The Great White Mineral Company



FY23 ESG HIGHLIGHTS

- All major approvals and permits required in place, including approval of PEPR
- No environmental incidents
- Full compliance with laws and regulations and permit conditions
- Zero Lost Time Injuries
- 35% of workforce female, 33% of Board and Senior management females
- Regular engagement with key stakeholders

Sustainability is an essential element of Andromeda's activities. It is an investment in society as well as in our own future. We firmly believe that anchoring sustainable practices as part of our business strategy will lead to environmental, social and economic progress.

Sustainability is therefore central to how we manage our business in terms of our planning for future operations and international trade of our products, but also our contribution to regional, national and international challenges, including climate change.

We are committed to the highest standards of corporate governance, ethics and integrity. Sound governance is a cornerstone of our ability to create shared value.

Andromeda is a mining company which is dedicated to responsible resource development and mining practices.

Our focus is on the sustainable development of our operational and governance structures and systems and we strive to work collaboratively with all our stakeholders to be a supplier, partner and employer of choice.

As we mature as a company, we aim to move towards the anticipated construction and eventual production, in a safe, ethical and sustainable way.

We recognise the critical importance of sustainable practices in our operations and are committed to minimising the impact of our operations, reducing greenhouse gas emissions, supporting local communities, and ensuring ethical business conduct.

We aim to do this through communicating and engaging with our stakeholders transparently and in a timely manner, regarding our efforts to create long-term value for all stakeholders while minimising any adverse effects on the environment and society.

As the Company progresses the development of TGWP, we have also been enhancing our governance and operational structures and systems.

The solid governance foundations put in place during 2022 have supported growth in the Company's size and capabilities, leading to an evolution during 2023 in the Company's corporate positioning and business strategy.

Operations review

Sustainability

In FY23 Andromeda pleasingly had no lost time injuries, no environmental incidents, full compliance with laws and regulations; and made impressive progress in the gender diversity of our valued team.

We are committed to continuous improvement and look forward to further strengthening our focus and expanding our commitments in ESG areas and creating sustainable value for all our stakeholders.

When anticipated production commences, Andromeda is committed to implementing leading ESG reporting frameworks, including development of an implementation plan for reporting climate disclosures using the Task Force on Climate-Related Financial Disclosures (TCFD), the Taskforce on Nature-related Financial Disclosures (TNFD) framework; and the adoption of the International Sustainability Standards Board (ISSB) Sustainability Disclosure Standards.

GOVERNANCE FRAMEWORK

Sound governance is a cornerstone of our ability to create shared value. We are devoted to the highest standards of corporate governance, ethics and integrity.

Andromeda acknowledges the importance of committing to and establishing an integrated and consistent approach to reporting on Environmental, Social and Governance (ESG) factors and the impact our business has on the prosperity of people and the planet. This commitment has been adopted at the highest level within Andromeda. In 2022, our Board created a separate, dedicated Sustainability and Governance Committee to lead on all aspects of our governance, environmental and social sustainability.

The Company is committed to responsible financial and business practices, and the highest standards of corporate governance, including the corporate governance guidelines and recommendations set out by the ASX Corporate Governance Principles and Recommendations (ASX Guidelines).

Andromeda's Corporate Governance Statement dated 30 June 2023 and approved by the Board on 15 September 2023 can be found under Who We Are on Andromeda's website, together with the ASX Appendix 4G, addressing the ASX Principles and Recommendations to disclosures in this statement and the current Annual Financial Report.



Andromeda's Sustainability and Governance Committee Charter, which is available under Our Charters on Andromeda's website, formalises our governance structure and commitment.

The Sustainability and Governance Committee Charter formalises Andromeda's commitment to conducting business ethically and sustainably, taking into account the needs of current and future stakeholders and integrating sustainability considerations into all aspects of its decision making.

We maintain a robust corporate governance structure, incorporating sustainability principles into our decision-making processes. Our Board of Directors oversees sustainability matters through regular updates, policy reviews, and audits.

COMPANY POLICIES AND STANDARDS

Andromeda will operate in accordance with a framework of internal company policies developed to ensure consistent and coordinated management of issues relating to the environment, Indigenous peoples and work health and safety.

These will be continually reviewed and monitored in line with South Australian and Commonwealth law and the progression of the Project. The consistent application of policies and procedures will help prevent or resolve issues, such as claims of unfair dismissal, workplace health and safety prosecution, environmental or right of entry breaches, and discrimination claims.

Operations review

Sustainability

OUR MATERIAL TOPICS

The United Nations Sustainable Development Goals (SDGs) are a principles-based approach and form part of the 'Transforming our world: the 2030 Agenda' for Sustainable Development' adopted on 25 September 2015, by the 193 United Nations Member States.

The 17 SDGs aim to address some of the world's pressing economic, social and environmental challenges and represent the world's comprehensive plan of action for social inclusion, environmental sustainability and economic development.

Through aligning our approach to sustainability with the UN SDGs, Andromeda has identified 11 of the 17 goals as specific targets. Within each goal we have selected specific indicators and have prioritized these in order to measure our impact in accordance with 'Agenda 2030'.



We have selected three pillars that we feel are most relevant to operating our business responsibly and where we can have the biggest impact. The material topics which have been identified as priority ESG areas are:

ENVIRONMENT	Emissions Water Rehabilitation
COMMUNITIES	Community engagement Economic development of local and regional communities
OUR PEOPLE	Health, safety, and wellbeing Mental health and wellbeing Diversity of board and workforce

Our immediate priorities will be to focus on:

#3	Good health and well-being
#9	Industry, innovation, and infrastructure
#13	Climate change

As we progress towards production we will begin to track and disclose positive and negative impacts of our operations against each indicator and goal, and identify the short-term, medium-term or long-term nature of indicator.

ENVIRONMENT

Climate change and our commitment to reduce GHG emissions

Andromeda accepts the science of climate change. The result of human activity has seen a continued rise in concentration of greenhouse gas (GHG) emissions – which in turn has been a rise in average global temperatures. From this we continue to see an increase in catastrophic weather events resulting in natural disasters and we see a continual negative impact on the wellbeing of people and the planet.

Andromeda accepts that the activities associated with minerals extraction, innovation of products through research and development and testing, can contribute to rising temperatures through GHG emissions.

Andromeda believes there is a positive role to play in addressing climate change. As the Company evolves, it plans to continually adapt its operations and adopt contemporary, innovative mine design solutions to accommodate the reality of global warming and to transition towards a low-emissions future.

Consequently, the Company is committed to reducing GHG emissions with the aspiration of achieving net zero emissions over time and will seek to develop an implementation plan for reporting climate disclosures using the Task Force on Climate-Related Financial Disclosures (TCFD) framework into the Company's future Annual Reports.

When anticipated production commences, Andromeda is committed to implementing leading ESG reporting frameworks, including development of an implementation plan for reporting climate disclosures using the Task Force on Climate-Related Financial Disclosures (TCFD).

Greenhouse gas (GHG) emissions

The National Greenhouse and Energy Reporting Act (NGER) and its associated regulations and guidelines govern the reporting of GHG emissions in Australia, providing mandatory reporting requirements, and uniform methods for measurement of emissions.

The NGER requires yearly reporting of GHG emissions if individual facilities, and or total corporate emissions exceed the threshold values in Table 10.

Table 10 NGER emissions reporting thresholds.

CATEGORY	FACILITY THRESHOLD	CORPORATE THRESHOLD
Scope 1 & 2 GHG emissions	25,000 t CO ₂ -e/year	50,000 t CO ₂ -e/year
Energy consumption	100,000 GJ/year	200,000 GJ/year
Energy production	100,000 GJ/year	200,000 GJ/year

TGWP's potential annual GHG emissions during the first full year of operations are set out in Table 11.

Table 11 Potential estimated TGWP annual scope 1 & 2 GHG emissions (tonnes)¹⁹.

SOURCE	SCOPE	CO ₂	CH ₄	N ₂ O	t CO ₂ -e
Stationary combustion – gas	Scope 1	5,514	19	19	5,552
Stationary combustion – diesel	Scope 1	2,948	5	9	2,962
Transport combustion – diesel heavy vehicles	Scope 1	71	1	1	73
Transport combustion – diesel light vehicles	Scope 1	58	1	1	60
Blasting	Scope 1	5	1	1	7
Total		8,669	27	31	8,727

Although annual reporting under the NGER is not required, given GHG emissions are below NGER's Emissions Reporting Thresholds, Andromeda commits to reporting both Corporate and TGWP actual Scope 1 & 2 GHG emissions as part of its annual reporting requirements following the commencement of planned construction.

¹⁹ Based on analysis of Stage 1A by engineering consultants ammjohn PE Pty Ltd.

Operations review

Sustainability

Table 12 Potential estimated TGWP annual scope 1 & 2 carbon equivalent emissions.

SOURCE	ONE-OFF EMISSIONS t CO ₂ -e	ANNUAL EMISSIONS t CO ₂ -e	SPECIFIC EMISSION t CO ₂ -e / t PRODUCT
Stationary combustion – gas		5,514	0.061
Stationary combustion – diesel		2,926	0.033
Transport combustion – diesel		133	0.001
Vegetation clearing	3,240	108	0.000
Blasting		7	0.000
Total		8,724	0.097

As the Company matures, it aims to also track and report on Scope 3 emissions in the future.

As shown in Table 12, the largest contributor to carbon emissions is due to gas being used to generate electricity to power processing operations and heat to dry processed kaolin product.

Table 13 Potential estimated TGWP annual scope 3 carbon emissions²⁰.

SOURCE	SCOPE	CO ₂	CH ₄	CO ₂ -e
Freight product to port	Scope 3	5079		5079
Sea freight to Europe	Scope 3	3569		3569
Gas freight to site	Scope 3	108		108
Diesel freight to site	Scope 3	10		10
Regular general freight to site	Scope 3	27		27
Regular waste freight from site	Scope 3	20		20
Employee regular commute to site bus	Scope 3	117		117
Employee regular commute to site car	Scope 3	131		131
Employee regular commute to bus	Scope 3	103		103
Employee regular air travel	Scope 3	50		50
Landfill emissions	Scope 3		389	389
Total		9255	389	9644

²⁰ Based on analysis of Stage 1A by engineering consultants ammjohn PE Pty Ltd.

Operations review

Sustainability

In determining how to generate power and heat for TGWP, an analysis conducted by engineering consultants, ammjohn PE Pty Ltd (ammjohn). The analysis evaluated several options which are summarised as follows:

- Grid power and gas heating – considered the base case, power is supplied from the national grid via a 66 kVA distribution line. Gas heating is used to satisfy all heating requirements.
- Turbine power and gas re-heating – electricity is generated on site using microturbines. Turbine exhaust gases are re-heated via a gas fired burner for use in drying products.
- Internal combustion engine gas power and gas re-heating – electricity is generated on site using gas fired internal combustion engines. Internal combustion engines exhaust gases are re-heated (if required) via a gas fired burner for use in drying products.
- Internal combustion engine diesel power and gas heating – electricity is generated on site using diesel fired internal combustion engines. Gas heating is used to satisfy all heating requirements.

Financial modelling of the options above showed that the generation of electricity with gas fired turbines and the reheating of exhaust with gas fired burners for the purpose of drying processed product, delivered the lowest net present cost option.

Benchmarking of GHG emissions

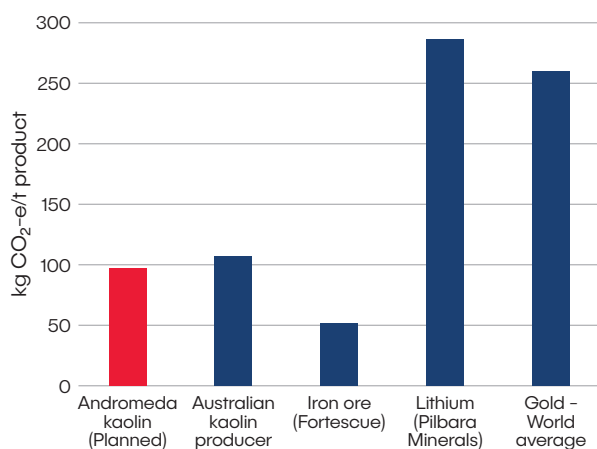


Figure 15 Industry benchmarking of TGWP's potential scope 1 & 2 GHG emissions²¹.

Mining approach and rehabilitation

Andromeda is committed to operating in a safe and sustainable manner.

Mining at TGWP is planned to be undertaken utilising conventional open cut methods using open pit mining equipment for load and haul.

No tailings storage facilities will be required as environmental rehabilitation will be undertaken progressively, as mining operations are completed in the various pit stages.

Topsoil and other overburden material is planned to be placed into an out of pit adjacent landform will be contoured and revegetated. When sufficient capacity is available in the mined-out sections of the pit, overburden will be placed directly into the pit void.

A detailed progressive rehabilitation plan was included in the Program for Environment Protection and Rehabilitation (PEPR), which was approved by South Australia's Department for Energy and Mining in March 2023.

Water management

Andromeda aims to have a high level of water stewardship to care for this vital resource.

With the dry conditions of the local Eyre Peninsula region, water is a key concern for the area surrounding TGWP and the local community.

Water is initially planned to be sourced directly from the Todd water main at Poochera, with modelling indicating no impact to local users.

Additionally, over 90% of water is planned to be recycled through the installation of a reverse osmosis system to recycle processing water on site.

The Company is working with SA Water to install and operate a pipeline to site, while also planning for an economical, scalable and long term water supply solution that minimises any impacts to local users.

²¹ Based on analysis of Stage 1A by engineering consultants ammjohn PE Pty Ltd.

Operations review

Sustainability

SOCIAL

To fulfil our corporate aspiration to be considered as a supplier, partner and employer of choice, Andromeda is committed to effective, ongoing, and transparent consultation with all stakeholders, whether directly or indirectly.

This includes the full range of stakeholder groups, including:

Customers	Shareholders	First Nations	Government	Employees	Strategic partners
Investors	Landowners	Regulators	Contractors	Suppliers	Debt providers
	Local councils	Credit providers	Community	Industry bodies	Local businesses

Stakeholder engagement

Andromeda is committed to building enduring relationships across all of its stakeholder groups, through mutual respect, active partnership, and a long-term commitment.

Our approach to engaging with stakeholders is outlined as follows:

INFORM: Provide balanced and objective information to assist understanding of issues, alternatives, opportunities, and solutions to those stakeholders who prefer information only.

CONSULT: Obtain stakeholder feedback on issues, alternatives, opportunities, and solutions, with those stakeholders who want their opinions heard.

INVOLVE: Engagement with stakeholders who may have a higher level of expertise or insight on an issue and want to provide feedback, alternatives, opportunities, and solutions.

COLLABORATE: A higher level of engagement, which establishes partnerships with stakeholders to develop alternatives and the identification of preferred solutions.

EMPOWER: The highest level of community decision making, where decisions of the public are implemented.

Figure 16, sourced from DEM Guideline MG31, encapsulates the International Association of Public Participation's (IAP2) spectrum of public participation.

Additionally, the Company has also committed to ensuring its engagement with stakeholders adheres to the six principles of engagement, as set out by the South Australian government's "Better Together" framework (SA Government 2020), as follows:

1. We know why we are engaging, and we communicate this clearly.
2. We know who to engage.
3. We know the background and history.
4. We begin early.
5. We are genuine.
6. We are creative, relevant and engaging.

Communication approaches

A suite of communication approaches, tools and activities have been implemented to effectively engage with stakeholders. The primary goals for these communication tools are to:

- Identify community attitudes and expectations.
- Provide various mechanisms for dissemination of information to the community.
- Gather feedback from the community.
- Register and document community feedback, concerns, or expectations from members of the community.
- Analyse and promptly respond to community feedback or concerns.

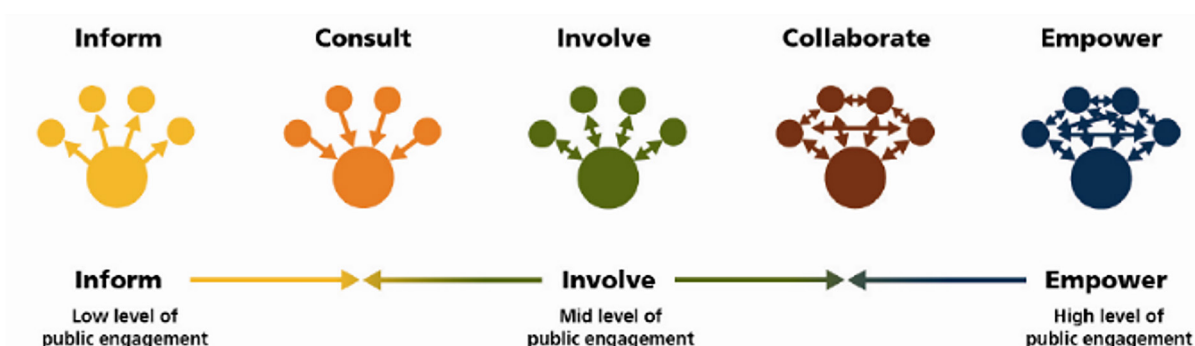


Figure 16 Spectrum of engagement (Source: DEM Guideline MG31).

Operations review

Sustainability

- Engagement with stakeholders during all the various phases of The Project is critical. These phases have been identified as:
- Early development (exploration) phase
- Feasibility including mining proposal
- PEPR development and approval
- Construction and commissioning
- Operations
- Decommissioning

Stakeholder identification and engagement

Stakeholders are noted as all those persons (individuals or groups) who have an interest in Andromeda, can have an influence on, or can be influenced by, it or its businesses.

Stakeholder identification and analysis was originally undertaken during the development of the Community Engagement Plan (CEP) and completed to provide the basis for consultation on The Project. The stakeholder mapping process for that phase of The Project lifecycle identified 14 stakeholder groups as having an interest in or influence on The Project.

Stakeholder identification and groupings have been reviewed periodically. No additional stakeholder groups have become apparent during the development of the PEPR or from community drop-in days and focused stakeholder meetings.

These meetings included meetings with First Nations and other Indigenous groups. Meetings involved discussions on business and employment opportunities during the planning and development stages of The Project and cultural heritage. A draft Cultural Heritage Management Plan was also provided to Wirangu No 2 Native Title Claimant Group in May 2022 and again in 2023.

Table 14 *Communication approaches, tools and activities.*

APPROACH	PURPOSE AND APPLICATION
Frequently asked questions (FAQ)	Summary of responses available online and at community meetings in response to questions raised. The responses prepared by members of Andromeda's team and its sub-contractors provide a clear reference and ensure consistency of information and message.
Face-to-face meetings	Provides an opportunity for all stakeholders to engage and discuss specific issues. Face to face meetings are an opportunity to build relationships based on trust, honest and open communication.
Telephone	Primary form of contact with stakeholders to respond to general enquiries and provide Project information.
Community meetings Briefings	An opportunity to present publicly precise and consistent Project information to interested stakeholders. Typically, there is a set agenda which can address specific areas of interest. Also used when significant information needs to be communicated to a wide section of the community and feedback, views or opinions are sought.
Community drop-in days	An opportunity for members of the community and interested persons to engage with a wide range of information of The Project and engage with team members to ask questions.
Fact sheet Posters	Provide landowners and interested stakeholders with information about specific stages of The Project, areas of interest, Project plans and status. Designed to ensure the messages being distributed to the community and stakeholders are consistent and based on fact.
Information sheet	Provide progress updates on The Project to the wider community and advertise upcoming events or milestones.
Advertisement	Used to advertise forthcoming community meetings or events.
Website	To communicate progress updates on The Project, achievements and Project milestones using the Andromeda website (www.andromet.com.au).
Email Text messages Letters	The Project team will communicate with stakeholders directly, responding to specific queries or matters which are uniquely relevant to specific stakeholders.

Environmental Policy

The aim of Andromeda's Environmental Policy is to protect and conserve the existing environment within the Project and its surrounds, by minimising adverse environmental impacts resulting directly from the mine and enhancing the environment wherever possible.

Andromeda works in conjunction with its employees, contractors and service providers to promote an environmentally aware culture that:

- understands and is committed to the Environmental Policy
- is committed to a high level of environmental standards in all areas of the mine
- is inducted in, aware of, and committed to the individual environmental management plans that apply to the mine
- considers the environmental impact of all business decisions before conducting potentially impactful activities.

For its part, management will:

- meet or exceed all relevant environmental laws, regulations and approval conditions
- identify, monitor and manage environmental aspects of Andromeda's business to maximise benefits and minimise adverse impacts, including pollution prevention
- strive for excellence in environmental performance through setting goals in consultation with stakeholders
- improve performance by undertaking appropriate environmental research and development, preferably utilising a partnership approach
- ensure Andromeda's environmental systems and procedures are appropriate to the nature and scale of Project activities and are fully integrated into the business
- train and support employees and contractors to ensure Andromeda has the necessary skills and technology to meet or exceed our environmental performance expectations

- develop, implement and continually improve work practices that enable Andromeda to identify, assess and manage environmental risks and opportunities
- communicate, engage and build trust with communities, regulators and other stakeholders on Andromeda's environmental performance
- publicly report environmental performance on a regular basis
- ensure that all employees, contractors and suppliers of goods and services that enter Company-managed sites are aware of the Environmental Policy and their obligations under it
- provide adequate resources to implement and regularly review the Environmental Policy whilst taking into consideration evolving community expectations, technology, management practices, scientific knowledge and business structure.

Andromeda commits to actively evaluating and reviewing its performance against these commitments to ensure both compliance and success.

Compliance

Andromeda is committed to ensuring compliance with environmental laws and minimising the environmental impacts of its exploration and operation of the TGWP. No breaches have occurred or have been notified to any Government agencies during the year ending 30 June 2023.

Our purpose and values

Ecological and economic sustainability is the central driving force behind Andromeda's purpose – sitting across all three business pillars. These are to grow industrial minerals, harvest critical metals sustainably and advance innovation through nanotechnologies.

This purpose is to enrich the lives of people by improving the environment, creating prosperity for the planet, our stakeholders, the communities we work within. Andromeda is focused on value creation for our shareholders through the advancement and use of our decarbonising nanotechnologies and the supply of critical industrial minerals.

Our vision is to lead the world in the sustainable extraction and supply of superior quality industrial minerals and advancement of nanotechnologies.

Our mission is to mine and process industrial minerals for supply, together with advancing nanotechnologies to our global customer base by leveraging our unique natural resources and intellectual property.

We will deliver on our vision and mission by designing our operations with the tenet of circular economy in mind – these are to eliminate waste production, circulate materials, and regenerate natural systems. These tenets along with the careful selection of voluntary and mandatory reporting frameworks, Andromeda will now, moving forward, report accurately on all material and non-material risks and opportunities arising from our business practices to demonstrate our commitment to ESG and sustainability.

Our core values

All staff at Andromeda are responsible for upholding and living out our values. It is through this alignment and commitment that will enable our Company to provide value to our shareholders and broader stakeholders.

INNOVATION / QUALITY – INTEGRITY / TEAMWORK	
INNOVATION	We strive to instil every decision with honesty and respect for all stakeholders, including colleagues, customers, and the communities we live and work in.
QUALITY	Quality is the strength of our business which will drive long-term success. We take pride in providing our customers and stakeholders with outstanding and consistent quality and service.
TEAMWORK	We are committed to our team environment where we embrace courage, perseverance, diversity, and inclusion. Every employee's contribution is valued. With the strength of our people, we can achieve more in a team, than alone.
INTEGRITY	Through innovation we encourage our people to use their initiative to generate new ideas, seek continuous improvement, and constantly strive to exceed expectations.

Our values



Innovation



Teamwork



Integrity



Quality

The safety and wellbeing of our employees and our communities is our first priority.

PEOPLE & CULTURE

Gender and diversity

Andromeda is committed to broadening workplace diversity to support enhanced decision making and better business outcomes. In FY23 we achieved our measurable objective of 20% female representation at Board, Senior Management and all other employees across the workforce.

For FY24 the Board has adopted a target of 33% female employees participation across all levels of the Company.

The measurable objectives for the Company in FY23, including targets and achievement status and FY24 targets are represented in the following table.

Table 15 Measureable diversity targets and achievement

	FY23 MEASURABLE OBJECTIVES ON DIVERSITY TARGETS	FY23 ACHIEVEMENT AS AT 30 JUNE 2022
Board	At least 20% female members	33%
Senior management¹	At least 20% female employees in senior executive roles	33%
All other employees across workforce²	At least 20% employees female across entire workforce	35%

¹ Excludes Executive Directors

² Excludes Directors and senior management

Indigenous Peoples' Policy

Andromeda recognises that its exploration and operations are conducted on land which was or is traditionally under the custodianship of Aboriginal and Torres Strait Islander peoples. Andromeda acknowledges the customs, traditions and language of Australia's Indigenous Peoples and is committed to working with them to identify, protect and conserve evidence of the ancient and continuing occupation of Aboriginal and Torres Strait Islanders in Australia.

The Indigenous Peoples Policy outlines Andromeda's approach to fostering trusting, respectful and cooperative relationships with Aboriginal and Torres Strait Islander peoples, and promotes listening, communicating and negotiating with Indigenous peoples with respect, having regard for diverse views and perspectives. The policy also outlines minimum requirements in regard to providing cultural awareness training, Indigenous procurement and for the Board to consider opportunities for mutual benefit.

Health and Safety Policy

The Health and Safety Policy defines Andromeda's commitment to providing a healthy and safe workplace whilst striving to achieve an injury free work environment for all personnel. The policy applies to all employees and contractors and requires all to act in accordance with Andromeda's policies and procedures. The Health and Safety Policy outlines responsibilities and minimum requirements in regard to work activities, the HSEC Management System, safe working environments and outlines Andromeda's Duty of Care in regard to the workplace.

Community Engagement Policy

Andromeda is committed to engaging effectively with the community and stakeholders to strengthen relationships and facilitate transparent decision making.

Additionally, Andromeda is committed to employing local, engaging with local businesses and purchases local products and services wherever possible.

These commitments aim to ensure that all projects explore and deliver effective community engagement activities which are consistent, respectful, planned, coordinated, accessible and inclusive.

Andromeda will aim to identify community and stakeholder interests, issues and concerns early, and to address these matters during exploration, project development, approvals process and operation.

Operations review

Schedule of tenements

as at 30 June 2023

PROJECT	TENEMENT	TENEMENT NAME	AREA (km ²)	REGISTERED HOLDER OR APPLICANT	NATURE OF COMPANY'S INTEREST (%)
SOUTH AUSTRALIA					
Great White Kaolin Project	ML 6532	Great White	319 ha	Andromeda Industrial Minerals Pty Ltd ¹ and Great Southern Kaolin Pty Ltd ²	AIM 75% GSK 25%
	MPL 163	Water Pipeline MPL	78 ha	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd	AIM 75% GSK 25%
	MPL 164	Access Road MPL	13 ha	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd	AIM 75% GSK 25%
	EL 6588	Tootla	372	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd	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%
Wudinna Gold Joint Venture	EL 6317	Pinkawillinie	156	Peninsula Resources Pty Ltd ³	PRL 35% LAM 65%
	EL 6131	Corrobinnie	1303	Peninsula Resources Pty Ltd	PRL 35% LAM 65%
	EL 6489	Wudinna Hill	42	Peninsula Resources Pty Ltd	PRL 35% LAM 65%
	EL 5953	Minnipa	184	Peninsula Resources Pty Ltd	PRL 35% LAM 65%
	EL 6001	Waddikee Rocks	147	Peninsula Resources Pty Ltd	PRL 35% LAM 65%
Moonta Copper Gold Project⁴	EL 5984	Moonta-Wallaroo	713	Peninsula Resources Pty Ltd	100%
	EL 5984	Moonta Porphyry JV	106	Peninsula Resources Pty Ltd	90% – option to acquire 100% from AIC Mines Ltd
Camel Lake Halloysite Project	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	AIC Mines Ltd ⁵	AIM 75% GSK 25%
Eyre Kaolin Project	EL 6663	Aspen	976	Peninsula Exploration Pty Ltd ⁶	Peninsula 100%
	EL 6664	Whistler	452	Peninsula Exploration Pty Ltd	Peninsula 100%
	EL 6665	Hotham	875	Peninsula Exploration Pty Ltd	Peninsula 100%
	EL 6666	Thredbo	496	Peninsula Exploration Pty Ltd	Peninsula 100%
Mt Hope Kaolin Project	EL 6286	Mt Hope	227	Andromeda Industrial Minerals Pty Ltd ⁹	100%

Operations review

Schedule of tenements

PROJECT	TENEMENT	TENEMENT NAME	AREA (km ²)	REGISTERED HOLDER OR APPLICANT	NATURE OF COMPANY'S INTEREST (%)
QUEENSLAND					
Drummond Gold Project	EPM 18090	Glenroy	196	Adelaide Exploration Pty Ltd ⁷	100%
	EPM 25660	Gunthorpe	74	Adelaide Exploration Pty Ltd	100%
	EPM 26154	Sandalwood Creek	109	Adelaide Exploration Pty Ltd	100%
	EPM 26155	Mount Wyatt	144	Adelaide Exploration Pty Ltd	100%
	EPM 27501	Packhorse Creek	16	Adelaide Exploration Pty Ltd	100%
WESTERN AUSTRALIA					
Dundas Project	E 63/2089	Circle Valley	29	Mylo Gold Pty Ltd ⁸	100%

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.

⁴ Andromeda Metals Ltd has partnered with Environmental Metals Recovery Pty Ltd (EMR) to form the Moonta ISR Joint Venture.

⁵ Demetallica Operations Pty Ltd is a wholly owned subsidiary of AIC Mines Ltd. Registered interest is to be transferred to AIM (75%) and GSK (25%) upon grant.

⁶ Andromeda Industrial Minerals Pty Ltd has a farm in agreement with Peninsula Exploration Pty Ltd (Peninsula) over the Eyre Kaolin Project.

⁷ Adelaide Exploration Pty Ltd (incorporated 13 July 2001) is a wholly owned subsidiary of Andromeda Metals Ltd, but is the subject of a sale agreement – refer ADN ASX announcement dated 15 September titled "Update on Sale of Drummond Epithermal Gold Project".

⁸ Mylo Gold Pty Ltd (acquired 21 December 2017) is a wholly owned subsidiary of Andromeda Metals Ltd.

⁹ In July 2023 this tenement was transferred to Andromeda Industrial Minerals NZ Pty Ltd, which is a wholly owned subsidiary of Andromeda Metals Ltd.

Resources and Reserves

as at 30 June 2023

Andromeda's Mineral Resource and Ore Reserve estimates as at 30 June 2022 and 30 June 2023 are listed below.

The Mineral Resource estimates are reported inclusive of Ore Reserve estimates. The totals and average of some reports may appear inconsistent with the parts, but this is due to rounding of values to levels of reporting precision commensurate with the confidence in the respective estimates.

The statements for the 30 June 2023 estimates by the Competent Person, as defined under the 2012 Edition of the 'Australasian Code for reporting Exploration Results, Mineral Resources and Ore Reserves' (JORC Code), are included on page 47 of this Annual Report.

Andromeda's public reporting governance for Mineral Resources and Ore Reserves estimates includes a chain of assurance measures. Firstly, Andromeda ensures that the Competent Persons responsible for public reporting:

- are current members of a professional organisation that is recognised in the JORC Code framework;
- have sufficient mining industry experience that is relevant to the style of mineralisation and reporting activity, to be considered a Competent Person as defined in the JORC Code;
- have provided Andromeda with a written sign-off on the results and estimates that are reported, stating that the report agrees with supporting documentation regarding the results or estimates prepared by each Competent Person; and
- have prepared supporting documentation for results and estimates to a level consistent with normal industry practices – which for JORC Code 2012 resources includes Table 1 Checklists for any results and/or estimates reported.

The following tables set out the current Resource and Reserve position for the Company.

Table of Resources – Clay, whole rock

CLAY, WHOLE ROCK		MEASURED RESOURCE				INDICATED RESOURCE				INFERRED RESOURCE				TOTAL RESOURCES			
2022	ANDROMEDA INTEREST (%)	TONNES (Mt)	RECOVERY <45µm FRACTION (%)	KAOLINITE (%)	HALLOYSITE (%)	TONNES (Mt)	RECOVERY <45µm FRACTION (%)	KAOLINITE (%)	HALLOYSITE (%)	TONNES (Mt)	RECOVERY <45µm FRACTION (%)	KAOLINITE (%)	HALLOYSITE (%)	TONNES (Mt)	RECOVERY <45µm FRACTION (%)	KAOLINITE (%)	HALLOYSITE (%)
Great White ^{1,2,3}	100	5.7	50.2	39.5	6.9	14.2	51.1	42	5.0	14.7	49.3	40.3	4.9	34.6	50.2	40.9	5.3
Hammerhead ^{1,3,4}	100	-	-	-	-	-	-	-	-	51.5	52.6	42.7	6.5	51.5	52.6	42.7	6.5
Tiger ⁶	100	-	-	-	-	12.1	59.9	56.7	-	-	-	-	-	12.1	59.9	56.7	-
Mount Hope ^{1,3,5}	100	-	-	-	-	-	-	-	-	18	41.5	33.8	1.4	18	41.5	33.8	1.4
Total (100%) ¹		5.7	50.2	39.5	6.9	26.3	55.1	48.8	2.7	84.2	49.7	40.4	5.1	116.2	50.9	42.2	4.7
Total 2022 (Andromeda share)¹		4.3	50.2	39.5	6.9	26.3	55.1	48.8	2.7	67.7	49.1	39.9	4.9	116.2	50.9	42.2	4.7

2023	ANDROMEDA INTEREST (%)	TONNES (Mt)	RECOVERY <45µm FRACTION (%)	KAOLINITE (%)	HALLOYSITE (%)	TONNES (Mt)	RECOVERY <45µm FRACTION (%)	KAOLINITE (%)	HALLOYSITE (%)	TONNES (Mt)	RECOVERY <45µm FRACTION (%)	KAOLINITE (%)	HALLOYSITE (%)	TONNES (Mt)	RECOVERY <45µm FRACTION (%)	KAOLINITE (%)	HALLOYSITE (%)
Great White ^{1,2,3}	100	5.7	50.2	39.5	6.9	14.2	51.1	42	5.0	14.7	49.3	40.3	4.9	34.6	50.2	40.9	5.3
Hammerhead ^{1,3,4}	100	-	-	-	-	-	-	-	-	51.5	52.6	42.7	6.5	51.5	52.6	42.7	6.5
Tiger ⁶	100	-	-	-	-	12.1	59.9	56.7	-	-	-	-	-	12.1	59.9	56.7	-
Mount Hope ^{1,3,5}	100	-	-	-	-	-	-	-	-	18	41.5	33.8	1.4	18	41.5	33.8	1.4
Total (100%) ¹		5.7	50.2	39.5	6.9	26.3	55.1	48.8	2.7	84.2	49.7	40.4	5.1	116.2	50.9	42.2	4.7
Total 2023 (Andromeda share)¹		4.3	50.2	39.5	6.9	26.3	55.1	48.8	2.7	67.7	49.1	39.9	4.9	116.2	50.9	42.2	4.7

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Resources and Reserves

Table of Resources – Clay <45µm

CLAY <45µm		MEASURED RESOURCE				INDICATED RESOURCE				INFERRED RESOURCE				TOTAL RESOURCES			
2022	ANDROMEDA INTEREST (%)	TONNES (Mt)	BRIGHTNESS (R47)	KAOLINITE (%)	HALLOYSITE (%)	TONNES (Mt)	BRIGHTNESS (R47)	KAOLINITE (%)	HALLOYSITE (%)	TONNES (Mt)	BRIGHTNESS (R47)	KAOLINITE (%)	HALLOYSITE (%)	TONNES (Mt)	BRIGHTNESS (R47)	KAOLINITE (%)	HALLOYSITE (%)
Great White ^{1,2,3}	100	2.9	83.9	78.8	13.8	7.3	82.8	82.3	9.9	7.2	83.3	81.7	9.9	17.4	82.3	81.5	10.5
Hammerhead ^{1,3,4}	100	-	-	-	-	-	-	-	-	27.1	82.2	81.0	12.3	27.1	82.2	81.0	12.3
Tiger ⁶	100	-	-	-	-	7.2	83.1	94.7	-	-	-	-	-	7.2	83.1	94.7	-
Mount Hope ^{1,3,5}	100	-	-	-	-	-	-	-	-	7.5	82.2	81.4	3.3	7.5	82.2	81.4	3.3
Total (100%) ¹		2.9	83.9	78.8	13.8	14.5	82.9	88.5	5.0	41.8	82.4	81.2	10.3	59.2	82.3	82.9	9.1
Total 2022 (Andromeda share)¹		2.9	83.9	78.8	13.8	14.5	82.9	88.5	5.0	41.8	82.4	81.3	9.9	59.2	82.3	82.9	9.1

2023	ANDROMEDA INTEREST (%)	TONNES (Mt)	BRIGHTNESS (R47)	KAOLINITE (%)	HALLOYSITE (%)	TONNES (Mt)	BRIGHTNESS (R47)	KAOLINITE (%)	HALLOYSITE (%)	TONNES (Mt)	BRIGHTNESS (R47)	KAOLINITE (%)	HALLOYSITE (%)	TONNES (Mt)	BRIGHTNESS (R47)	KAOLINITE (%)	HALLOYSITE (%)
Great White ^{1,2,3}	100	2.9	83.9	78.8	13.8	7.3	82.8	82.3	9.9	7.2	83.3	81.7	9.9	17.4	82.3	81.5	10.5
Hammerhead ^{1,3,4}	100	-	-	-	-	-	-	-	-	27.1	82.2	81.0	12.3	27.1	82.2	81.0	12.3
Tiger ⁶	100	-	-	-	-	7.2	83.1	94.7	-	-	-	-	-	7.2	83.1	94.7	-
Mount Hope ^{1,3,5}	100	-	-	-	-	-	-	-	-	7.5	82.2	81.4	3.3	7.5	82.2	81.4	3.3
Total (100%) ¹		2.9	83.9	78.8	13.8	14.5	82.9	88.5	5.0	41.8	82.4	81.2	10.3	59.2	82.3	82.9	9.1
Total 2023 (Andromeda share)¹		2.9	83.9	78.8	13.8	14.5	82.9	88.5	5.0	41.8	82.4	81.3	9.9	59.2	82.3	82.9	9.1

Table of Resources – Clay <45µm continued

CLAY < 45µm (CONT.)		MEASURED RESOURCE				INDICATED RESOURCE				INFERRED RESOURCE				TOTAL RESOURCES			
2022	ANDROMEDA INTEREST (%)	TONNES (MT)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)	TONNES (MT)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)	TONNES (MT)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)	TONNES (MT)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)
Great White ^{1,2,3}	100	2.9	36.7	0.52	0.32	7.3	36.6	0.51	0.50	7.2	36.4	0.51	0.45	17.4	36.5	0.51	0.45
Hammerhead ^{1,3,4}	100	-	-	-	-	-	-	-	-	27.1	37.0	0.63	0.71	27.1	37	0.63	0.71
Tiger ⁶	100	-	-	-	-	7.2	37.2	0.81	0.61	-	-	-	-	7.2	37.2	0.81	0.61
Mount Hope ^{1,3,5}	100	-	-	-	-	-	-	-	-	7.5	35.3	0.51	0.62	7.5	35.3	0.51	0.62
Total (100%) ¹		2.9	36.7	0.52	0.32	14.5	36.9	0.70	0.60	41.8	36.6	0.60	0.7	59.2	36.7	0.60	0.60
Total 2022 (Andromeda share)¹		2.9	36.7	0.52	0.32	14.5	36.9	0.70	0.60	41.8	36.5	0.60	0.7	59.2	36.7	0.60	0.60

2023	ANDROMEDA INTEREST (%)	TONNES (MT)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)	TONNES (MT)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)	TONNES (MT)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)	TONNES (MT)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)
Great White ^{1,2,3}	100	2.9	36.7	0.52	0.32	7.3	36.6	0.51	0.5	7.2	36.4	0.51	0.45	17.4	36.5	0.51	0.45
Hammerhead ^{1,3,4}	100	-	-	-	-	-	-	-	-	27.1	37.0	0.63	0.71	27.1	37.0	0.63	0.71
Tiger ⁶	100	-	-	-	-	7.2	37.2	0.81	0.61	-	-	-	-	7.2	37.2	0.81	0.61
Mount Hope ^{1,3,5}	100	-	-	-	-	-	-	-	-	7.5	35.3	0.51	0.62	7.5	35.3	0.51	0.62
Total (100%) ¹		2.9	36.7	0.52	0.32	14.5	36.9	0.70	0.6	41.8	36.6	0.60	0.7	59.2	36.7	0.60	0.60
Total 2023 (Andromeda share)¹		2.9	36.7	0.52	0.32	14.5	36.9	0.70	0.6	41.8	36.5	0.60	0.7	59.2	36.7	0.60	0.60

Table of Resources – Gold

GOLD		INDICATED RESOURCE			INFERRED RESOURCE			TOTAL RESOURCES		
2022	ANDROMEDA INTEREST (%)	TONNES (Mt)	Au (g/t)	Au (oz)	TONNES (Mt)	Au (g/t)	Au (oz)	TONNES (mt)	Au (g/t)	Au (oz)
Barns ^{1,7,9}	35	0.41	1.4	18,000	1.71	1.5	86,000	2.21	1.5	104,000
Baggy Green ^{1,7,9}	35				2.03	1.4	94,000	2.03	1.4	94,000
White Tank ^{1,7,9}	35				0.28	1.4	13,000	0.28	1.4	13,000
Total (100%) ¹		0.41	1.4	18,000	4.02	1.4	193,000	4.43	1.5	211,000
Total 2022 (Andromeda share)¹		0.14	1.4	6,000	1.4	1.5	67,000	1.55	1.5	73,000

2023	ANDROMEDA INTEREST (%)	TONNES (Mt)	Au (g/t)	Au (oz)	TONNES (Mt)	Au (g/t)	Au (oz)	TONNES (mt)	Au (g/t)	Au (oz)
Barns ^{1,8,9}	25	0.44	1.3	18,000	2.19	1.6	116,000	2.63	1.5	134,000
Baggy Green ^{1,8,9}	25				2.12	1.4	96,000	2.12	1.4	96,000
Clarke ^{1,8,9}	25				0.73	1.4	33,000	0.73	1.4	33,000
White Tank ^{1,8,9}	25				0.28	1.5	16,000	0.28	1.5	16,000
Total (100%) ¹		0.44	1.3	18,000	5.37	1.5	261,000	5.81	1.5	279,000
Total 2023 (Andromeda share)¹		0.11	1.3	4,000	1.34	1.5	65,000	1.45	1.5	69,000

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Resources and Reserves

Table of Resources – Rare Earth Oxides

RARE EARTH OXIDES		INFERRED RESOURCE					TOTAL RESOURCES				
2022	ANDROMEDA INTEREST (%)	TONNES (Mt)	TREO (ppm)	MREO (ppm)	LREO (ppm)	HREO (ppm)	TONNES (Mt)	TREO (ppm)	MREO (ppm)	LREO (ppm)	HREO (ppm)
Baggy Green	35	-	-	-	-	-	-	-	-	-	-
Clarke	35	-	-	-	-	-	-	-	-	-	-
Total (100%)	35	-	-	-	-	-	-	-	-	-	-
Total 2022 (Andromeda share)		-	-	-	-	-	-	-	-	-	-

2023	ANDROMEDA INTEREST (%)	TONNES (Mt)	TREO (ppm)	MREO (ppm)	LREO (ppm)	HREO (ppm)	TONNES (Mt)	TREO (ppm)	MREO (ppm)	LREO (ppm)	HREO (ppm)
Baggy Green ^{1,8,10}	25	15.1	652	142	512	140	15.1	652	142	511	141
Clarke ^{1,8,10}	25	26.5	725	175	571	154	26.5	725	175	571	154
Total (100%)	25	41.6	699	163	549	149	41.6	699	163	549	149
Total 2023 (Andromeda share)¹		10.4	699	163	549	149	10.4	699	163	549	149

REE – Rare earth elements

REO – Rare earth oxides

MREO – Magnet rare earth oxides (dysprosium + terbium + praseodymium, neodymium)

TREO – Total rare earth oxides plus yttrium

TREO-Ce – Total rare earth oxides plus yttrium and minus cerium

Table of Resources – Rare Earth Oxides (continued)

RARE EARTH OXIDES		INFERRED RESOURCE					TOTAL RESOURCES				
2022	ANDROMEDA INTEREST (%)	TONNES (Mt)	Pr ₆ O ₁₁ (ppm)	Nd ₂ O ₃ (ppm)	Dy ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)	TONNES (Mt)	Pr ₆ O ₁₁ (ppm)	Nd ₂ O ₃ (ppm)	Dy ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)
Baggy Green	35	-	-	-	-	-	-	-	-	-	-
Clarke	35	-	-	-	-	-	-	-	-	-	-
Total (100%)	35	-	-	-	-	-	-	-	-	-	-
Total 2022 (Andromeda share)¹		-	-	-	-	-	-	-	-	-	-

2023	ANDROMEDA INTEREST (%)	TONNES (Mt)	Pr ₆ O ₁₁ (ppm)	Nd ₂ O ₃ (ppm)	Dy ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)	TONNES (Mt)	Pr ₆ O ₁₁ (ppm)	Nd ₂ O ₃ (ppm)	Dy ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)
Baggy Green ^{1,8,10}	25	15.1	29	97	14	2	15.1	29	97	14	2
Clarke ^{1,8,10}	25	26.5	35	122	16	3	26.5	35	122	16	3
Total (100%) ¹	25	41.6	33	113	15	3	41.6	33	113	15	3
Total 2023 (Andromeda share)¹		10.4	33	113	15	3	10.4	33	113	15	3

Table of Resources – Copper (in situ recovery)

COPPER (IN SITU RECOVERY)		INFERRED RESOURCE					TOTAL RESOURCES				
2022	ANDROMEDA INTEREST (%)	TONNES (Mt)	Cu (%)	Cu (Kt)	Au (g/t)	Au (Koz)	TONNES (Mt)	Cu (%)	Cu (Kt)	Au (g/t)	Au (Koz)
Wombat ^{1,11,12,13}	100	46.5	0.17	80	-	-	46.5	0.17	80	-	-
Bruce ^{1,11,12,13}	100	11.8	0.19	22	-	-	11.8	0.19	22	-	-
Larwood ^{1,11,12,13}	100	7.8	0.15	12	0.04	10	7.8	0.15	12	0.04	10
Total (100%) ¹		66.1	0.17	114	-	10	66.1	0.17	114	-	10
Total 2022 (Andromeda share)¹		66.1	0.17	114	-	10	66.1	0.17	114	-	10

2023	ANDROMEDA INTEREST (%)	TONNES (Mt)	Cu (%)	Cu (Kt)	Au (g/t)	Au (Koz)	TONNES (Mt)	Cu (%)	Cu (Kt)	Au (g/t)	Au (Koz)
Wombat ^{1,11,12,13}	100	46.5	0.17	80	-	-	46.5	0.17	80	-	-
Bruce ^{1,11,12,13}	100	11.8	0.19	22	-	-	11.8	0.19	22	-	-
Larwood ^{1,11,12,13}	100	7.8	0.15	12	0.04	10	7.8	0.15	12	0.04	10
Total (100%) ¹		66.1	0.17	114	-	10	66.1	0.17	114	-	10
Total 2023 (Andromeda share)¹		66.1	0.17	114	-	10	66.1	0.17	114	-	10

Operations review

Resources and Reserves

Table of Reserves – Great White Deposit

PROVED RESERVE								
2022	ANDROMEDA INTEREST (%)	TONNES (Mt)	PRM YIELD (%)	CRM YIELD (%)	TOTAL YIELD (%)	HALLOYSITE (%)	BRIGHTNESS (R457)	Fe ₂ O ₃ (%)
Great White PRM ^{1,4,15}	100	0.4	27	18	45	3	87	0.3
Great White CRM ^{1,4,15}	100	4.8	-	45	45	15	84	0.5
Total (100%) ^{1,4,15}		5.2	-	-	45	14	84	0.5
Total 2022 (Andromeda share)¹		5.2	-	-	45	14	84	0.5

2023	ANDROMEDA INTEREST (%)	TONNES (Mt)	PRM YIELD (%)	CRM YIELD (%)	TOTAL YIELD (%)	HALLOYSITE (%)	BRIGHTNESS (R457)	Fe ₂ O ₃ (%)
Great White PRM ^{1,4,15}	100	0.4	27	18	45	3	87	0.3
Great White CRM ^{1,4,15}	100	4.8	-	45	45	15	84	0.5
Total (100%) ^{1,4,15}		5.2	-	-	45	14	84	0.5
Total 2023 (Andromeda share)¹		5.2	-	-	45	14	84	0.5

PROBABLE RESERVE								
2022	ANDROMEDA INTEREST (%)	TONNES (Mt)	PRM YIELD (%)	CRM YIELD (%)	TOTAL YIELD (%)	HALLOYSITE (%)	BRIGHTNESS (R457)	Fe ₂ O ₃ (%)
Great White PRM ^{1,4,15}	100	1.1	24	16	40	1	87	0.3
Great White CRM ^{1,4,15}	100	8.9	-	-	46	11	83	0.5
Total (100%) ^{1,4,15}		10.0	-	-	45	10	83	0.5
Total 2022 (Andromeda share)¹		10.0	-	-	45	10	83	0.5

2023	ANDROMEDA INTEREST (%)	TONNES (Mt)	PRM YIELD (%)	CRM YIELD (%)	TOTAL YIELD (%)	HALLOYSITE (%)	BRIGHTNESS (R457)	Fe ₂ O ₃ (%)
Great White PRM ^{1,4,15}	100	1.1	24	16	40	1	87	0.3
Great White CRM ^{1,4,15}	100	8.9	-	46	46	11	83	0.5
Total (100%) ^{1,4,15}		10.0	-	-	45	10	83	0.5
Total 2023 (Andromeda share)¹		10.0	-	-	45	10	83	0.5

TOTAL RESERVE								
2022	ANDROMEDA INTEREST (%)	TONNES (Mt)	PRM YIELD (%)	CRM YIELD (%)	TOTAL YIELD (%)	HALLOYSITE (%)	BRIGHTNESS (R457)	Fe ₂ O ₃ (%)
Great White PRM ^{1,4,15}	100	1.5	25	17	41	2	87	0.3
Great White CRM ^{1,4,15}	100	13.7	-	46	46	12	83	0.5
Total (100%) ^{1,4,15}		15.1	-	-	46	11	84	0.5
Total 2022 (Andromeda share)¹		15.1	-	-	46	11	84	0.5

2023	ANDROMEDA INTEREST (%)	TONNES (Mt)	PRM YIELD (%)	CRM YIELD (%)	TOTAL YIELD (%)	HALLOYSITE (%)	BRIGHTNESS (R457)	Fe ₂ O ₃ (%)
Great White PRM ^{1,4,15}	100	1.5	25	17	41	2	87	0.3
Great White CRM ^{1,4,15}	100	13.7	-	46	46	12	83	0.5
Total (100%) ^{1,4,15}		15.1	-	-	46	11	84	0.5
Total 2023 (Andromeda share)¹		15.1	-	-	46	11	84	0.5

- Figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- ASX 26 November 2020, Updated mineral resource for the Great White Kaolin JV Deposit.
- ISO brightness (R457) cut-off of at 75 in the <45µm size fraction.
- ASX 29 September 2020, New mineral resource estimate for Hammerhead Halloysite-Kaolin Deposit.
- ASX 11 August 2020, New mineral resource for the Mount Hope Kaolin Project.
- ASX 23 March 2022, Maiden Tiger Kaolin Resource and Regional Rare Earth Element Potential.
- ASX announcement released 8 May 2019 "Increased ounces in updated Wudinna Gold Project Mineral Resource".
- Cobra Resources PLC LSE announcement released 7 September 2023, "Rare Earth and Gold Resource Upgrades".
- The Wudinna Gold Project Mineral Resources estimates have been reported above a 0.5 g/t gold cut to reflect extraction by open pit mining.
- REE Mineral Resource reported above a cut-off grade of 320 ppm TREO-CeO₂ to reflect extraction by open pit mining.
- ASX release dated 15 August 2019 "Substantial initial copper resource – Moonta Project, inferred ISR copper resource of 114,000 tonnes contained copper".
- Figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- Environmental Copper Recovery Pty Ltd earn in and joint venture agreement (earn in not satisfied).
- 2022 Ore Reserve used in Definitive Feasibility Study released in April 2022 (refer ADN ASX announcement dated 16 April 2022 titled "Definitive Feasibility Study and Updated Ore Reserve").
- Ore Reserves have been reported from Measured and Indicated Resources only.

Competent person statements

GREAT WHITE AND MT HOPE PROJECTS RESOURCES

Information in that relates to The Great White Project and Mt Hope Project has been reviewed by Mr James Marsh a member of The Australasian Institute of Mining and Metallurgy (AusIMM).

Mr Marsh is an employee of Andromeda Metals Limited who holds shares, options and performance rights in the company and is entitled to participate in Andromeda's employee incentive plan (details of which are included in Andromeda's Annual Remuneration Report) and has sufficient experience, which is relevant to the style of mineralisation, type of deposits and their ore recovery under consideration and to the activity being undertaking to qualify as Competent Person under the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). This includes Mr Marsh attaining over 30 years of experience in kaolin processing and applications. Mr Marsh consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The data that relates to Mineral Resource Estimates for the Great White Kaolin Project (Great White, Hammerhead and Tiger Deposits) and Mount Hope Kaolin Project are 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 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 holds Performance Rights in the Company and is entitled to participate in Andromeda's employee incentive plan.

WUDINNA GOLD PROJECT RESOURCES

The information that relates to the estimation and reporting of the gold Mineral Resource estimates for the Barns, Baggy Green and White Tank Deposits and the Clarke and Baggy Green REE Mineral Resource estimates has been compiled by Mrs Christine Standing BSc Hons (Geology), MSc (Min Econs), MAusIMM, MAIG. Mrs Standing is a Member of the Australian Institute of Geoscientists and the Australian Institute of Mining and Metallurgy and is a full-time employee of Snowden Optiro (Optiro Pty Ltd) and has acted as an independent consultant. The information that relates to the estimation and reporting of the gold Mineral Resource estimate for Clarke has been compiled by Ms Justine Tracey BSc Hons (Geology), MSc (Geostatistics), MAusIMM. Ms Tracey is a Member of the Australian Institute of Geoscientists and is a full-time employee of Snowden Optiro (Optiro Pty Ltd) and has acted as an independent consultant.

Mrs Christine Standing and Ms Justine Tracey have sufficient experience with the style of mineralisation, deposit type under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mrs Standing and Ms Tracey consent to the inclusion in this announcement of the contained technical information relating the Mineral Resource estimations in the form and context in which it appears.

Operations review

Competent person statements

MOONTA COPPER ISR RESOURCES

The information in this release that relates to the Estimation and Reporting of Mineral Resources has been compiled by Mr David Coventry BSc (Hons). Mr Coventry was at the time of the estimation a full-time employee of Mining Plus Pty Ltd and acted as an independent consultant on the Moonta Deposit Mineral Resource estimations. Mr Coventry is a Member of the Australasian Institute of Geoscientists and has sufficient experience with the style of mineralisation, deposit type under consideration and to the activities undertaken 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 Coventry consents to the inclusion in this report of the contained technical information relating the Mineral Resource Estimation in the form and context in which it appears.

GREAT WHITE ORE RESERVES

The data in this report 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 report being used in the form and context in which it appears. Neither Mr Millbank, or any of the entities he directly controls, have any financial interests in Andromeda Metals Ltd or any of its subsidiaries.

Directors' report

The Directors present this Directors' Report and the attached annual financial report of Andromeda Metals Limited for the financial year ended 30 June 2023.

DIRECTORS AND EXECUTIVES

The names and details of the Directors and Executives of the Company during or since the end of the financial year are:



Michael Wilkes

BEng(Hons), MBA, MAusIMM, MAICD

(Appointed 6 April 2022)

Chair and Independent Non-executive Director

Mick Wilkes is an experienced mining executive and company director with more than 35 years of broad international mining experience coupled with a successful track record of leading the development and operation of greenfield mines.

Most recently in his executive career, Mick was the President and CEO of dual listed (ASX and TSX) OceanaGold Corporation (ASX:OCG) from 2011 to 2020 where he led the transformation from a single asset junior company to a multinational mid-tier producer with four operations across three countries.

In previous roles he was the Executive General Manager of Operations at OZ Minerals responsible for the development of the Prominent Hill copper/gold project in South Australia and General Manager of the Sepon gold/copper project for Oxiana based in Laos.

Mick is currently a Non-executive Chair of Kingston Resources Limited (ASX: KSN), been appointed as Non-executive Director of Genesis Minerals Ltd effective 1 October; and a member of the Sustainable Minerals Institute's Advisory Board at the University of Queensland.

He was previously the Chair of the Governance Committee and a member of the Administration Committee of the World Gold Council.



Robert Katsioularis

(Appointed 1 April 2023)

Managing Director & CEO

Bob has over twenty five years of combined operational, engineering, and commercial experience in industrial minerals, and base metals, with an emphasis on improving profitability from mine to market.

Bob's experience spans plant design and start-ups, new process and product development, and sales and marketing experience in mature and emerging markets for a wide range of minerals including zircon, rutile, borates, diatomite, silica, perlite, and more recently in zinc, lead, and associated by-products.

Bob has had success across bulk minerals and non-ferrous metals by always maintaining a focus on adding value via developing and implementing an industrial marketing model that creates uplift in a business by understanding the balance between mine to market, and market to mine.

Specialties: Industrial minerals, growth platforms, product development, and sales and marketing of non-commodity minerals, and commodity metals. Sales and marketing strategies, with a focus on the customer, product, and regional segmentation that improved profitability and created sustainable competitive advantage

Directors' report



James E Marsh

BSc (Hons), MAusIMM

(Appointed Managing Director 30 May 2018, transitioned to Executive Director 1 April 2023)

Executive Director, Sales and Marketing

James Marsh is a highly qualified kaolin specialist with more than 30 years' industrial minerals experience, including notable, senior technical and marketing roles with two global market leaders.

With experience at all levels of the industry from laboratory development through to market listing, James has been instrumental in developing new applications and markets for kaolin around the world.

James spent fifteen years working as Technical Manager for Imerys Minerals, the world leader in industrial minerals with a focus on kaolin, where he successfully assisted in developing and commercialising several new grades from projects around the world.

He then worked for nine years with Minerals Corporation in Australia as Marketing and Technical Director commercialising kaolin products from Australia and China, and setting up a global network for sales and distribution.

James spent seven years as Business Development Manager for Active Minerals International, a worldwide leader in the production and marketing of kaolin and attapulgite minerals. Uniquely qualified in all aspects of the kaolin industry, James is passionate about leveraging his experience to deliver a world-class industrial minerals business.



Melissa K Holzberger

LLM Resources Law (Distinction (Scotland), Dip. International Nuclear Law (Hons) (France), LLB (Adel), BA (Adel), Grad Dip Legal Practice, GAICD, FGIA

(Appointed 23 September 2021)

Independent Non-executive Director

Sustainability and Governance Committee Chair

Ms Holzberger is an experienced Independent Non-executive Director and mining lawyer with over 20 years' experience in the international energy and resources sector.

Ms Holzberger is currently a Non-executive Director of Paladin Energy Ltd (ASX: PDN) and a member of the Australian Radiation Protection and Nuclear Safety Agency's Radiation Health and Safety Advisory Council.

She brings a deep understanding of mining projects and operations, having previously worked with BHP and Rio Tinto. Her substantial experience extends to highly regulated industries, international commodity trade, corporate ethics, risk and compliance oversight, together with a focus on sustainability, environment, social and governance (ESG) matters.

Ms Holzberger holds a Master of Laws in Resources Law (Distinction) as a Chevening scholar from the Centre for Energy, Petroleum and Mineral Law and Policy, University of Dundee; a Diploma in International Nuclear Law (Hons) as an OECD Nuclear Energy Agency scholar from the University of Montpellier; a Bachelor of Laws and Bachelor of Arts from the University of Adelaide; and a Graduate Diploma in Legal Practice.

She is a graduate of the University of Oxford's Leading Sustainable Corporations; a graduate member of the Australian Institute of Company Directors; and a Fellow of the Governance Institute of Australia.

In 2006 Ms Holzberger was awarded the Telstra South Australian Young Business Woman of the Year which recognised her commitment and leadership in the energy, resources and business community.

Directors' report



Austen Perrin

B. Econ. (Acc.), CA, GAICD

(Appointed 1 July 2022)

Independent Non-executive Director

Audit and Risk Committee Chair

Austen Perrin has had significant experience in developing capital management strategies and financing solutions to support corporate objectives including development of key infrastructure and transport projects and underground coal mines.

He has a breadth of experience gained in a variety of industries including transport and logistics, ports, road and rail infrastructure, coal, copper and gold mining, unconventional shale gas, mining services, oil, gas and water pipeline construction, general building construction and insurance.

Austen Perrin is currently a non-executive director with AJ Lucas Group Limited and up until recently a non-executive director for Round Oak Minerals Pty Limited. Austen currently chairs the Audit and Risk Committee for AJ Lucas and previously for Round Oak Minerals Pty Limited.

He has been a Chartered Accountant for over 33 years and is a graduate of the Australian Institute of Company Directors.



Sarah Clarke

LLB (Hons), BSc, Grad Cert (Applied Finance and Investment)

(Appointed 9 January 2023)

General Counsel and Company Secretary

Sarah Clarke brings over 17 years of experience as a lawyer working with ASX-listed energy and resources companies, with extensive knowledge of the industry and regulatory environment. She was most recently a Partner at Piper Alderman.

Sarah was an elected Councillor of the South Australian Chamber of Mines and Energy (SACOME) from 2018 to 2022, is well-connected in the industry and deeply understands the issues facing South Australian mining companies.

Sarah was previously named a "Leading" South Australian energy and resources lawyer in Doyle's guide. She was recommended for Natural resources (transactions & regulatory) in the Legal 500 Asia Pacific: Australia and recognised for Corporate Law by Best Lawyers Australia.



Joseph F Ranford

BEng (Mining), MBA, FAusIMM, GAICD, Grad Dip (Business Management)

Operations Director

Joe Ranford is a mining engineer with 25 years' senior management experience across both domestic and international mining companies. Joe has significant experience bringing mining operations into production within sensitive communities and considerable knowledge of the South Australian mining approval process and stakeholder landscape.

Most recently, he held the role as Chief Operating Officer for Nordic Gold Inc, a Canadian based company which was the previous owner of the Laiva Gold Mine in Finland, where he re-established mining operations and brought the project back into production from care and maintenance.

Prior to his role at Nordic Gold Inc, Joe was Operations Manager for Terramin Australia Limited where he managed all operational and technical aspects of the Angas Zinc mine and championed the evaluation and approval processes for the Bird in Hand Gold Project.

Joe is focused on bringing the deposits of the Great White Kaolin Project on South Australia's Eyre Peninsula project into production. Growing up in the region, Joe has a genuine understanding and respect for the local community and wants to continue building partnerships based on creating shared value.



Tim Anderson

BEng (Honours), Grad Cert (AICD)

(Appointed 1 December 2021)

Chief Commercial Officer

Tim Anderson is an experienced executive with more than 30 years of experience including commercialisation, business development and operations management roles in resources, energy, water, technology and engineering.

Tim was a Senior Leadership Team member and Program Manager – Energy & Resources for Nova Systems, an Australian-owned internationally operating engineering and technology solutions company.

He served as CEO of Optimatics, a global leader in water utility systems planning and operations optimization through the application of computational intelligence technologies.

Tim held business development and operations management roles at The University of Adelaide for the commercialisation of research and the provision of academic consulting and testing services.

Tim has led and grown businesses from the ground up and established and transformed new business entities within mature state companies.

He holds an Honours Degree in Civil Engineering from The University of Adelaide in Australia and a Graduate Diploma from the Australian Institute of Company Directors.

DIRECTORS WHO RESIGNED DURING THE FINANCIAL YEAR

Andrew N Shearer

BSc (Geology), Hons (Geophysics), MBA

(Resigned 24 August 2022)

Independent Non-executive Director

Andrew Shearer has been involved in the mining and finance industries for 20 years.

Joseph F Ranford

BEng (Mining), MBA, FAusIMM, GAICD, Grad Dip (Business Management)

(Resigned 21 November 2022)

Executive Director

Joe Ranford was appointed COO, in doing so, he transitioned from a part-time consultant to a full-time employee and, given the COO role's importance and additional focus on progressing the GWP, resigned as a director.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by directors in the three years immediately before the end of the financial year are as follows:

NAME	COMPANY	PERIOD OF DIRECTORSHIP
M Wilkes	Kingston Resources Limited	From May 2018 to present
	Matador Mining Limited	From July 2020 to May 2022
	Dacian Gold Limited	From September 2021 to September 2022
	Genesis Minerals Ltd	From October 2022 to present
M K Holzberger	Paladin Energy Limited	From May 2021 to present
	Silex Systems Limited	From January 2019 to October 2021
A Perrin	AJ Lucas Group Limited	From December 2014 to present

Directors' report

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The number of Board meetings held during the reporting period and the number of meetings attended by each Director are as follows:

DIRECTOR	BOARD MEETINGS	
	ENTITLED TO ATTEND	ATTENDED
M Wilkes	14	14
B Katsioularis	3	3
J Marsh	14	13
M K Holzberger	14	14
A Perrin	14	14
A Shearer	2	2
J Ranford	4	4

The number of Board committee meetings held during the reporting period and the number of committee meetings attended by committee members is as follows:

DIRECTOR	AUDIT AND RISK COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE		SUSTAINABILITY AND GOVERNANCE COMMITTEE	
	ENTITLED TO ATTEND	ATTENDED	ENTITLED TO ATTEND	ATTENDED	ENTITLED TO ATTEND	ATTENDED
M Wilkes	5	5	5	5	3	3
M K Holzberger	5	5	5	5	3	3
A Perrin	5	5	5	5	3	3
A Shearer	1	1	2	2	-	-

PRINCIPAL ACTIVITIES

The principal activity of the Company is the advancement of TGWP through the development of production facilities for halloysite-kaolin products and industrial sand co-products to meet increasing market demand.

Directors' report

OPERATING AND FINANCIAL REVIEW

(All \$ are AUD unless otherwise stated)

Strategy

To achieve the goal of growing shareholder wealth, Andromeda's Directors have formulated a Company strategy comprising the following key elements:

The Company's primary focus is on advancing the TGWP through to a final investment decision for eventual development and production. The Directors continue to see a strong growing market for high quality halloysite-kaolin products, underpinned by declines in global supply.

The Company will continue to seek opportunities to maximise shareholder value for our legacy gold and copper assets, through our joint-venture partners, while minimising the cost and management time incurred on these assets.

The Company will adhere to principles of good corporate governance, caring for its employees, conducting its operations in an environmentally sensitive manner, and maintaining respect for other stakeholders and for the communities in which it operates.

The Company acknowledges the importance of committing to and establishing an integrated approach to Sustainability and consistent reporting on Environmental, Social and Governance (ESG) frameworks and factors. As the Company moves into production, its aspiration is to adopt, monitor and report on relevant frameworks and metrics that emerge from the developing consensus and convergence of ESG standards.

Financial results

Income for FY23 increased to \$2,002,153, representing a 342% increase from the \$452,516 recorded during FY22.

The net result of operations for the year was a loss after income tax of \$9,461,246, which is a 8.3% increase from the loss of \$8,733,119 for the prior year. This was driven by the increased expenses incurred as the Company continued to move TGWP towards a final investment decision, and prepare for operational readiness ahead of production.

The earnings per share for FY23 was a loss of 0.30 cents per share, compared to a loss of 0.33 the prior year.

At 30 June 2023, the Company held cash and cash equivalents totalling \$15,376,000, down from the \$32,853,203 held the year prior.

The Great White Project (TGWP)

During FY23, the Company continued moving towards making a final investment decision while progressively de-risking the Project and evaluating funding arrangements that best suit the long-term interests of the Company and its shareholders.

The staged approach to development was refined to reduce the initial capital investment required, through the construction of an initial Stage 1A. The reduced capacity of Stage 1A was deemed prudent as it more closely matches production to signed offtake volumes currently in place and under negotiation.

During the year, additional offtake agreements were signed across our portfolio of halloysite-kaolin products to cover a significant proportion of planned Stage 1A production capacity. The growth profile of these agreements, as well as ongoing negotiations with other potential customers, continue to provide confidence that further offtake agreements will be signed.

The Program for Environment Protection and Rehabilitation (PEPR) was lodged with the South Australian Department for Energy and Mining (DEM) in August 2022, and subsequently approved in March 2023.

Land purchase agreements to acquire all the required freehold land from relevant landowners for the Project were signed. These agreements include the land access waivers while the subdivision progresses ahead of eventual ownership being transferred to Andromeda.

To support securing of the required funding arrangements, the Board deemed it sensible to develop a Bankable Feasibility Study (BFS) and an updated Definitive Feasibility Study (2023 DFS).

The BFS is expected to underpin the Company's ability to secure a proportion of the funding required for TGWP's development through debt.

To support additional funding considerations and discussions, the 2023 DFS was developed to update the production and financial outcomes expected through developing TGWP.

To do this, the Company undertook a review of its business positioning and a rigorous, expedited approach to revising its Commercial Strategy.

Andromeda's revitalised Commercial Strategy identified key priority markets and segments, that would attract above market value in use opportunities for Andromeda's kaolin products, which would in turn be accretive to the value of TGWP's development over the life-of-mine (LOM).

Directors' report

The commercial strategy review confirmed TGWP's core kaolin product portfolio as Great White CRM™ and Great White KCM™ 90, and identified a value in use that is above market in established and growing segments for high quality ceramic tiles and porcelain tableware.

Andromeda's complementary product portfolio was defined as Great White HRM™ and industrial sand co-products. In addition to the current established use of Great White HRM™ as a rheology modifier, the global market for low-carbon concrete production has been identified as a further opportunity to be commercialised. Industrial sand co-products (not commercialised in the 2022 DFS) are planned to be sold to meet shortfalls in regional construction and infrastructure markets.

Using conventional mining and processing techniques, the 2023 DFS found TGWP can generate high quality halloysite-kaolin products, with a pre-tax NPV of \$1,010 million based on the 15.1Mt Ore Reserve that would sustain a 28-year mining operation.

The four-stage approach to development outlined in the 2023 DFS, is expected to deliver average annual EBITDA of \$130 million and require an initial capital cost of \$62.4 million during Stage 1A.

The strong cashflows detailed in the 2023 DFS, led to an internal rate of return of 45% and a payback period of 5.1 years, a significant improvement over the 2022 DFS results of 36% and 5.9 years respectively, based on the assumptions in the 2023 DFS.

Sales agreements underpinning TGWP's development, include:

- Plantan Yamada Co Ltd has signed a long form offtake agreement for the supply of 25,000 tonnes of Great White KCM™90 over the first three years of production for sales into the ceramics sector of Japan;
- Foshan Gaoming Xing-Yuan Machinery Co. has signed a terms sheet with to purchase 115,000 tonnes of Great White CRM™ over a five year period and 5,000 tonnes of Great White KCM™90 in the first year, subject to conditions precedent; and
- IMCD has signed a terms sheet for exclusive sales into Australia and New Zealand with an indicative total of 22,500 tonnes of Great White HRM™ over an initial term of three years, with a maximum of 30,000 tonnes and a minimum of 15,000 tonnes.

Additionally, Andromeda has received a signed Letter of Intent from IberoClays for exclusive distribution to the Mediterranean region of the full portfolio of Andromeda's ceramics kaolin product.

Ongoing negotiations for further offtake agreements continue with several other interested parties across multiple markets in Asia, Europe and the Middle East, with the aim of securing the balance of production output detailed in the 2023 DFS.

Further details on the operation of the Company can be found in the Operation Report section on page 8. Further details on the financial position of the Company can be found in the Financial Report on page 77.

Exploration and evaluation activities

During FY23, Andromeda's main focus has been to further progress TGWP through:

- completion of the BFS and the 2023 DFS,
- obtaining the necessary mining approvals, and
- preparations and planning ahead of the expected commencement of construction activities.

Exploration and evaluation expenditure for the year was \$7,521,335, which was an 65% de(in)crease on the \$4,035,983 incurred the year prior. Funds were predominantly directed towards advancing TGWP.

DIVIDENDS OR DISTRIBUTIONS

No dividends or distributions were paid, declared or recommended for payment to shareholders during the reporting period.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Company continues to pursue its flagship development, the Great White Project, including procurement of certain long lead items, development of a skeleton start up project team and preliminary construction activities in advance of a final investment decision for the Great White Project. Post the end of the reporting period, the Company released the results of the updated 2023 DFS, which showed a significant increase in the net present value of the Great White Project, based on the assumptions and qualifications in the 2023 DFS. This is underpinning discussions in relation to appropriate funding for project development. No significant changes in the state of affairs of the Company are anticipated until funding for project development is secured and a final investment decision is made.

Directors' report

LIKELY DEVELOPMENTS

The Company continues to consider the appropriate funding for the development of TGWP and advance discussions with potential debt providers. Offtake revenue streams also continue to be developed.

Should a final investment decision be made, the Company will pay the required environmental and rehabilitation bond and commence construction activities at the TGWP. Until a final investment decision is made, the Company will continue to prudently manage its available funds and will consider interim funding options if required.

SECURITIES ON ISSUE

The following securities were issued or cancelled during the reporting period:

DATE	ISSUE	AMOUNT	DETAIL
22 July 2022	Performance rights	(2,000,000)	Performance rights
	Ordinary shares	2,000,000	conversion to ordinary shares
11 November 2022	Performance rights	(1,001,250)	Cancellation
28 November 2022	Unlisted options	(43,320,000)	Options expired
13 December 2022	Performance rights	(487,500)	Lapse of performance rights
3 February 2023	Performance rights	(262,500)	Performance rights
	Ordinary shares	262,500	conversion, with ordinary shares subject to voluntary escrow period
10 February 2023	Performance rights	(65,000)	Cancellation
3 March 2023	Unlisted options	(1,400,000)	Lapse of unlisted option
3 March 2023	Performance rights	(1,920,364)	Cancellation

Note: For more detailed information refer to Note 15 in the notes to the Financial Statements (page 101).

The Company has the following securities on issue (as at 29 September 2023):

SECURITY	NUMBER	TYPE	NUMBER OF HOLDERS
Fully paid ordinary shares	3,110,270,932	3,110,008,432 unescrowed shares	13,617
		262,500 escrowed shares (until 3/2/2024)	1
Options	24,760,000	20 million exercisable at \$0.075 each for a fully paid ordinary share and expiring 28/11/23	4
		4,760,000 exercisable at \$0.2375 each for a fully paid ordinary share and expiring 31/12/25	3
Performance rights	18,566,082	9,557,600 expiring 23/12/23 (with vesting conditions relating to commencement of mining)	5
		3,600,133 expiring 23/12/23 (with vesting conditions relating to commencement of mining)	11
		1,148,349 expiring 23/12/23 (with vesting conditions based on first shipment of product)	2
		4,260,000 expiring 30/06/24 (with vesting conditions based on shipment of products)	3

The options and performance rights do not carry any right to vote or participate in a share issue of the Company.

During the reporting period there were no ordinary shares issued as a result of the exercise of an option and 2,262,500 shares were issued as a result of exercise of performance rights.

Directors' report

ENVIRONMENTAL LEGISLATION

As set out in the Sustainability Report, there have been no environmental incidents or breaches of environmental laws or permits during the reporting period.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave under s237 of the Corporations Act 2001 (statutory derivative action) to bring proceedings on behalf of the Company, or intervene in the any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

INDEMNITIES GIVEN TO AND INSURANCE PREMIUMS PAID FOR OFFICERS AND AUDITOR

All Directors are entitled to have premiums on indemnity insurance paid by the Company. During the reporting period, the Company paid premiums to insure the Directors and other officers of the consolidated entity for liabilities that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, to the extent permitted by law. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

The Company has not otherwise during or after the reporting period, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor against a liability incurred as an officer or auditor.

The Company has agreed to indemnify its auditors, Deloitte, as part of the terms of its audit engagement against claims by third parties arising from the audit, subject to standard exclusions. The Directors of the Company have not provided Deloitte with any indemnities. No payment has been made to indemnify Deloitte during or since the financial year.

NON-AUDIT SERVICES

Deloitte has not provided any non-audit services to the Company during the reporting period.

A copy of the Auditor's Independence Declaration can be found on page 76.

CORPORATE GOVERNANCE STATEMENT

The Company's 2023 Corporate Governance Statement is available at: www.andromet.com.au/who-we-are/corporate-governance/

EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Company in future financial years, the results of those operations in future financial years or the state of affairs of the Company in future financial years.

Remuneration report (audited)

LETTER FROM THE REMUNERATION AND NOMINATION COMMITTEE CHAIR

Dear Shareholders,

On behalf of the Board, I present the Remuneration Report for Financial Year 2023.

The Company's Remuneration Report is designed to demonstrate the link between strategy, performance and remuneration outcomes for Key Management Personnel (KMP) and report on the remuneration arrangements for Non-Executive Directors (NEDs).

The Board continues to embed the changes identified as part of the recent comprehensive review of the Company's remuneration framework. This includes regular assessments of the remuneration framework, practices and outcomes, to ensure they are fit-for-purpose and support Andromeda's strategic goals.

The Company's remuneration framework is made up of three key principles that are directly linked to our business strategy. Firstly, remuneration is weighted between short and long-term rewards, because we want our employees to be appropriately aligned with the interest of our shareholders and have an ownership mindset. Secondly, recruiting exceptional talent relies on market benchmarking, paying fairly for skills, ability and responsibility. The third principle is performance accountability which includes delivering annual business results within the culture expectations and risk appetite set by the Board.

The Board applies these principles to attract and retain the talent necessary to deliver on our strategic goals and create long term value for our shareholders.

We continue to prioritise engagement with you, our shareholders, particularly as we manage the transition towards becoming a mining production company.

Yours sincerely,



Mick Wilkes

Independent Chair, Remuneration and Nomination Committee

REMUNERATION REPORT – Table of contents

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Directors' report

Remuneration report (audited)

1.1 KEY MANAGEMENT PERSONNEL COVERED IN THIS REMUNERATION REPORT

The following Key Management Personnel (KMP) of the Company comprises the Non-executive Directors (NEDs) of the Company and the Executives listed below, who have significant influence over the Company's operating performance:

NAME	POSITION	TERM AS KMP
Non-executive Directors		
Michael Wilkes	Independent Non-Executive Chair	Full year
Melissa Holzberger	Independent Non-Executive Director	Full Year
Austen Perrin	Independent Non-Executive Director	Full Year
Andrew Shearer	Independent Non-Executive Director	Resigned 24 August 2022
Executive KMP		
Bob Katsioularis	Managing Director & CEO	Appointed 1 April 2023
James Marsh *	Executive Director Sales & Marketing	Full year
Joseph Ranford **	Chief Operating Officer (COO)	Full year
Michael Zannes	Chief Financial Officer (CFO)	Resigned 3 March 2023
Tim Anderson	Chief Commercial Officer (CCO)	Full year

* James Marsh held the position of Managing Director from 1 July 2022 to 31 March 2023. He was then appointed to Executive Director, Sales and Marketing from 1 April 2023.

** Joe Ranford resigned from the Board on 22 November 2022 as Executive Director. He commenced with Andromeda as employee (from consultant) on 20 October 2022.

1.2 REMUNERATION GOVERNANCE

The Remuneration and Nomination Committee is responsible for determining the remuneration arrangements for KMP and making recommendations to the Board. The Committee comprises three independent Non-Executive Directors, inclusive of an independent Chair.

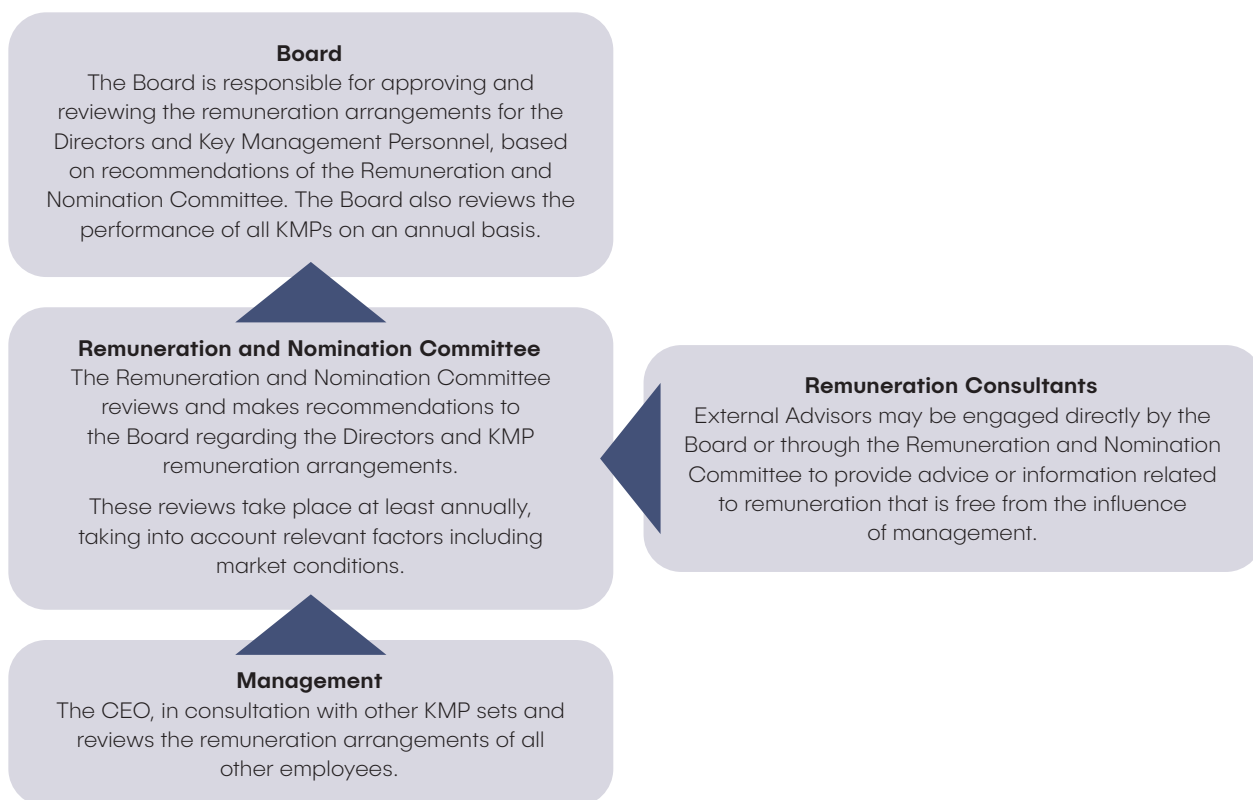
The Committee reviews remuneration levels and other terms of employment on a periodic basis having regard to relevant employment market conditions, the strategy of the Company, and the qualifications, skills and experience of the KMP.

The Committee also advises on the appropriateness of remuneration packages of the Company given trends in comparative peer companies, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team.

The overall remuneration framework is approved by the Board upon receiving recommendations by the Committee. The Committee's recommendations are based on adaptations to reflect competitive market and business conditions. Within this framework, the Committee considers remuneration policies and practices generally, and determines specific remuneration packages and other terms of employment for the Managing Director and senior Executives. Executive remuneration and other terms of employment are reviewed annually having regard to performance, relevant comparative information and expert advice.

Directors' report

Remuneration report (audited)



1.3 ANDROMEDA REMUNERATION – STRATEGY AND PRINCIPLES

ELEMENT	DETAIL
Philosophy	<p>The performance of the Company depends on the quality of its Directors and other KMP. Therefore, to achieve success in executing its corporate strategy, the Company must attract, motivate and retain appropriately qualified personnel.</p> <p>To achieve these aims, the Company embodies the following in its remuneration framework:</p> <ul style="list-style-type: none">– provide competitive rewards to attract and retain high calibre directors and other KMP;– link Executive rewards to shareholder value;– link reward with the strategic goals and performance of the Company; and– ensure total remuneration is competitive by market standards. <p>The above framework is reliant on the business having the financial capacity to deliver on the above.</p>
Purpose	<p>The Company's remuneration framework is designed to align Executives' remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company.</p> <p>The Framework aims to balance multiple factors such as Company operational performance, investor expectations, financial and sustainability performance, fairness to individuals and maintaining market competitiveness.</p>
Principles	<p>Andromeda operates a remuneration strategy comprising fixed pay and variable pay.</p> <ul style="list-style-type: none">– Fixed pay (Total Fixed Remuneration) includes base salary and statutory superannuation; and– Variable pay includes STI and LTI but may be structured in other ways. <p>Remuneration is benchmarked to Australian Mining Companies similar in size, scale and operational scope to Andromeda utilising independent external data sources, with benchmarking set around the 50th percentile (+/-10%).</p>

Directors' report

Remuneration report (audited)

1.4 ENGAGEMENT OF REMUNERATION CONSULTANTS

From time to time, the Committee will seek advice from independent remuneration consultants on Executive KMP trends, remuneration benchmarking, and prevailing market practices. During the financial year, data was sought from REMSMART to benchmark Executive KMP remuneration, including fixed remuneration and incentive structures, against relevant ASX-listed organisations.

REMSMART data is used to benchmark the Company against peer companies in the mining and metals sector with a similar market capitalisation. The report was presented to the Remuneration and Nomination Committee, providing a summary of base salaries, statutory superannuation plans, STI and LTI levels and assessing the positioning of the Company compared to the market.

The Board received data from REMSMART that was free from undue influence from the Executive KMP to whom the remuneration information applies. The Board reviewed the data and utilised the Committee to consider the data, along with other business conditions when recommending remuneration packages.

1.5 2022 AGM VOTING OUTCOME AND COMMENTS

During FY2022, the Board reviewed the approach to remuneration and made changes to ensure reward outcomes appropriately reflect the Company's performance.

This revised approach was endorsed by Shareholders at the FY2022 AGM, with the Company receiving a vote of 92.7% in favour of the adoption of its Remuneration Report for the 2022 Financial Year.

Directors' report

Remuneration report (audited)

1.6 ANDROMEDA REMUNERATION FRAMEWORK

The Company's Remuneration Framework consists of the following key components.

COMPONENT	DETAIL
Total Fixed Remuneration (TFR)	<p>TFR includes base salary plus statutory superannuation.</p> <p>TFR is reviewed annually by the Committee, following consideration of individual performance, industry benchmarking, relevant economic indicators and internal capacity at Andromeda.</p>
Variable Remuneration – Short-Term Incentive (STI)	<p>The Company may invite Executives and employees to participate in its STI Program. The STI Program will include specific KPIs that are required to be achieved in order for an award to be made.</p> <p>Further details regarding the STI Program is detailed below in section 1.7 Remuneration Components.</p> <p>NEDs will not participate in STI or LTI Programs.</p>
Variable Remuneration – Long-Term Incentive (LTI)	<p>The Company may invite Executives to participate in the LTI Program. The LTI Program will be based on the key metric of the Company's Total Shareholder Return (TSR) relative to a selected group of ASX-listed peer companies.</p> <p>LTI awards will be granted as performance rights.</p> <p>Further details regarding the LTI Program is detailed below in section 1.7.2 Remuneration Components.</p> <p>No LTIs have been issued under this framework.</p> <p>Previously issued performance rights and options were not linked to the current LTI incentive program and TSR metric.</p>
Malus Clause	<p>The Board has discretion in exceptional circumstances to forfeit or reduce any yet to be awarded or unvested STI and/or LTI opportunities, where previously awarded incentive outcomes have, in the opinion of the Board, resulted in the award of an inappropriate benefit.</p> <p>Any unvested securities or securities yet to be converted into fully paid ordinary shares will be subject to recovery (clawback).</p>
Change of Control	<p>On the occurrence of a change of control event, the Board will determine, in its sole and absolute discretion, the manner in which all STI awards and LTI awards (unvested and vested Performance Rights) will be dealt with.</p>
Termination of Employment	<p>If a participant in the STI or LTI program ceases employment with the Company prior to the end of the performance period, they will forego any STI or LTI award. A pro-rata payment of the STI/ LTI award will be considered in exceptional circumstances.</p> <p>If the employee is a Good Leaver, as defined in the Company's Employee Incentive Plan, all unvested Performance Rights will remain and will be assessed at the end of the performance period.</p>
Non-Executive Director Share ownership	<p>NEDs will not participate in any STI or LTI Programs.</p> <p>NEDs are required to hold a minimum shareholding in Andromeda Metals Limited as follows:</p> <p>50% of pre-tax Director annual base fee within 3 years of appointment; and</p> <p>100% of pre-tax Director annual base fee within 5 years of appointment.</p>

Directors' report

Remuneration report (audited)

1.7 REMUNERATION COMPONENTS

1.7.1 Non-executive director remuneration

In accordance with current corporate governance practices, the structure for the remuneration of NEDs and Senior Executives is separate and distinct.

Shareholders approve the maximum aggregate remuneration payable to NEDs, with the current aggregate Directors' Fees pool limit being \$500,000 per annum. The Committee recommend the actual payments to Directors to the Board for decision.

The Company adopted a remuneration structure where NEDs are wholly remunerated by fixed Director's Fees (wholly cash-based), with no Share Based Payment component (no issue of shares, options, performance rights or other securities). The NED remuneration structure is now also similar to other developer and producer listed public companies.

NED remuneration is structured as follows:

- i) The Non-Executive Chair receives fees of \$200,000 per annum inclusive of any superannuation.
- ii) NEDs receive \$116,000 per annum inclusive of superannuation.
- iii) Directors holding an additional position of Committee Chair are not paid any additional fees.
- iv) Board Committee members are not paid any additional fee.
- v) NEDs are entitled to statutory superannuation benefits.
- vi) NEDs are not remunerated through the issue of shares, options, performance rights or any other securities.
- vii) NEDs are required to own shares in the Company, with the aim of owning:
 - a) 50% of pre-tax Director annual base fee within 3 years of appointment and
 - b) 100% of pre-tax Director annual base fee within 5 years of appointment.
- viii) Any consultancy arrangements for NEDs who provide services outside of, and in addition to, their duties as NEDs are first considered by the Board and can only be permitted and approved by the Board.

NEDs are not entitled to participate in performance-based remuneration schemes, for example any STI or LTI programs.

All Directors are entitled to have premiums on indemnity insurance paid by the Company. During the financial year, the Company paid premiums to insure the Directors and other officers of the consolidated entity. The liabilities insured are for costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity.

1.7.2 Executive remuneration

During the reporting period, the Company reviewed the structure of executive remuneration (inclusive of Executive Director remuneration) Executive Remuneration is now structured in accordance with the Andromeda Executive Remuneration Framework (Section 1.6 on page 62). Executive Remuneration is designed to promote superior performance and long-term commitment to the Company, whilst building sustainable shareholder value.

Remuneration packages are set at levels that are intended to attract and retain executives capable of contributing to the Company's operations and strategic plans. All executives receive a base remuneration which is market reviewed, together with performance-based remuneration linked to the achievement of pre-determined milestones and targets (Key Performance Indicators).

The structure of Executive Remuneration comprises:

- i) Fixed remuneration.
- ii) STI with KPIs linked to annual planning and strategic objectives; and
- iii) LTI with KPIs as part of performance-based equity plans, with prior approval of shareholders to the extent required.

The proportion of fixed and variable remuneration has been established by the Committee for FY23. The Committee linked the proportion of each segment to relevant market practices and to the degree to which the Board intends participants to focus on short and long-term outcomes.

Directors' report

Remuneration report (audited)

Participation rates for STI and LTI plans as follows:

	STI (% OF TFR)	LTI (% OF TFR)
Managing Director	75%	120%
Executives	50%-60%	75%

FIXED REMUNERATION	SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES
<ul style="list-style-type: none"> Comprises Director's Fees, consulting fees, salaries, and superannuation contributions 	<ul style="list-style-type: none"> Cash "at risk" component of remuneration for KMP Linked to achievement of the Company's strategic objectives and outcomes Based on performance against financial and non-financial KPIs KPI targets are set at the beginning of each financial year and are intended to be challenging but achievable 	<ul style="list-style-type: none"> Equity "at risk" remuneration to promote alignment between KMP and shareholder value Performance Rights granted based on KPI of TSR performance against TSR of ASX-listed peer group Vesting over a three-year period

Fixed remuneration

Fixed remuneration comprises Director's Fees, consulting fees, salaries, and superannuation contributions.

Short-term incentives linked to annual planning and strategic objectives

The objective of STIs is to link achievement of the Company's strategic objectives and outcomes, or which clearly build shareholder value, with the remuneration received by Executives charged with meeting those targets.

The STI is an "at risk" component of remuneration for key management personnel and is payable based on performance against KPIs set at the beginning of each financial year. Targets are intended to be challenging but achievable.

The STI is offered annually, set as a percentage of annual salary, payment of which is conditional upon the achievement of agreed KPIs for each Executive, which comprise a combination of agreed milestones and financial measures. These milestones are selected from group, functional/unit and individual level objectives, each weighted to reflect their relative importance and each with targets linked to the Board's expectations and with threshold, target and stretch levels set where possible (some KPIs are binary and are either achieved or not achieved).

The KPIs comprise financial and non-financial objectives and include out-performance against financial metrics, health and safety targets and specific operations-related milestones including project development milestones for the Great White Kaolin Project. Measures chosen directly align the individual's reward to the KPIs of the group and to its strategy and performance.

Directors' report

Remuneration report (audited)

The participation rate for all employees in the STI program is as follows:

POSITION	TARGET STI % OF TFR
CEO/Managing Director	75%
Executives including Executive Directors	50%-60%

The award rate scale for the KPIs within the STI program for all participants is as follows:

PERFORMANCE	AWARD
Below the threshold	Nil
Threshold performance	50% of KPI
Target performance	100% of KPI
Stretch performance	150% of KPI

Awards will be made on a pro-rata basis (using the straight-line method) when between "Threshold" and "Target" and between "Target" to "Stretch" Performance.

Long-term incentives through participation in performance-based equity plans

The objective of LTIs is to promote alignment between Executives and shareholders through the holding of equity. As such, LTIs are only granted to Executives who can directly influence the generation of shareholder wealth, or who are in a position to contribute to shareholder wealth creation.

The participation rate for Executives in the LTI Program is as follows:

POSITION	TARGET LTI % OF TFR
CEO/Managing Director	120%
Executives including Executive Directors	75%

The LTI Program is a program whereby Performance Rights are granted with a measurement period of three years and with the vesting condition KPI comprising TSR, on a graduated scale.

The measurement of TSR will be based on a combined return for the Company measured by the change in its share price plus dividends over a three-year period. The Company's TSR will be ranked against the TSR of a selected group of ASX-listed peer companies as determined by the Board of Directors.

The award rate scale for the KPIs within the LTI Program for all participants is as follows:

PERFORMANCE	AWARD
Below the 50th percentile	Nil
50th percentile	50% of KPI
75th percentile or above	100% of KPI

Awards will be made on a pro-rata basis (using straight-line method) between the 50th and 75th percentile.

Any Performance Rights issued under the LTI Program will be issued pursuant to the Company's Employee Incentive Plan, with shareholder approval sought for any Executive Directors, as required.

Directors' report

Remuneration report (audited)

1.8 KEY MANAGEMENT PERSONNEL SERVICE AGREEMENTS

1.8.1 Non-executive Director agreements

The structure of NED Remuneration has been provided in section 1.7.1 above. All NEDs are appointed pursuant to an Appointment Letter, which details the terms and conditions of the appointment.

NEDs are not appointed for a fixed term.

In addition to Directors' Fees that are detailed in section 1.7.1 above, NEDs are entitled to be paid reasonable travelling, accommodation and other expenses incurred as a consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors.

1.8.2 Executive Directors

BOB KATSIULERIS – MANAGING DIRECTOR & CEO

Agreement commenced	1 April 2023
Term of agreement	No fixed term
Fixed remuneration	\$550,000 per annum (inclusive of superannuation) (effective from 1 April 2023)
Equity compensation	Mr Katsioularis is entitled to participate in the STI and LTI programs. Full details of the equity issued is provided in section 1.11 below.
Termination/notice by the company/individual	Six months' notice.
Other key terms	4 weeks annual leave
STI participation rate	75% (refer section 1.7.2 for full details)
LTI participation rate	120% (refer section 1.7.2 for full details)

JAMES MARSH, EXECUTIVE DIRECTOR SALES AND MARKETING

Agreement commenced	1 April 2023
Term of agreement	No fixed term
Fixed remuneration	\$420,000 per annum (inclusive of superannuation) (effective from 1 April 2023)
Equity compensation	Mr Marsh is entitled to participate in the STI and LTI programs. Full details of the equity issued is provided in section 1.11 below.
Termination/notice by the company/individual	Three months' notice.
Other key terms	4 weeks annual leave
STI participation rate	60% (refer section 1.7.2 for full details)
LTI participation rate	120% (refer section 1.7.2 for full details)

JAMES MARSH, CEO/MANAGING DIRECTOR (DURING PERIOD 1 JULY 2022 TO 31 MARCH 2023)

Terms during this period were as above, other than the following:

Agreement commenced	30 May 2018
Fixed remuneration	\$553,000 per annum (effective from 1 July 2022)
Other key terms	5 weeks annual leave

Directors' report

Remuneration report (audited)

1.8.3 Executives

JOSEPH RANFORD, CHIEF OPERATING OFFICER

Agreement commenced	20 October 2022
Term of agreement	No fixed Term
Details	On 20 October 2022 the Company entered into an Executive Employment Agreement with Mr Ranford and terminated the consulting service agreement
Fixed remuneration	\$468,000 per annum (inclusive of superannuation) (effective from 20 October 2022)
Equity compensation	Mr Ranford is entitled to participate in the STI and LTI programs. During the reporting period Mr Ranford was issued with the following equity: <ul style="list-style-type: none"> – 1,650,000 unlisted options – 1,350,000 performance rights Full details of the equity issued is provided in section 1.11 below.
Termination/notice by the company/individual	Three months' notice.
Other key terms	4 weeks annual leave
STI participation rate	50% (refer section 1.7.2 for full details)
LTI participation rate	75% (refer section 1.7.2 for full details)

JOSEPH RANFORD, OPERATIONS DIRECTOR (DURING PERIOD 1 JULY 2022 TO 19 OCTOBER 2022)

Terms during this period were as above, other than the following:

Agreement Commenced	8 April 2020
Fixed Remuneration	\$30,000 per month (3 days per work) (effective from 1 September 2021)
Other key terms	Nil

TIMOTHY ANDERSON, CHIEF COMMERCIAL OFFICER

Agreement commenced	1 December 2021
Term of agreement	No fixed Term
Fixed remuneration	\$337,000 per annum (inclusive of superannuation), effective from 1 July 2022
Equity compensation	Mr Anderson is entitled to participate in the STI and LTI programs. Full details of the equity issued is provided in section 1.11 below.
Termination/notice by the company/individual	Three months' notice.
Other key terms	4 weeks annual leave
STI participation rate	50% (refer section 1.7.2 for full details)
LTI participation rate	75% (refer section 1.7.2 for full details)

Directors' report

Remuneration report (audited)

1.9 PERFORMANCE AND OUTCOMES FOR 2023

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to June 2023:

	30 JUNE 2023	30 JUNE 2022	30 JUNE 2021	30 JUNE 2020	30 JUNE 2019
Other Income	2,002,153	452,516	61,461	767,419	18,960
Net profit / (loss) before tax	(9,461,246)	(8,733,119)	(6,435,782)	(3,365,301)	(1,041,044)
Net profit / (loss) after tax	(9,461,246)	(8,733,119)	(6,443,299)	(3,447,274)	(1,113,181)
	30 JUNE 2023	30 JUNE 2022	30 JUNE 2021	30 JUNE 2020	30 JUNE 2019
Share price at beginning of the year	\$0.07	\$0.150	\$0.051	\$0.015	\$0.007
Share price at end of year	\$0.04	\$0.07	\$0.150	\$0.051	\$0.015
Basic earnings per share	\$(0.0030)	\$(0.0033)	\$(0.0033)	\$(0.0024)	\$(0.0010)
Diluted earnings per share	\$(0.0030)	\$(0.0033)	\$(0.0033)	\$(0.0024)	\$(0.0010)

No dividends have been declared during the five years ended 30 June 2023 and the Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2023.

1.10 REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

KMP	Year	Short term remuneration					Long term remuneration					Total
		Employee benefits, salary, and fees	Other non-cash benefits	Super-annuation	Incentives paid	Incentives accrued ¹³	Sub total	Share based payments for securities issued in the current period ^{1,4}	Share based payments for securities issued in prior periods ^{1,3}	Share based payments for securities cancelled ^{1,2}	Long service leave entitlement ¹²	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors												
Michael Wilkes	2023	200,000	-	-	-	-	200,000	-	-	-	-	200,000
	2022	47,222	-	-	-	-	47,222	-	-	-	-	47,222
Andrew Shearer ⁵	2023	15,239	-	1,600	-	-	16,839	-	53,978	(438,181) ⁵	-	(367,364)
	2022	101,422	-	10,328	-	-	111,750	-	273,096	-	-	384,846
Melissa Holzberger	2023	104,977	-	11,023	-	-	116,000	-	-	-	-	116,000
	2022	59,423	-	5,942	-	-	65,365	43,733	-	87,467 ²	-	196,565 ²
Austen Perrin ⁶	2023	104,977	-	11,023	-	-	116,000	-	-	-	-	116,000
	2022	-	-	-	-	-	-	-	-	-	-	-
Rhoderick Grivas	2023	-	-	-	-	-	-	-	-	-	-	-
	2022	159,616	-	8,012	-	-	167,628	-	(65,888)	-	-	101,740
Executive Directors												
Bob Katsioularis ⁷	2023	131,177	-	6,323	-	128,906	266,406	-	-	-	-	266,406
	2022	-	-	-	-	-	-	-	-	-	-	-
James Marsh	2023	519,231	36,799	25,292	-	47,775	629,097	-	213,859	(461,428) ⁸	34,538	416,066
	2022	362,500	71,232	36,250	-	-	469,982	43,662	394,473	-	-	908,117
Nicholas Harding	2023	-	-	-	-	-	-	-	-	-	-	-
	2022	86,940	-	-	-	-	86,940	-	(134,768)	-	-	(47,828)

Directors' report

Remuneration report (audited)

KMP	Year	Short term remuneration					Long term remuneration					Total
		Employee benefits, salary, and fees	Other non-cash benefits	Super-annuation	Incentives paid	Incentives accrued ¹³	Sub total	Share based payments for securities issued in the current period ^{1,4}	Share based payments for securities issued in prior periods ^{1,3}	Share based payments for securities cancelled ^{1,2}	Long service leave entitlement ¹²	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Executives												
Joseph Ranford ⁹	2023	449,940	-	18,969	-	72,540	541,449	-	211,284	-	11,621	764,354
	2022	350,000	-	-	-	-	350,000	42,130	965,688	-	-	1,357,818
Michael Zannes ¹⁰	2023	247,343	-	18,928	90,000	-	356,271	-	74,327	(151,022)	-	279,576
	2022	273,973	-	27,397	-	-	301,370	136,691	-	-	-	438,061
Timothy Anderson	2023	311,708	-	25,292	-	35,385	372,385	-	79,636	(32,116) ¹¹	390	420,295
	2022	160,437	-	16,044	-	-	176,481	90,021	-	-	-	266,502
Total	2023	2,084,592	36,799	118,450	90,000	284,606	2,614,447	-	633,084	(1,082,747)	46,549	2,211,333
	2022	1,601,533	71,232	103,973	-	-	1,776,738	356,237	1,432,601	87,467	-	3,653,043

Footnotes to the above table in section 1.10

- Share-based payments do not represent cash payments and the related shares may or may not ultimately vest. In accordance with the requirements of accounting standard AASB 2 Share Based Payments, valuations of share-based payments were undertaken based on market conditions at the date of grant and are expensed over the relevant vesting period. The amount included as remuneration is not related to nor indicative of the benefit (if any) that may ultimately be realised should the securities vest.
- With the restructure of NED remuneration, all unvested options (546,667 options) held by Ms Holzberger were cancelled on 30 June 2022. In accordance with AASB 2 Share Based Payments (AASB2), the value of the options, as determined at grant date, is required to be recognised in full during the 2022 financial reporting period. It is to be noted that the amount of \$87,467 does not represent any actual benefit (cash or otherwise) to Ms Holzberger as a result of the cancellation, it is an accounting entry only as required by AASB 2.
- As stated above, share based payments are required to be expensed over the relevant vesting period as per AASB 2 Share Based Payments. Accordingly, an expense is required to be recognised in the current reporting period for grants of securities in prior years.
- Details of the securities issued to KMP during the current reporting period are disclosed in detail in section 1.11.
- Mr Shearer ceased to be a KMP on 24 August 2022, with 1,001,250 performance rights (valued at \$174,508) forfeited due to not meeting service condition and 8,000,000 options (valued at \$263,673) having expired during the financial year.
- Mr Perrin was appointed to the Board on 1 July 2022.
- Mr Katsioularis was appointed as Chief Executive Officer on 1 April 2023 and as Managing Director on 27 April 2023.
- During FY23, 14,000,000 options (valued at \$461,428) allocated to Mr Marsh expired.
- The consulting service agreement with Mr Ranford was Terminated on 20 October 2022 and the company entered into an Executive Employment Agreement to appoint him as Chief Operation Officer (COO). He resigned from the board of directors on 21 November 2022 and continued in his COO role on full-time basis.
- Mr Zannes ceased to be a KMP on 3 March 2023, with 1,400,000 options (valued at \$65,475) and 795,364 performance rights (valued at \$85,547) having been forfeited due to not meeting the service condition. A discretionary cash bonus of \$90,000 was paid on 30 November 2022, prior to his resignation, in recognition of Mr Zannes meeting major objectives over financial year 2022, in the absence of any STI and LTI programs.
- 487,500 performance rights (valued at \$32,116) allocated to Mr Anderson expired during FY23, due to conditions not being met.
- In FY23 a probably weighted calculation of the Company's long service leave obligations was recognised, as accumulated from the commencement of employment.
- Incentives accrued relate to STI's awarded for performance in the 2023 financial year against KPIs as detailed in section 1.7.2.

Directors' report

Remuneration report (audited)

1.11 OPTIONS AND PERFORMANCE RIGHTS

1.11.1 Options granted as compensation to key management personnel

There were no options granted during the period ended 30 June 2023.

1.11.1a Issuing of options in report period ended 30 June 2022

2022	NUMBER OF OPTIONS GRANTED DURING THE PERIOD	NUMBER OF OPTIONS GRANTED DURING THE PERIOD THAT WERE CANCELLED OR LAPSED DURING THE PERIOD	VALUE ALLOCATED IN 2022 FINANCIAL YEAR TO OPTIONS GRANTED \$
Michael Wilkes	-	-	-
Andrew Shearer	-	-	-
Melissa Holzberger ³	820,000	(546,667)	131,200
Rhoderick Grivas ¹	-	-	-
James Marsh	1,710,000	-	43,662
Joseph Ranford	1,650,000	-	42,130
Nicholas Harding ²	-	-	-
Michael Zannes	1,400,000	-	34,909
Timothy Anderson	1,400,000	-	34,909
Total	6,980,000	(546,667)	286,810

Footnotes to the above table in section 1.11.1a

1 Mr Grivas resigned at 20 January 2022.

2 Mr Harding resigned at 11 August 2021.

3 With the restructure of NED remuneration, all unvested options (546,667 options) held by Ms Holzberger were cancelled on 30 June 2022. In accordance with AASB 2 Share Based Payments (AASB2), the value of the options, as determined at grant date, were required to be recognised/expensed in full during the 2022 financial reporting period. It is to be noted that of the \$131,200 value allocated to the issue of the options to Ms Holzberger, the amount of \$87,467 does not represent any actual benefit (cash or otherwise) to Ms Holzberger as a result of the cancellation of 546,667 options, it is an accounting entry only, as required by AASB 2.

1.11.2 Performance rights granted as compensation to key management personnel

There were no performance rights granted during the period ended 30 June 2023.

Directors' report

Remuneration report (audited)

1.11.2a Issuing of performance rights in report period ended 30 June 2022

2022	NUMBER OF PERFORMANCE RIGHTS GRANTED DURING THE PERIOD	NUMBER OF PERFORMANCE RIGHTS GRANTED DURING THE PERIOD THAT WERE CANCELLED OR LAPSED DURING THE PERIOD	VALUE ALLOCATED IN FY22 TO PERFORMANCE RIGHTS GRANTED \$	TOTAL VALUE ALLOCATED IN FY22 TO PERFORMANCE RIGHTS GRANTED \$
Michael Wilkes	-	-	-	-
Andrew Shearer	-	-	-	-
Melissa Holzberger	-	-	-	-
Rhoderick Grivas ¹	-	-	-	-
James Marsh	1,410,000	-	₹3	₹3
Joseph Ranford	1,350,000	-	₹3	₹3
Nicholas Harding ²	-	-	-	-
Michael Zannes	2,325,000	-	101,782 ⁴	101,7824
Timothy Anderson	2,250,000	-	55,112 ⁴	55,1124
Total	7,335,000	-	156,894	156,894

Footnotes to the above table in section 1.11.2a

1 Mr Grivas resigned at 20 January 2022.

2 Mr Harding resigned at 10 August 2021.

3 Expected production and sales schedules at the time of issue are different from current expectations and as such these performance rights are now not expected to vest prior to their expiry date, and consequently no value has been recognised in relation to these performance rights in 2022. As required under AASB 2, the probability of these performance rights vesting will be reassessed at each reporting date.

4 Values have been recognised for performance rights issued to Mr Zannes, relating to the commencement of mining and the first shipment of kaolin, and to Mr Anderson, in relation to several Business Development KPI's, as required under AASB 2. As per footnote 3, performance rights granted in relation to production and sales schedules have had no value recognised in 2022.

Issuing of options and performance rights in reporting period ended 30 June 2022

Melissa Holzberger

On 3 December 2021, Ms Holzberger was issued 820,000 zero priced options expiring 31/12/2025, pursuant to shareholder approval received at the 2021 AGM. At grant date, the options had a fair value per option of \$0.16 per option. On 30 June 2022, 273,333 options vested and were converted into Fully Paid ordinary shares. With the restructure of NED remuneration, all unvested options (546,667 options) were cancelled on 30 June 2022.

James Marsh

On 3 December 2021, Mr Marsh was issued with 1,710,000 options exercisable at \$0.2375, expiring 31/12/2025 and vesting 31/12/2023, pursuant to shareholder approval received at the AGM in November. On 3 December Mr Marsh was also issued with 1,410,000 Performance Rights, expiring 30/06/2024, pursuant to shareholder approval at the 2021 AGM, which will vest and be convertible into fully paid ordinary shares in the Company upon commercial shipment of a refined kaolin product, with the following graduated hurdles:

- i) 50,000 tonnes shipped will result in 20% of Performance Rights to vest;
- ii) 115,000 tonnes shipped will result in 50% of Performance Rights to vest;
- iii) 165,000 tonnes or more shipped will result in 100% of Performance Rights to vest.

At grant date, the options had a fair value of \$0.0901 per option and the Performance Rights had a fair value of \$0.16 per Right. As detailed in footnote 3 to the above table, no value / expense has been recognised during the year ended 30 June 2022 in relation to the Performance Rights granted on 3 December 2021.

Directors' report

Remuneration report (audited)

Joe Ranford

On 3 December 2021, Mr Ranford was issued with 1,650,000 options exercisable at \$0.2375, expiring 31/12/2025 and vesting 31/12/2023, pursuant to shareholder approval received at the AGM in November. Mr Ranford was issued with 1,350,000 Performance Rights, expiring 30/06/2024, pursuant to shareholder approval at the 2021 AGM, which will vest and be convertible into fully paid ordinary shares in the Company upon commercial shipment of a refined kaolin product, with the following graduated hurdles:

- i) 50,000 tonnes shipped will result in 20% of Performance Rights to vest;
- ii) 115,000 tonnes shipped will result in 50% of Performance Rights to vest;
- iii) 165,000 tonnes or more shipped will result in 100% of Performance Rights to vest.

At grant date, the options had a fair value of \$0.0901. At grant date, the Performance Rights had a fair value of \$0.16 per Right. As detailed in footnote 3 to the above table, no value / expense has been recognised during the year ended 30 June 2022 in relation to the Performance Rights granted on 3 December 2021.

Michael Zannes

On 26 August 2021, Mr Zannes was issued with 1,200,000 Performance Rights, expiring 23/12/2023, with 50% of the Performance Rights to vest upon the commencement of mining and 50% of the Performance Rights to vest upon the first shipment of Kaolin product. On 3 December 2021, Mr Zannes was issued with 1,400,000 options exercisable at \$0.2375, expiring 31/12/2025 and vesting on 31/12/2023. On 3 December 2021, Mr Zannes was also issued with 1,125,000 Performance Rights, expiring 30/06/2024, which will vest and become convertible into fully paid ordinary shares in the Company upon commercial shipment of a refined kaolin product, with the following graduated hurdles:

- i) 50,000 tonnes shipped will result in 20% of Performance Rights to vest;
- ii) 115,000 tonnes shipped will result in 50% of Performance Rights to vest.
- iii) 165,000 tonnes or more shipped will result in 100% of Performance Rights to vest.

At grant date, the options had a fair value of \$0.0901 per option and the Performance Rights had a fair value of \$0.16 per Right. As detailed in footnote 3 to the above table, no value / expense has been recognised during the year ended 30 June 2022 in relation to the Performance Rights granted on 3 December 2021.

Timothy Anderson

On 3 December 2021, Mr Anderson was issued with 1,400,000 options exercisable at \$0.2375, expiring 31/12/2025 and vesting on 31/12/2023. On 3 December 2021, Mr Anderson was also issued with 750,000 Performance Rights, expiring 31/12/2023, with 55% of the Performance Rights to vest upon the achievement of several Business Development hurdles and 45% to vest upon the commencement of mining. On 3 December 2021, Mr Anderson was also issued with 1,500,000 Performance Rights, expiring 30/06/2024, which will vest and become convertible into fully paid ordinary shares in the Company upon commercial shipment of a refined kaolin product, with the following graduated hurdles:

- i) 50,000 tonnes shipped will result in 20% of Performance Rights to vest;
- ii) 115,000 tonnes shipped will result in 50% of Performance Rights to vest;
- iii) 165,000 tonnes or more shipped will result in 100% of Performance Rights to vest.

At grant date, the options had a fair value of \$0.0901 per option and the Performance Rights had a fair value of \$0.16 per Right. As detailed in footnote 3 to the above table, no value / expense has been recognised during the year ended 30 June 2022 in relation to the Performance Rights granted on 3 December 2021.

Directors' report

Remuneration report (audited)

1.11.3 Key management personnel option holdings

2023	BALANCE AT PREVIOUS YEAR REPORTING DATE	GRANTED DURING THE PERIOD	CONVERTED DURING THE PERIOD	OTHER	BALANCE AT REPORTING DATE ¹
Non-executive Directors					
Michael Wilkes	-	-	-	-	-
Andrew Shearer	11,500,000	-	-	(8,000,000) ²	3,500,000
Melissa Holzberger	-	-	-	-	-
Austen Perrin ³	-	-	-	-	-
Executive Directors					
James Marsh	23,210,000	-	-	(14,000,000) ⁶	9,210,000
Bob Katsioularis ⁴	-	-	-	-	-
Executives					
Joseph Ranford ⁷	1,650,000	-	-	-	1,650,000
Michael Zannes ⁵	1,400,000	-	-	(1,400,000) ⁵	-
Timothy Anderson	1,400,000	-	-	-	1,400,000
Total	39,160,000	-	-	23,400,000	15,760,000

Footnotes to the above table in section 1.11.3

1 As at 30 June 2023, there were no options held by KMP that had vested and were exercisable.

2 8,000,000 unlisted options issued to Mr Shearer on 24 December 2019 with an exercise price of 6.4 cents expired on 28 November 2022. Mr Shearer resigned and ceased to be a KMP on 24 August 2022.

3 Mr Perrin was appointed to the Board on 1 July 2022.

4 Mr Katsioularis was appointed as Chief Executive Officer on 1 April 2023.

5 Mr Zannes resigned and ceased to be a KMP on 3 March 2023, with 1,400,000 options were subsequently forfeited when he ceased employment.

6 14,000,000 unlisted options issued to Mr Marsh on 24 December 2019 with an exercise price of 6.4 cents expired on 28 November 2022.

7 The consulting service agreement with Mr Ranford was Terminated on 20 October 2022 and the company entered into an Executive Employment Agreement appointed him as Chief Operation Officer (COO). He resigned from the board of directors on 21 November 2022 and continued in his COO role on full-time basis.

Directors' report

Remuneration report (audited)

1.11.4 Key management personnel performance rights holdings

2023	BALANCE AT PREVIOUS YEAR REPORTING DATE	GRANTED DURING THE PERIOD	CONVERTED DURING THE PERIOD	OTHER	BALANCE AT REPORTING DATE ¹
Non-executive Directors					
Michael Wilkes	-	-	-	-	-
Andrew Shearer ²	2,250,000	-	-	(1,001,250) ²	1,248,750
Melissa Holzberger	-	-	-	-	-
Austen Perrin ³	-	-	-	-	-
Executive Directors					
James Marsh	4,660,000	-	-	-	4,660,000
Bob Katsioularis ⁵	-	-	-	-	-
Executives					
Joseph Ranford ⁴	6,600,000	-	(2,000,000) ⁴	-	4,600,000
Michael Zannes ⁶	2,325,000	-	-	(1,920,364) ⁶	404,636
Timothy Anderson ⁷	2,250,000	-	(262,500) ⁷	(487,500) ⁷	1,500,000
Total	18,085,000	-	(2,262,500)	(3,409,114)	12,413,386

Footnotes to the above table in section 1.11.4

- 1 As at 30 June 2023, there were no performance rights held by KMP that had vested and were exercisable.
- 2 Mr Shearer resigned and ceased to be a KMP on 24 August 2022, with 1,001,250 Performance Rights being forfeited when he ceased as a Director..
- 3 Mr Perrin was appointed to the Board on 1 July 2022.
- 4 The consulting service agreement with Mr Ranford was Terminated on 20 October 2022 and the company entered into an Executive Employment Agreement appointed him as Chief Operation Officer (COO). He resigned from the board of directors on 21 November 2022 and continued in his COO role on full-time basis.
- 4 2,000,000 of the Performance Rights issued on 24 December 2020 had been converted by Joseph Ranford during the year on approval of the Mining Lease Application for the Great White Kaolin Project.
- 5 Mr Katsioularis was appointed as Chief Executive Officer on 1 April 2023.
- 6 Mr Zannes resigned and ceased to be a KMP on 3 March 2023, with 1,920,364 Performance Rights being forfeited when he ceased employment..
- 7 During the year, 262,500 of the performance rights were exercised by Mr Anderson and converted to unquoted fully paid ordinary shares (subject to escrow) while 487,500 lapsed during the year and included in Other.

Directors' report

Remuneration report (audited)

1.12 KEY MANAGEMENT PERSONNEL SHAREHOLDING

The numbers of shares in the Company held during the financial year by key management personnel, including personally related entities are set out below:

2023	BALANCE AT 1 JULY 2022	RECEIVED THROUGH EXERCISE OF OPTIONS/RIGHTS	PURCHASE OR DISPOSAL DURING THE YEAR	OTHER (SHARES HELD WHEN CEASING TO BE KMP)	BALANCE AT 30 JUNE 2023
Non-executive Directors					
Michael Wilkes	2,473,195	-	1,060,000	-	3,533,195
Andrew Shearer ¹	11,137,204	-	-	(11,137,204) ¹	-
Melissa Holzberger	273,333	-	384,615	-	657,948
Austen Perrin ²	-	-	939,598	-	939,598
Executive Directors					
James Marsh	12,293,000	-	1,902,153	-	14,195,153
Bob Katsioularis ³	-	-	11,950,000	-	11,950,000
Executives					
Joseph Ranford ⁴	6,360,000	2,000,000	-	-	(8,360,000)
Michael Zannes ⁵	-	-	-	-	-
Timothy Anderson	-	262,500	-	-	262,500
Total	32,536,732	2,262,500	16,236,366	(11,137,204)	39,898,394

Footnotes to the above table in section 1.12

1 Mr Shearer ceased to be a KMP on 24 August 2022, with the removal of shareholding in "other" upon ceasing to be a KMP.

2 Mr Perrin was appointed to the Board on 1 July 2022.

3 Mr Katsioularis was appointed as Chief Executive Officer on 1 April 2023.

4 The consulting service agreement with Mr Ranford was Terminated on 20 October 2022 and the company entered into an Executive Employment Agreement appointed him as Chief Operation Officer (COO). He resigned from the board of directors on 21 November 2022 and continued in his COO role on full-time basis.

5 Mr Zannes ceased to be a KMP on 3 March 2023.

1.13 OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND/OR THEIR RELATED PARTIES

Mr Wilkes invoices through his private company for Director's Fees only. It is not a separate entity that provides consulting services to the Company. The NEDs Melissa Holzberger and Austen Perrin are paid Director's Fees through the Company's payroll.

Mr Wilkes, Mr Perrin and Ms Holzberger satisfy the definition and maintain their status as Independent NEDs, thus retain objectivity and their ability to meet their oversight role.

End of remuneration report (audited)

Auditors independence declaration



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Australia
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29 September 2023

The Board of Directors
Andromeda Metals Limited
Level 10/431 King William Street
Adelaide SA 5000

Dear Board Members

Auditor's Independence Declaration to Andromeda Metals Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Andromeda Metals Limited.

As lead audit partner for the audit of the financial report of Andromeda Metals Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

Yours faithfully

A handwritten signature in black ink that reads "Darren Hall".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to be "Darren Hall", written over a horizontal line.

Darren Hall
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Financial report (audited)

Consolidated statement of profit or loss and other comprehensive income

for the Year ended 30 June 2023

	NOTE	YEAR ENDED 30/06/23 \$	YEAR ENDED 30/06/22 \$
Other income	4	2,002,153	452,516
Impairment of exploration and evaluation assets	9	(672,213)	(422,114)
Exploration and evaluation expenditure expensed	9	(72,374)	(18,230)
Administration expenses		(2,158,334)	(2,197,525)
Corporate consulting expenses		(1,959,036)	(2,002,361)
Company promotion		(85,160)	(90,675)
Salaries and wages		(2,799,835)	(719,162)
Directors' fees		(425,194)	(291,267)
Occupancy expenses		(25,477)	(78,171)
Research and development		(2,838,533)	(846,464)
Share based payments		(427,243)	(2,280,129)
Share of loss of joint venture		-	(239,537)
Loss before income tax	5	(9,461,246)	(8,733,119)
Tax expense	5	-	-
Loss for the year		(9,461,246)	(8,733,119)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the year		(9,461,246)	(8,733,119)
Earnings per share			
Basic (cents per share) – (loss)	25	(0.30)	(0.33)
Diluted (cents per share) – (loss)	25	(0.30)	(0.33)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Financial report (audited)

Consolidated statement of financial position

as at 30 June 2023

	NOTE	30/06/23 \$	30/06/22 \$
CURRENT ASSETS			
Cash and cash equivalents	6	15,300,890	32,853,203
Trade and other receivables	7	2,841,021	1,247,211
Assets classified as held for sale	9a	1,750,000	250,000
TOTAL CURRENT ASSETS		19,891,911	34,350,414
NON-CURRENT ASSETS			
Exploration and evaluation assets	9	142,124,436	137,367,031
Property, plant and equipment	10	2,714,037	2,134,319
Other financial assets	8	300,107	372,224
TOTAL NON-CURRENT ASSETS		145,138,580	139,873,574
TOTAL ASSETS		165,030,491	174,223,988
CURRENT LIABILITIES			
Trade and other payables	11	1,730,341	1,966,169
Lease liabilities – current	13	200,576	165,974
Provisions	12	309,711	185,337
TOTAL CURRENT LIABILITIES		2,240,628	2,317,480
NON-CURRENT LIABILITIES			
Provisions	14	106,480	35,498
Lease liabilities – non-current	13	526,540	680,163
TOTAL NON-CURRENT LIABILITIES		633,020	715,661
TOTAL LIABILITIES		2,873,648	3,033,141
NET ASSETS		162,156,843	171,190,847
EQUITY			
Issued capital	15	219,882,120	219,250,120
Reserves	16	5,213,883	6,865,285
Accumulated losses		(62,939,160)	(54,924,558)
TOTAL EQUITY		162,156,843	171,190,847

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Financial report (audited)

Consolidated statement of changes in equity

for the Year ended 30 June 2023

	ISSUED CAPITAL \$	SHARE OPTION RESERVE \$	NCI ACQUISITION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL \$
Balance at 1 July 2021	56,929,522	5,838,594	-	(46,278,906)	16,489,210
Loss attributable to the year	-	-	-	(8,733,119)	(8,733,119)
Total comprehensive loss for the year	-	-	-	(8,733,119)	(8,733,119)
Issue of share capital through placement	44,999,913	-	-	-	44,999,913
Costs associated with the issue of shares	(2,303,816)	-	-	-	(2,303,816)
Shares issued on the exercise of unlisted options	1,578,550	(1,016,551)	-	-	561,999
Equity settled share based payments	-	2,280,129	-	-	2,280,129
Transfer of previously forfeited share-based payments	-	(87,467)	-	87,467	-
Conversion of performance rights	1,032,500	(1,032,500)	-	-	-
Conversion of options	43,733	(43,733)	-	-	-
Share capital issued – acquisition of Minotaur Exploration (refer note 29)	116,969,718	-	926,813	-	117,896,531
Balance at 30 June 2022	219,250,120	5,938,472	926,813	(54,924,558)	171,190,847
Loss attributable to the year	-	-	-	(9,461,246)	(9,461,246)
Total comprehensive loss for the year	-	-	-	(9,461,246)	(9,461,246)
Conversion of Performance Rights	632,000	(632,000)	-	-	-
Fair value of options issued to directors	-	144,178	-	-	144,178
Fair value of performance rights issued to directors	-	413,130	-	-	413,130
Fair value of options issued to employees	-	91,197	-	-	91,197
Fair value of performance rights issued to employees	-	136,383	-	-	136,383
Performance rights forfeited	-	(357,646)	-	-	(357,646)
Options expired	-	(1,446,644)	-	1,446,644	-
Balance at 30 June 2023	219,882,120	4,287,070	926,813	(62,939,160)	162,156,843

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Financial report (audited)

Consolidated statement of cash flows

for the Year ended 30 June 2023

	INFLOWS/(OUTFLOWS)	
	YEAR ENDED 30/06/23 \$	YEAR ENDED 30/06/22 \$
Cash flows relating to operating activities		
Receipts from government grants	353,602	-
Payments to suppliers and employees	(9,488,392)	(5,140,961)
Net cash used in operating activities	(9,134,790)	(5,140,961)
Cash flows relating to investing activities		
Interest received	382,353	29,380
Receipts from government grants	-	1,326,001
Payment of environmental bonds	(10,000)	(15,000)
Payment for investment in joint venture	-	(241,699)
Payments for exploration and evaluation expenditure	(7,521,335)	(4,035,983)
Payments for acquisition related costs – Minotaur (Note 29)	-	(2,348,383)
Payment received from joint venture partner	-	448,298
Payments for property, plant and equipment	(1,076,685)	(1,070,991)
Loans advanced to Minotaur pre-acquisition	-	(4,973,348)
Cash received via Minotaur acquisition (Note 29)	-	1,178,858
Cash transferred from/(to) secured term deposit	32,524	(125,784)
Net cash used in investing activities	(8,193,143)	(9,828,651)
Cash flows relating to financing activities		
Proceeds from share placement	-	44,999,913
Proceeds from exercise of share options	-	332,000
Lease payments	(197,006)	(99,795)
Interest paid	(27,374)	(10,206)
Payments for share issue costs	-	(2,303,816)
Net cash (used in)/from financing activities	(224,380)	42,918,096
Net (decrease)/increase in cash and cash equivalents	(17,552,313)	27,948,484
Cash at beginning of financial year	32,853,203	4,904,719
Cash and cash equivalents at end of financial year	15,300,890	32,853,203

Financial report (audited)

Consolidated statement of cash flows

Reconciliation of loss for the period to net cash flow from operating activities:

Loss for the period	(9,461,246)	(8,733,118)
Interest income	(459,521)	(39,297)
Share based remuneration	427,243	2,280,129
Depreciation	424,722	191,021
Interest expense	27,374	10,206
Exploration written off or impaired	744,587	440,344
Research and development incentive received	353,602	-
(Increase) in receivables	(1,510,517)	(668,144)
Share of loss of JV	-	239,537
Increase in payables	89,310	865,186
Increase in provisions	195,356	148,224
Fair value movement of financial instruments	34,300	124,950
Net operating cash flows	(9,134,790)	(5,140,961)

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the financial statements

for the financial year ended 30 June 2023

1 GENERAL INFORMATION

Andromeda Metals Limited (the Company) is a listed public company, incorporated in Australia and operating in Australia.

Andromeda Metals Limited's registered office and its principal place of business are as follows:

REGISTERED OFFICE	PRINCIPAL PLACE OF BUSINESS
Level 10, 431 King William Street Adelaide South Australia 5000	Level 10, 431 King William Street Adelaide South Australia 5000

Principal activities

The principal activity of the Company is the advancement of The Great White Project (TGWP) through the development of production facilities for halloysite-kaolin products and industrial sand co-products to meet increasing market demand.

Presentation currency and rounding

These financial statements are presented in Australian Dollars (\$).

The company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts the financial report are rounded off to the nearest dollar, unless otherwise indicated.

2 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2022. There has been no material impact to the financial statements of the Group from adopting the updated Standards.

Standards and Interpretations on issue but not yet effective

STANDARD/INTERPRETATION	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.	1 January 2025	1 July 2025
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants.	1 January 2024	1 July 2024

The amendments to AASB 101 Presentation of Financial Statements affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

Financial report (audited)

Notes to the financial statements

STANDARD/INTERPRETATION	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
<i>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 January 2023	1 July 2023
Amends Australian Accounting Standards to improve accounting policy disclosures so that they provide more useful information to investors users of the financial statements and clarify the distinction between accounting policies and accounting estimates.		
<i>AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023	1 July 2023
Amends AASB 112 Income Taxes to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.		

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2023. Those which may be relevant to the Group are set out in the table below.

The Directors of the Company do not anticipate that the application of the amendments will have a material impact on the Group's consolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated statements of the Group. For the purpose of preparing the consolidated financial statements, the Company is a profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 29th September 2023.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

In the application of the Group's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Significant management judgement

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Financial report (audited)

Notes to the financial statements

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from future exploration or sale or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Ore reserve and resource estimates

The Group estimates its ore reserves and mineral resources based on information compiled by Competent Persons (as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (the JORC Code)). Reserves determined in this way are taken into account in considering the recoverability of capitalised exploration and evaluation expenditure.

Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue normal business activities, realise its assets and discharge its liabilities in the ordinary course of business for a period of at least 12 months from the date these financial statements are approved.

For the year ended 30 June 2023 the Group incurred a net loss of \$9,461,246 (30 June 2022: \$8,733,119), and experienced net cash outflows from operating and investing activities of \$17,327,933 (30 June 2022: \$14,969,612). At 30 June 2023, the Group has cash reserves of \$15,300,890 (30 June 2022: \$32,853,203).

The Directors, in their consideration of the appropriateness of using the going concern basis for the preparation of the financial statements, have had regard to the following matters:

- The Group continues to pursue its flagship development, the Great White project. Certain activities will continue to be undertaken on the Project such as the procurement of certain long lead items, development of a skeleton start up project team and preliminary construction activities in advance of a final investment decision for the Great White project.

- It is noted that substantial expenditure to develop the Project will only take place once a final investment decision has been made following the securing of the required debt and equity funding.
- The Group has been in recent dialogue with a select number of debt capital market participants in relation to the Great White project. Progress is being made towards finding an appropriate debt funding package to partially support the Project's funding needs, however this remains subject to certain deliverables, including minimum offtake revenue streams which continue to be developed.
- Should funding for the Great White project not be secured by February 2024, the procurement of long lead items will cease until funding is secured. Under this scenario, management have prepared a cash flow forecast for the period ending 30 September 2024 which indicates minimum funding of \$4.0 million will be required progressively over the period commencing from June 2024 by way of debt, equity or other forms of funding to continue to progress the Group's projects through to 30 September 2024.
- The Group is pursuing other funding options in addition to debt for the Great White project and for general corporate purposes, in order to provide coverage for the Group's non-Project expenditure and coverage for the Project's development up to initial commercial production should an investment decision be made for the Project.
- The Group has, subsequent to balance date, updated its Definitive Feasibility Study (DFS) for the Great White project which indicates a revised Net Present Value increase of 65% from the 2022 DFS to \$1.01 billion.

In considering the above and the factors available to the Directors to manage the Group's risks, the Directors are satisfied it remains appropriate to prepare the financial statements on the going concern basis.

Should the Group be unable to achieve the additional funding referred to above, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business.

No adjustments have been made to the financial statements relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Financial report (audited)

Notes to the financial statements

Accounting policies

a) Cash and cash equivalents

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 22(e). If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

b) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Contributions to accumulated benefit superannuation plans are expensed when incurred.

c) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest, are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- i) the rights to tenure of the area of interest are current; and
- ii) at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploration drilling, trenching and sampling and associated activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they relate directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances (as defined in AASB 6 "Exploration for and Evaluation of Mineral Resources") suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The recoverable amount of the exploration and evaluation assets (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment, reclassified to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Financial report (audited)

Notes to the financial statements

Farm-outs – exploration and evaluation phase

The consolidated entity accounts for the treatment of farm-out arrangements under AASB 6 Evaluation of Mineral Resources under these arrangements:

- the farmor will not capitalise any expenditure settled by the farmee;
- any proceeds received that are not attributable to future expenditure are initially credited against the carrying amount of any existing exploration and evaluation asset; and
- to the extent that the proceeds received from the farmee exceed the carrying amount of any exploration or evaluation asset that has already been capitalised by the farmor, this excess is recognised as a gain in profit or loss.

d) Financial assets

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch. Amortised cost and effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated creditimpaired financial assets (i.e. assets that are creditimpaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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Notes to the financial statements

e) Goods and service tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense or:
- ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

f) Impairment of assets (other than exploration and evaluation)

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A

reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

g) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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Notes to the financial statements

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the Statement of Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

The Company and all its wholly-owned Australian resident entity are part of a tax-consolidated group under Australian taxation law. Andromeda Metals Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Further information about the tax funding arrangement is detailed in Note 5 to the financial statements. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

h) Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Other financial liabilities

All financial liabilities are initially measured at fair value, net of transaction costs.

All financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

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Notes to the financial statements

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Freehold land is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	20 years
Plant and equipment	3-10 years
Motor vehicles	4 years
Furniture and fittings	3-5 years
Office and IT equipment	3-5 years
Leasehold improvements	5 years
Right of use assets	3-5 years

j) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;

- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to

Financial report (audited)

Notes to the financial statements

another category of equity as specified/permitted by applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable or the cost on initial recognition of an investment in an associate or a joint venture.

k) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is that rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

l) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 15.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

m) Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the lease liability comprise:

- ↪ Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- ↪ Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- ↪ The amount expected to be payable by the lessee under residual value guarantees;
- ↪ The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- ↪ Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- ↪ The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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Notes to the financial statements

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

n) Government grants

Government grants are assistance by government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and the grant will be received. Government grants whose primary condition is to assist with exploration activities are netted against the exploration asset to which they relate in the statement of financial position.

Other government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate on a systematic basis. Government grants receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the consolidated entity with no future related costs are recognised as income in the period in which it becomes receivable.

Other grants related to cost reimbursements are recognised as other income in profit or loss in the period when the costs were incurred or when the incentive meets the recognition requirements (if later).

o) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of their fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interest in the acquiree prior to the acquisition date

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Notes to the financial statements

that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 *Business Combinations* are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 "Income Taxes" and AASB 119 "Employee Benefits" respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 "Share-based Payment"; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

p) Asset acquisitions

The acquisition of assets that do not represent a business combination in accordance with AASB 3 *Business Combinations* are accounted for as an asset acquisition. Accordingly, when an asset acquisition does not constitute a business combination, the cost of acquisition is allocated to the identifiable assets and liabilities based on their relative fair values at the date of purchase. Transactions costs of the acquisition are included in the capitalised cost of the asset. No goodwill arises on the acquisition and no deferred tax will arise due to the initial recognition exemption for deferred tax under AASB 112 *Income Taxes*.

q) Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

r) Research and development

Expenditure on research and development activities are recognised in the period in which it is incurred. Research activities are captured in both the Consolidated Statement of Profit or Loss, as expenses, and on the Consolidated Statement of Financial Position as part of the exploration and evaluation assets where appropriate.

Research and development government grants both received and accrued, are recognised in other income, for expenditure recognised as an expense, and offsetting the associated capitalised expenditure when the expenditure is recognised in exploration and evaluation.

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Notes to the financial statements

4 LOSS FROM OPERATIONS

	YEAR ENDED 30/06/23 \$	YEAR ENDED 30/06/22 \$
Other income		
Interest income on bank deposits	459,521	39,297
Gain/(Loss) on disposal of assets (i)	-	(2,224)
Government Grants (ii)	1,575,422	538,693
Fair value movement in equity investment held at fair value through profit & loss	(34,300)	(124,950)
Other	1,510	1,700
	<u>2,002,153</u>	<u>452,516</u>

(i) Disposal of office equipment.

(ii) Research & Development tax incentive recognised of \$1,547,422 (2022: \$516,693) and \$28,000 grant received for the Export Market Development Grant (2022: \$22,000 from Entrepreneurs program).

Other expenses

Employee benefit expense:

Post-employment benefits:

Accumulated benefit superannuation plans	410,549	267,827
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Share based payments:

Equity settled share-based payments (i)	427,243	2,280,129
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Other employee benefits	6,010,358	3,574,562
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	<u>6,848,150</u>	<u>6,122,518</u>
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Less amounts capitalised in exploration and evaluation expenditure	(2,973,779)	(2,030,688)
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	<u>3,874,371</u>	<u>4,091,830</u>
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Depreciation of property, plant and equipment	424,722	191,021
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Short-term rental expenses	65,746	37,138
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(i) Share based payments relate to the amortisation of shares, options or performance rights granted to employees. Share based payments do not represent cash payments and may or may not be exercised by the employee.

Financial report (audited)

Notes to the financial statements

5 INCOME TAX

	YEAR ENDED 30/06/23 \$	YEAR ENDED 30/06/22 \$
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a) Income tax recognised in profit or loss

The prima facie income tax expense on the loss before income tax reconciles to the tax expense in the financial statements as follows:

Loss from continuing operations	(9,461,246)	(8,733,119)
Income tax income calculated at 30%	(2,838,374)	(2,619,936)
Share based payments	128,173	684,039
Non deductible expenses	823,590	173,412
Non-assessable income	(464,227)	(155,008)
Other	-	-
Deferred tax assets not brought to account	2,350,838	1,917,493
Tax expense	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law, being the tax rate that is expected to apply to the period when the net deferred tax asset is expected to be realised. There has been no change in the corporate tax rate when compared with the previous reporting period.

b) Recognised tax assets and liabilities

Deferred tax assets/ and (liabilities) are attributable to the following:

	30/06/23 \$	30/06/22 \$
Trade and other receivables	(106,908)	(83,488)
Exploration and evaluation expenditure	(40,634,183)	(4,131,169)
Assets available for sale	(525,000)	(75,000)
Property plant and equipment	(82,790)	(72,644)
Investments	37,176	26,769
Capital raising costs	1,061,717	1,384,148
Trade and other payables	213,712	42,999
Employee benefits	108,357	66,251
Other liabilities	-	-
	(39,927,919)	(2,842,134)
Tax value of losses carried forward	39,927,919	2,842,134
Net deferred tax assets / (liabilities)	-	-

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Notes to the financial statements

c) Unrecognised deferred tax assets:

A deferred tax asset has not been recognised in respect of the following items:

	30/06/23	30/06/22
	\$	\$
Tax losses-revenue (Group)	14,076,994	13,602,695
Tax losses-revenue (transferred)	7,768,807	1,217,701
Exploration and evaluation expenditure	-	33,865,690

A deferred tax asset has not been recognised in respect of the above tax losses because it is not probable that future taxable profit will be available against which the consolidated entity can utilise the benefit.

d) Movement in recognised temporary differences and tax losses

	30/06/23	30/06/22
	\$	\$
Opening balance	-	-
Recognised in equity	-	-
Recognised in income	-	-
Closing balance	-	-

Tax consolidation

Relevance of tax consolidation to the consolidated entity

The Company and its wholly owned Australian resident entities are in a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax consolidated group is Andromeda Metals Limited.

Nature of tax funding arrangement

Entities within the tax-consolidated group have entered into a tax funding arrangement with the head entity. Under the terms of the tax funding arrangement, Andromeda Metals Limited and its wholly owned Australian resident entities have agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the-consolidated group.

6 CASH AND CASH EQUIVALENTS

	30/06/23	30/06/22
	\$	\$
Cash at bank	5,300,890	8,851,537
Cash on deposit (i)	10,000,000	24,001,666
	15,300,890	32,853,203

- (i) Term deposits with maturity of 3 months or less at varying interest rates in excess of cash at bank rates.

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Notes to the financial statements

7 CURRENT TRADE AND OTHER RECEIVABLES

	30/06/23 \$	30/06/22 \$
Interest receivable	86,998	9,917
Government grant receivable	2,401,143	865,108
Prepaid expenses	269,362	268,376
GST receivable	42,413	89,145
Other receivables and prepayments	41,105	14,665
	2,841,021	1,247,211

8 OTHER NON-CURRENT FINANCIAL ASSETS

	30/06/23 \$	30/06/22 \$
Deposits (Note 22 (e))	225,857	258,284
Equity Investments at fair value through profit & loss (i)	12,250	46,940
Environmental bonds	62,000	67,000
	300,107	372,224

(i) Shares owned in listed companies with fair value based on the quoted share price on the ASX with fair value recognised in Note 4.

9 EXPLORATION AND EVALUATION ASSETS

	30/06/23 \$	30/06/22 \$
Costs brought forward	137,367,031	11,316,819
Expenditure incurred during the year	7,372,212	3,714,818
Acquisition additions of Minotaur Exploration (refer note 29)	-	124,066,962
Government grants received / receivable	(370,220)	(1,041,224)
	144,369,023	138,057,375
Impairment of exploration and evaluation expenditure assets		
Expenditure impaired (i)	(672,213)	(422,114)
Expenditure written off (ii)	(72,374)	(18,230)
Transfer to assets held for sale- refer note 9(a)	(1,500,000)	(250,000)
	(2,244,587)	(690,344)
	142,124,436	137,367,031

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Notes to the financial statements

(i) Impairment

Impairment of specific exploration and evaluation assets during the year have occurred where Directors have concluded that capitalised expenditure is unlikely to be recovered by sale or future exploitation. At each reporting date the group undertakes an assessment of the carrying amount of its exploration and evaluation assets.

During the year indicators of impairment were identified on certain exploration and evaluation assets in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. The identified impairment relates to the tenements that are going through a sale process and the carrying value has been written down to the expected sale proceeds.

As a result of this review, an impairment loss of \$672,213 (2022: \$422,114) has been recognised in relation to areas of interest where the Directors have concluded that the capitalised expenditure is written down to its estimated recoverable or sale value.

(ii) Expenditure written off relates to exploration and evaluation expenditure associated with tenements or parts of tenements that have been surrendered, or exploration to identify new exploration targets where no tenure is currently held by the Company.

The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

9a ASSETS HELD FOR SALE

	30/06/23 \$	30/06/22 \$
Exploration and evaluation assets	1,750,000	250,000

Selected exploration and evaluation assets have been actively marketed with sales discussions well advanced as at 30 June 2023. The associated exploration asset has been written down to the expected value of the sales proceeds. The excess carrying value of the exploration asset has been impaired prior to the asset being reclassified into assets held for sale.

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Notes to the financial statements

10 PROPERTY, PLANT AND EQUIPMENT

	LAND & BUILDINGS	PLANT AND EQUIPMENT	WORK IN PROGRESS	MOTOR VEHICLES	FURNITURE & FITTINGS	OFFICE & IT EQUIPMENT	LEASEHOLD IMPROVEMENT	RIGHT OF USE ASSETS	TOTAL
2022/23									
Gross carrying amount									
Opening balance	736,180	445,824	92,172	4,792	18,263	165,560	-	894,807	2,357,598
Additions	-	141,862	702,374	-	-	30,439	-	129,765	1,004,440
Transfers	-	(105,432)	(71,717)	-	93,045	-	84,104	-	-
Balance 30 June 2023	736,180	482,254	722,829	4,792	111,308	195,999	84,104	1,024,572	3,362,038
Accumulated depreciation									
Opening balance	(15,026)	(48,826)	-	(4,209)	(5,798)	(80,735)	-	(68,685)	(223,279)
Depreciation	(16,904)	(88,746)	-	(264)	(26,914)	(45,419)	(20,886)	(225,589)	(424,722)
Balance 30 June 2023	(31,930)	(137,572)	-	(4,473)	(32,712)	(126,154)	(20,886)	(294,274)	(648,001)
Net book value 30 June 2023	704,250	344,682	722,829	319	78,596	69,845	63,218	730,298	2,714,037
2021/22									
Gross carrying amount									
Opening balance	-	45,998	38,288	4,792	62,488	205,243	-	185,268	542,077
Additions	736,180	404,974	60,856	-	2,307	58,309	-	851,978	2,114,604
Transfers	-	6,972	(6,972)	-	-	-	-	-	-
Disposals and write-offs	-	(12,120)	-	-	(46,532)	(97,992)	-	(142,439)	(299,083)
Balance 30 June 2022	736,180	445,824	92,172	4,792	18,263	165,560	-	894,807	2,357,598
Accumulated depreciation									
Opening balance	-	(24,428)	-	(3,945)	(46,568)	(150,902)	-	(103,274)	(329,117)
Depreciation	(15,026)	(36,518)	-	(264)	(3,600)	(27,763)	-	(107,850)	(191,021)
Disposals and write-offs	-	12,120	-	-	44,370	97,930	-	142,439	296,859
Balance 30 June 2022	(15,026)	(48,826)	-	(4,209)	(5,798)	(80,735)	-	(68,685)	(223,279)
Net book value 30 June 2022	721,154	396,998	92,172	583	12,465	84,825	-	826,122	2,134,319

Financial report (audited)

Notes to the financial statements

10 PROPERTY, PLANT AND EQUIPMENT continued

The Group has three leases, one for office premises, one for property, and the other for equipment. The average lease term is 2.75 years (2022: 4.5 years).

Amount recognised in profit or loss

	30/06/23 \$	30/06/22 \$
Depreciation expense on right-to-use assets	225,589	107,850
Interest expense on lease liabilities	27,374	10,206
Expense relating to short term leases	65,746	37,138

The total cash outflow for leases amounts to \$224,381 (2022: \$102,271).

11 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	30/06/23 \$	30/06/22 \$
Trade payables and accruals (i)	1,730,341	1,966,169
	1,730,341	1,966,169

- (i) Trade payables and accruals principally comprise amounts outstanding for trade purchases in relation to exploration activities and ongoing costs. The average credit period taken for trade purchases is 30 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the agreed credit terms.

12 CURRENT LIABILITIES – PROVISIONS

	30/06/23 \$	30/06/22 \$
Employee benefits – annual leave	309,710	185,337
	309,710	185,337
Movement in employee benefits		
Balance at the beginning of the year	185,337	41,933
Leave accrued	347,107	202,234
Leave taken	(222,733)	(58,830)
Closing value	309,711	185,337

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Notes to the financial statements

13 LEASE LIABILITIES

	30/06/23 \$	30/06/22 \$
Maturity analysis:		
Year 1	221,161	190,865
Year 2	218,679	196,585
Year 3	196,764	200,015
Year 4	134,372	193,733
Year 5	-	131,924
	770,976	913,122
Less unearned interest	(43,860)	(66,985)
Closing value	727,116	846,137
Analysed as:		
Current	200,576	165,974
Non-current	526,540	680,163
	727,116	846,137

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

14 NON-CURRENT LIABILITIES - PROVISIONS

	30/06/23 \$	30/06/22 \$
Employee benefits – long service leave	51,480	35,498
Make good provision	55,000	-
	106,480	35,498

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Notes to the financial statements

15 ISSUED CAPITAL

	30/06/23 \$	30/06/22 \$
3,110,270,932 fully paid ordinary shares (2022: 3,108,008,432)	219,934,341	219,302,341
2,107,500 treasury stock (2022: 2,107,500)	(52,221)	(52,221)
	219,882,120	219,250,120

Movement in issued shares for the year:

	NUMBER	YEAR ENDED 30/06/23 \$	NUMBER	YEAR ENDED 30/06/22 \$
Fully paid ordinary shares				
Balance at beginning of financial year	3,108,008,432	219,302,341	2,160,727,827	56,981,743
Placement at 15 cents	-	-	299,999,219	44,999,913
Costs associated with the issue of shares	-	-	-	(2,303,816)
Exercise of listed options	-	-	-	-
Exercise of unlisted options	-	-	23,273,333	1,622,283
Conversion of Performance Rights	2,262,500	632,000	3,500,000	1,032,500
Transfer from Options Reserve	-	-	-	-
Shares issued as part of acquisition of Minotaur Exploration (i)	-	-	620,508,053	116,969,718
Related income tax	-	-	-	-
Balance at end of financial year	3,110,270,932	219,934,341	3,108,008,432	219,302,341
Treasury stock				
Balance at beginning of financial year	(2,107,500)	(52,221)	(2,107,500)	(52,221)
Shares issued from treasury stock	-	-	-	-
Balance at end of financial year	(2,107,500)	(52,221)	(2,107,500)	(52,221)
Total issued capital	3,108,163,432	219,882,120	3,105,900,932	219,250,120

Fully paid shares carry one vote per share and carry the right to dividends.

(i) Represents the value of shares at the date of issue. Details of the acquisition are disclosed in Note 29 below.

Financial year ended 30 June 2022

On 27 July 2021 the Company issued 299,999,219 ordinary shares under a placement to professional and sophisticated investors and existing shareholders at an issue price of 15 cents per share raising \$44,999,913 before costs.

Financial year ended 30 June 2023

There were no shares issued as part of a capital raising during the year.

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Notes to the financial statements

Share options on issue

	OPENING AS AT 30/6/22	ISSUED	EXERCISED	FORFEITED	LAPSED	CLOSING AS AT 30/6/23
Unlisted Options (i)	43,320,000	-	-	- (43,320,000)	-	-
Unlisted Options (ii)	20,000,000	-	-	-	-	20,000,000
Unlisted Options (ii)	6,160,000	-	-	(1,400,000)	-	4,760,000
Total	69,480,000	-	-	(1,400,000)	(43,320,000)	24,760,000

- (i) Issued on 24/12/19 with an exercise price of 6.4 cents and an expiry date of 28/11/22.
(ii) Issued on 24/12/19 with an exercise price of 7.5 cents and an expiry date of 28/11/23.
(iii) Issued on 3/12/21 and vest 31/12/23 with an exercise price of 23.75 cents and an expiry date of 31/12/25.

Performance rights

	OPENING AS AT 30/6/22	ISSUED	EXERCISED	FORFEITED	LAPSED	CLOSING AS AT 30/6/23
Performance Rights (i)	10,558,850	-	-	(1,001,250)	-	9,557,600
Performance Rights (ii)	2,000,000	-	(2,000,000)	-	-	-
Performance Rights (iii)	5,639,475	-	-	(860,364)	-	4,779,111
Performance Rights (iv)	2,760,000	-	-	-	-	2,760,000
Performance Rights (v)	2,625,000	-	-	(1,125,000)	-	1,500,000
Performance Rights (vi)	750,000	-	(262,500)	-	(487,500)	-
Total	24,333,325	-	(2,262,500)	(2,986,614)	(487,500)	18,596,711

- (i) Issued on the 26/11/20 expiring on the 26/11/23. The vesting condition is the Commencement of mining at the Great White Deposit (or equivalent deposit).
(ii) Issued on the 24/12/20 expiring on the 24/12/22. The vesting condition was the Approval of the Mining Lease application for the Great White Project.
(iii) Issued on the 26/08/21, with an expiry date of 23/12/23. 67.7% of the Performance Rights to vest upon the commencement of mining and 32.3% of the Performance Rights to vest upon the first shipment of Kaolin product.
(iv) Issued 25/11/21, with an expiry date of 30/6/24. The performance rights will vest and be convertible into fully paid ordinary shares in the Company upon commercial shipment of a refined kaolin product, with the following graduated hurdles:
i. 50,000 tonnes shipped will result in 20% of Performance Rights to vest;
ii. 115,000 tonnes shipped will result in 50% of Performance Rights to vest;
iii. 165,000 tonnes or more shipped will result in 100% of Performance Rights to vest.
(v) Issued on 2/12/21, with an expiry date of 30/6/23. The performance rights will vest and be convertible into fully paid ordinary shares in the Company upon commercial shipment of a refined kaolin product, with the following graduated hurdles:
i. 50,000 tonnes shipped will result in 20% of Performance Rights to vest;
ii. 115,000 tonnes shipped will result in 50% of Performance Rights to vest;
iii. 165,000 tonnes or more shipped will result in 100% of Performance Rights to vest.
(vi) Issued 2/12/21, with an expiry date of 31/12/23. 55% of the Performance Rights to vest upon the achievement of several Business Development hurdles and 45% to vest upon the commencement of mining.

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Notes to the financial statements

16 RESERVES

	30/06/23 \$	30/06/22 \$
Share option reserve (i)	4,287,070	5,938,472
NCl acquisition reserve (ii)	926,813	926,813
	5,213,883	6,865,285

- (i) The share option reserve arises from the issuance of share options and performance rights to directors, employees and consultants.
- (ii) The NCl acquisition reserve represents the incremental increase (or decrease) in the Andromeda share price on the acquisition of non-controlling interests post the date control was obtained. This reserve relates to the acquisition of Minotaur Exploration Limited.

17 LOAN FUNDED EMPLOYEE SHARE PLAN

The Loan Funded Employee Share Plan (LFESP) is an ownership-based compensation plan for executives, employees and consultants established in November 2015.

At 30 June 2023 the number of shares granted to executives and employees was nil and the amount held by the trustee of the LFESP was 2,107,500 that are available to be issued to executives and employees. During the year no shares were transferred to executives and employees through the settlement of their respective interest-free loans.

No shares have been issued under the plan since May 2018 and the Group does not intend to issue anything further under this plan.

18 KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of Andromeda Metals Limited during the year were:

- M Wilkes (Non-executive Chairman)
- A N Shearer (Non-executive Director) – Resigned 24 August 2022
- M Holzberger (Non-executive Director)
- A Perrin (Non-executive Director) – Commenced 1 July 2022
- R Katsioulis (CEO & Managing Director) – Commenced 1 April 2023
- J E Marsh (Executive Director - Sales & Marketing) – Managing Director 1 July 2022 to 31 March 2023
- J F Ranford (Chief Operating Officer) – Resigned as Director 21 November 2022
- M Zannes (Chief Financial Officer) – Resigned 3 March 2023
- T Anderson (Chief Commercial Officer)

The aggregate compensation of key management personnel of the Group is set out below:

	YEAR ENDED 30/06/23 \$	YEAR ENDED 30/06/22 \$
Short-term employee benefits	2,084,592	1,686,133
Other non-cash benefits	36,799	71,232
Superannuation	118,450	103,973
Incentives	374,606	-
Post-employment benefits	46,549	-
Share-based payments (i)	(449,663)	1,876,305
	2,211,331	3,737,643

- (i) Share based payments do not represent cash payments to key management personnel and the related shares may or may not ultimately vest.

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Notes to the financial statements

19 REMUNERATION OF AUDITORS

	30/06/23 \$	30/06/22 \$
Deloitte and related network firms*		
Audit or review of financial reports		
– Andromeda Group	154,721	100,670
Grant Thornton and related network firms		
Audit or review of financial reports		
– Minotaur Exploration Limited	15,000	-
	169,721	100,670

* The auditor of Andromeda Metals Limited is Deloitte Touche Tohmatsu.

20 RELATED PARTY DISCLOSURES

a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 26 to the financial statements.

Interests in joint arrangements

Details of interests in joint arrangements are disclosed in Note 21 to the financial statements.

b) Key management personnel compensation

Details of key management personnel compensation are disclosed in Note 18.

c) Transactions with key management personnel

Other than as disclosed in Note 18 and Note 20(b), there were no transactions with key management personnel or their personally related entities during the year ended 30 June 2023 (2022: Nil).

21 THIRD PARTY INTERESTS

The Group had interests in unincorporated joint arrangements at 30 June 2023 as follows:

	PERCENTAGE INTEREST 2023	PERCENTAGE INTEREST 2022
Great White Kaolin Joint Venture (note i) – Halloysite-Kaolin Evaluation and Development	100%	100%
Halloysite Nanotechnology Joint Venture (note ii) – halloysite research	100%	100%
Eyre Kaolin Joint Venture (note iii)	-	-
Wudinna Gold Joint Venture (note iv) – Gold Exploration	25%	35%
Moonta Copper ISR Joint Venture (note v) – Copper in-situ recovery	100%	100%
Moonta Porphyry Joint Venture (note vi) – Copper/Gold Exploration	90%	90%

- (i) Under the terms of the Great White Kaolin Joint Venture Agreement with Minotaur Exploration Limited (Minotaur) announced 26 April 2018, the Company reached Stage 2 during the December 2020 Quarter, earning a 75% interest in the Project. On 10 November 2021 the Company announced that it had entered into a Bid Implementation Agreement, pursuant to which Andromeda will offer to acquire all issued ordinary shares of Minotaur by way of an off-market takeover offer. On 7 February 2022 the Company announced that it had acquired Minotaur (Note 29) and subsequently consolidated the Great White Kaolin Project.

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Notes to the financial statements

- (ii) The Halloysite Technology Joint Venture was a collaborative partnership with Minotaur Exploration Limited established on 16 May 2019 to undertake research and development to develop intellectual property and investigate commercial applications for halloysite-kaolin nanotubes sourced from the Great White Kaolin Project. On 10 November 2021 the Company announced that it had entered into a Bid Implementation Agreement, pursuant to which Andromeda will offer to acquire all the issued ordinary shares of Minotaur by way of an off-market takeover offer. On 7 February 2022 the Company announced that it had completed the acquisition on Minotaur Exploration Limited (Note 29) and subsequently consolidated the Great White Kaolin Project.
- (iii) The Heads of Agreement (HOA) with private entity Peninsula Exploration Pty Ltd (Peninsula) to form the Eyre Kaolin Project Joint Venture (EKJV) was announced 12 August 2021. Under the terms of the agreement the Company is to sole fund \$140,000 (exclusive of tenement rents) on the Project tenements within 12 months of commencement of the EKJV which was 13 September 2021. Stage 1 expenditure obligation by Andromeda of \$750,000 (exclusive of tenement rents and which is inclusive of the minimum expenditure requirement) within 3 years of commencement to earn a 51% interest in the EKJV (Stage 1 commitment). Andromeda can elect to sole fund an additional \$2 million over a further 3 years on meeting Stage 1 to earn an additional 29% interest, taking its overall interest in the EKJV to 80% (Stage 2 commitment). During the year an Exploration Target at the Chairlift Prospect was identified 23 holes were drilled. From this drilling, the Company continues to await the full results of the samples that were submitted for processing and analysis.
- (iv) Under the terms of the Wudinna Farm-in and Joint Venture Agreement, Lady Alice Mines Pty Ltd (LAM) was required to spend \$2,100,000 by 30 October 2020 on exploration activities across tenements comprising the Company's Eyre Peninsula Gold Project to earn a 50% equity interest in the Project. The Company granted an extension to 31 December 2020 for the completion of the Stage 1 expenditure following a request from LAM due to logistical issues associated with COVID-19, which was met. On 8 February 2022 the Company announced that LAM had given notice that it had met Stage 2 of the earn in having spent an additional \$1,650,000, increasing its equity to 65%. On 1st December 2022, LAM advised that they had achieved their Stage 3 expenditure commitment to earn 75% of the project. Thereafter each party may contribute to ongoing expenditure in respect to their joint venture holding or else elect to dilute. Should a party's equity fall below 5%, its equity will be compulsory acquired by the other party at a price to be negotiated in good faith or as determined by an independent valuer. LAM was acquired by London Stock Exchange listed entity Cobra Resources PLC in calendar year 2019 and acts as the operator of the joint venture.
- (v) The Moonta Copper ISR Mining Farm-in and Joint Venture Agreement was entered into on 19 December 2018 with Environmental Metals Recovery Pty Ltd (EMR) to progress the potential to recover copper via in-situ leach recover technique across the northern part of the Company's Moonta tenement in South Australia. Under the terms of the agreement joint venture EMR had the right to sole fund \$2.0million over 4 years to earn a 51% equity interest in the project area. The 51% earn-in requirements were not satisfied within the 4-year timeframe, but the Company has not yet given a breach notice under the agreement pending the outcome of ongoing discussions between the parties as to the best way to proceed.
- (vi) The Moonta Porphyry Joint Venture was established under a Heads of Agreement dated 12 February 1996 and the Group currently holds a 90% joint venture interest. The Group has an option to purchase the remaining 10% at any time for a consideration of \$200,000 cash or the equivalent of \$200,000 in Andromeda Metals Limited shares

The amount included in mining tenements, exploration, and evaluation (Note 9) includes \$1,435,434 (2022: \$3,255,130) relating to the above joint arrangements.

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Notes to the financial statements

22 COMMITMENTS FOR EXPENDITURE AND CONTINGENT LIABILITIES

a) Exploration expenditure commitments

The Group has certain obligations to perform exploration work and expend minimum amounts of money on such works on mineral exploration tenements.

These obligations will vary from time to time, subject to statutory approval. The terms of current and future joint ventures, the grant or relinquishment of licences and changes to licence areas at renewal or expiry, will alter the expenditure commitments of the Company.

Total expenditure commitments at balance date in respect of minimum expenditure requirements not provided for in the financial statements are approximately:

	2023 \$	2022 \$
Not later than one year	650,417	663,333
Later than one year but not later than two years:	400,833	439,583
Later than two years but not later than five years:	1,116,250	1,190,833

b) Natural Nanotech

The Group has commitments to fund research partnerships that have been entered into by Natural Nanotech Pty Ltd. Natural Nanotech Pty Ltd is a fully owned subsidiary of the Group.

Total expenditure commitments at balance date in respect of the research funding not provided for in the financial statements are approximately:

	2023 \$	2022 \$
Not later than one year	605,000	1,750,000
Later than one year but not later than two years:	380,000	1,605,000
Later than two years but not later than five years:	142,500	1,920,000

The Research Agreement related to the Carbon Capture and Conversion project with the University of Newcastle was terminated by mutual agreement on the 28th April 2023. Andromeda retains control and ownership of the CC&C business opportunity and associated intellectual property.

c) Capital expenditure

The Group has committed to purchase a number of long lead time capital items in order to build the processing plant at the Great White Project.

Total expenditure commitments at balance date in respect of the capital expenditure not provided for in the financial statements are approximately:

	2023 \$	2022 \$
Not later than one year	2,607,070	-
Later than one year but not later than two years:	-	-
Later than two years but not later than five years:	-	-

d) Service agreements

Details of the current services and consultancy agreements are set out below:

2023

KEY MANAGEMENT PERSONNEL	TERMS
J F Ranford	Monthly rate of \$30,000 for 3 days week

Mr Ranford entered into an employment agreement on 20 October 2022 and the above service agreement is no longer in effect.

Financial report (audited)

Notes to the financial statements

2022

KEY MANAGEMENT PERSONNEL	TERMS
J F Ranford	Monthly rate of \$30,000 for 3 days week
R G J Grivas (i)	Daily rate of \$1,000 per day as required
N J Harding (ii)	Daily rate of \$920

(i) Mr Grivas resigned as a Director of the Company on 20 January 2022 and the agreement is no longer in effect

(ii) Mr Harding resigned as a Director of the Company on 11 August 2021 and the agreement is no longer in effect

On 1 June 2020 the Group entered into a service agreement with an entity associated with J F Ranford with no fixed term. The Group or the entity associated with J F Ranford may terminate the agreement by giving three months' notice respectively.

e) Bank guarantees

The Group has provided restricted cash deposits of \$225,857 as security for the following unconditional irrevocable bank guarantees:

- Environment bonds of \$10,107 (2022: \$10,008) to the Minister for Mineral Resources Department, South Australia,
- A cash deposit of \$90,225 (2022: \$90,225) to secure a credit card facility,
- A rent guarantee of \$125,525 (2022: \$125,525) to the landlord of the Company's leased office premises.

23 FINANCIAL INSTRUMENTS

Capital risk management

The Group aims to manage its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses.

Due to the nature of the Group's activities (exploration) the directors believe that the most advantageous way to fund activities is through equity and strategic joint venture arrangements. The Group's exploration activities are monitored to ensure that adequate funds are available.

Categories of financial instruments

	2023 \$	2022 \$
Financial assets		
Cash and cash equivalents	15,300,890	32,853,203
Trade and other receivables	2,841,021	1,247,211
Other financial assets	300,107	372,224
Financial liabilities		
Trade and other payables	1,730,341	1,966,169
Lease liabilities	727,116	846,137

Interest rate risk management

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Financial report (audited)

Notes to the financial statements

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net profit would increase by \$116,779 and decrease by \$105,446 (2022: increase by \$200,224 and decrease by \$44,295). This is mainly attributable to interest rates on bank deposits.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from activities.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	LESS THAN ONE YEAR \$	ONE TO TWO YEARS \$	TWO TO THREE YEARS \$	THREE TO FOUR YEARS \$	FOUR TO FIVE YEARS \$
2023						
Non-interest bearing	-	1,730,341	-	-	-	-
Interest bearing	3.23%	200,576	204,712	189,079	132,749	-
2022						
Non-interest bearing	-	1,966,169	-	-	-	-
Interest bearing	3.23%	187,566	187,088	184,337	172,683	114,462

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- the book value approximates the fair value.

Financial report (audited)

Notes to the financial statements

24 SEGMENT INFORMATION

The Group's focus is on developing its Kaolin Halloysite assets, including the Great White Project and associated technologies. The decision to allocate resources to other projects in which the Group has an interest is predominantly based on available cash reserves, technical data and the expectations of future commodity prices. This is the basis on which internal reports are provided to the directors for assessing performance and determining the allocation of resources within the Group. Overall, the Group has a number of exploration licenses in Australia which are managed on a portfolio basis. Accordingly, the Group effectively operates as one segment, being exploration in Australia.

25 EARNINGS PER SHARE

	YEAR ENDED 30/06/23 CENTS PER SHARE	YEAR ENDED 30/06/22 CENTS PER SHARE
Basic earnings per share – Profit / (loss)	(0.30)	(0.33)
Diluted earnings per share – Profit / (loss)	(0.30)	(0.33)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	\$	\$
– Earnings	(9,461,246)	(8,733,119)
	NUMBER	NUMBER
– Weighted average number of ordinary shares	3,109,993,603	2,661,699,070

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

	\$	\$
– Earnings	(9,461,246)	(8,733,119)
	NUMBER	NUMBER
– Weighted average number of ordinary shares	3,109,993,603	2,661,699,070

	YEAR ENDED 30/06/23 NUMBER	YEAR ENDED 30/06/22 NUMBER
--	----------------------------------	----------------------------------

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted profit / (loss) per share:

– Listed share options	–	–
– Unlisted share options	24,760,000	69,480,000
– Treasury shares	2,107,500	2,107,500
	26,867,500	71,587,500

Financial report (audited)

Notes to the financial statements

26 CONTROLLED ENTITIES

			OWNERSHIP INTEREST	
NAME OF ENTITY		COUNTRY OF INCORPORATION	2023 %	2022 %
Parent Entity				
Andromeda Metals Limited	(i)	Australia	100%	100%
Subsidiaries				
Adelaide Exploration Pty Ltd	(ii)	Australia	100%	100%
Peninsula Resources Pty Ltd	(ii)	Australia	100%	100%
ADN LFESP Pty Ltd	(ii) (iii)	Australia	100%	100%
Mylo Gold Pty Ltd	(ii)	Australia	100%	100%
Frontier Exploration Pty Ltd	(ii)	Australia	100%	100%
Andromeda Industrial Minerals Pty Ltd	(ii)	Australia	100%	100%
Andromeda Green Technologies	(ii)	Australia	100%	100%
Andromeda IP Pty Ltd	(ii)	Australia	100%	100%
Andromeda Base Metals Holdings Pty Ltd	(ii)	Australia	100%	-
Andromeda Industrial Minerals Holdings Pty Ltd	(ii)	Australia	100%	-
Andromeda Technologies Holdings Pty Ltd	(ii)	Australia	100%	-
Andromeda Industrial Minerals NZ Pty Ltd	(ii)	Australia	100%	-
Camel Lake Halloysite Pty Ltd	(ii)	Australia	100%	-
Eyre Kaolin Pty Ltd	(ii)	Australia	100%	-
Great White Industrial Minerals Holdings Pty Ltd	(ii)	Australia	100%	-
Minotaur Exploration Pty Ltd	(ii)	Australia	100%	100%
Minotaur Industrial Minerals Pty Ltd	(ii)	Australia	100%	100%
Great Southern Kaolin Pty Ltd	(ii)	Australia	100%	100%
Natural Nanotech Pty Ltd	(ii)	Australia	100%	100%

(i) Head entity in tax consolidated group

(ii) Members of tax consolidated group

(iii) The Company acts as the trustee to the Loan Funded Employee Share Plan.

Financial report (audited)

Notes to the financial statements

27 PARENT ENTITY DISCLOSURES

FINANCIAL POSITION	30/06/23 \$	30/06/22 \$
Assets		
Current assets	18,138,405	32,669,615
Non-current assets	146,892,086	141,510,640
Total assets	165,030,491	174,180,255
Liabilities		
Current liabilities	2,240,628	2,206,356
Non-current liabilities	633,020	715,661
Total liabilities	2,873,648	2,922,017
Equity		
Issued capital	219,882,119	219,250,119
Reserves	4,292,071	5,938,472
Accumulated profits/(losses)	(62,017,347)	(53,930,353)
Total equity	162,156,843	171,258,238
FINANCIAL PERFORMANCE	YEAR ENDED 30/06/23 \$	YEAR ENDED 30/06/22
Profit / (loss) for the year	(9,228,922)	(7,582,717)
Other comprehensive income	-	-
Total comprehensive income / (loss)	(9,228,922)	(7,582,717)

Commitment for expenditure and contingent liabilities of the parent entity

Note 22 to the financial statements disclose the Group's commitments for expenditure and contingent liabilities. Of the items disclosed in that note the following relate to the parent entity:

- service agreements
- bank guarantees

28 SUBSEQUENT EVENTS

On the 24 August 2023 the Company released the results of the updated Definitive Feasibility Study (2023 DFS) following a comprehensive strategy review and approach to developing The Great White Project. The Great White Project Net Present Value increased by 65% to A\$1,010 million and average annual earnings before interest, tax, depreciation and amortisation (EBITDA) increased 59% to A\$130 million. With the 2023 DFS completed the Company can progress our funding strategy to support an anticipated Final Investment Decision being made.

On the 15th September 2023, the Company confirmed the sale of the Drummond Epithermal Gold Project (via the disposal of subsidiary Adelaide Exploration Pty Ltd) with consideration received in the form of shares in Trigg Minerals Limited of \$250,000 and reimbursement of tenement expenditure up to an amount of \$45,000 for expenditure incurred by Andromeda from 1 August 2022 until 30 June 2023. Andromeda will also receive a non-refundable upfront payment of \$27,000 in cash and a refund of \$7,500 in respect of the environmental bonds for the project at completion of the sale.

There were no other matters or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Financial report (audited)

Notes to the financial statements

29 ASSET ACQUISITION (PRIOR YEAR)

Minotaur Exploration Limited

On the 10th of November 2021 Andromeda announced the unanimously recommended off-market takeover offer of Minotaur Exploration Limited. The deal was designed to consolidate the Great White and Natural Nanotech joint ventures as 100% owned under Andromeda. The offer of 1.15 new Andromeda shares for every Minotaur share was seen as an accretive transaction for Andromeda. The bid was subject to a number of conditions precedent.

On the 7th February 2022, Andromeda announced the offer made under its off-market takeover bid for all the securities in Minotaur Exploration Limited was free from all Conditions set out in section 14.7 of the associated Bidder's Statement. As at 9.00am on the 7th of February Andromeda's relevant interest in MEP was 79.16% with the ADN share price being \$0.19 cents per share. At the closing of the offer period on the 25th of February 2022 Andromeda's relevant interest had increased to 92.12% with the ADN share price being \$0.17 cents per share. On this date Andromeda also announced the intention to commence the compulsory acquisition of the remaining shares in Minotaur to bring Andromeda's interest to 100%. The compulsory acquisition was completed on the 29th of March 2022 with the ADN share price at \$0.18 cents per share.

The Group has determined that the acquisition of Minotaur Exploration Ltd does not represent a business combination in accordance with AASB 3 Business Combinations. As such the acquisition has been accounted for as an asset acquisition and accordingly the cost of acquisition has been allocated to the identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Additionally, no deferred tax will arise due to the initial recognition exemption for deferred tax under AASB 112 Income Taxes.

Consideration related to the acquisition is detailed below:

PURCHASE CONSIDERATION	\$
Ordinary shares issued (620,508,053)	116,969,718
Acquisition related costs	2,348,383
NCI Reserve	926,813
Carrying value of previously held interest in Natural Nanotech Pty Ltd	276,822
Total purchase consideration	120,521,736

The fair value of Andromeda shares issued to Minotaur shareholders is based on the share price on the 7th of February 2022 (acquisition date) of \$0.19 cents and issued capital was recorded at this value for the 79.16% or relevant interest on this date. Shares issued after the acquisition date relating to the close of the offer period on the 25th February 2022 (12.96% at \$0.1835) and the compulsory acquisition on the 29th March 2022 (7.88% at \$0.18) were recorded in share capital at the relevant share price. The difference between the share price at the date of acquisition and the subsequent share issues has been recorded in the NCI reserve.

NET ASSETS ACQUIRED	\$
Cash and cash equivalents	1,178,858
Other current assets	171,890
Net trade receivables / payables	77,374
Exploration and evaluation assets	124,066,962
ADN loan/cash calls payables (i)	(4,973,348)
Net identifiable assets acquired	120,521,736

- (i) Payables to Andromeda become intercompany entries upon consolidation and have been eliminated accordingly. All amounts outstanding between Minotaur and Andromeda were pre-existing arrangements at the date of acquisition.

Directors' Declaration

The Directors declare that:

- a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- b) In the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 3 to the financial statements;
- c) In the Directors' opinion, the financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and
- d) The Directors have been given the declaration required by Section 295A of the Corporation Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to Section 295(5) of the Corporations Act 2001.

On behalf of the Directors



Bob Katsioularis
Managing Director & CEO



Mick Wilkes
Non-executive Chair

Adelaide, South Australia

29 September 2023

Independent auditors report

to the members of Andromeda Metals Ltd



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Independent Auditor's Report to the members of Andromeda Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Andromeda Metals Limited (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the financial report which indicates that the Group incurred net losses of \$9,461,246, experienced net cash outflows from operating activities of \$9,134,790 and net cash outflows from investing activities of \$8,193,143 for the year ended 30 June 2023. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Independent auditors report

to the members of Andromeda Metals Ltd



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Accounting for Exploration and Evaluation Assets</p> <p>As at 30 June 2023, the carrying value of exploration and evaluation assets amounts to \$142,124,436 including additions of \$7,372,212 as disclosed in Note 9.</p> <p>Significant judgement is applied in determining the treatment of exploration and evaluation expenditure including:</p> <ul style="list-style-type: none"> • treatment of exploration and evaluation expenditure during the year; <ul style="list-style-type: none"> ◦ whether the conditions for capitalisation are satisfied; ◦ which elements of exploration and evaluation expenditure qualify for capitalisation; and ◦ whether the costs associated with exploration and evaluation expenditure is complete. • whether the carrying value of exploration and evaluation assets is recoverable; <ul style="list-style-type: none"> ◦ the Group's intention and ability to proceed with a future work program; ◦ the likelihood of license renewal or extension; and ◦ the expected or actual success of resource evaluation and analysis. • the classification of assets as Exploration & Evaluation Assets or Development Assets. 	<p>Our procedures associated with exploration and evaluation expenditure incurred during the year included, but were not limited to:</p> <ul style="list-style-type: none"> • obtaining an understanding of the Group's key controls over the capitalisation or expensing of exploration and evaluation expenditure; and • testing, on a sample basis, exploration and evaluation expenditure to confirm the nature of the costs incurred, and the appropriateness of the classification between asset and expense; and • assessing the completeness of costs capitalised. <p>Our procedures associated with the carrying value of exploration and evaluation assets included, but were not limited to:</p> <ul style="list-style-type: none"> • obtaining an understanding of the Group's key controls relating to the identification of indicators of impairment; • evaluating management's impairment indicator assessment, including consideration as to whether any events exist at the reporting date which may indicate that exploration and evaluation assets may not be recoverable: <ul style="list-style-type: none"> ◦ obtaining a schedule of the area of interest held by the Group and confirming whether the rights to tenure of that area of interest remained current at balance date. This included confirming that an active renewal application had been lodged where a licence had expired; and ◦ holding discussions with management as to the status of ongoing exploration programs in the respective area of interest; and ◦ assessing whether any facts or circumstances existed to suggest impairment testing was required. <p>Our procedures associated with the classification of Exploration & Evaluation Assets included, but were not limited to:</p>

Independent auditors report

to the members of Andromeda Metals Ltd

Deloitte.

	<ul style="list-style-type: none">• holding discussions with management in relation to any commitments; and• review of board minutes and contracts to assess whether these would indicate that a final investment decision has been made; and• performing subsequent events procedures to identify if any final investment decision has been made after the reporting date. <p>We also assessed the adequacy of the disclosures in Note 3 and 9 to the financial statements.</p>
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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Independent auditors report

to the members of Andromeda Metals Ltd



As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditors report

to the members of Andromeda Metals Ltd



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 58 to 75 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Andromeda Metals Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to be "Darren Hall", written over a horizontal line.

Darren Hall

Partner

Chartered Accountants

Adelaide, 29 September 2023

Shareholder information

as at 13 September 2023

DISTRIBUTION AND NUMBER OF SHAREHOLDERS

RANGE OF UNITS	TOTAL HOLDERS	UNITS	% UNITS
1 – 1,000	483	93,188	0.00
1,001 – 5,000	1,915	5,934,669	0.19
5,001 – 10,000	1,796	14,162,766	0.46
10,001 – 100,000	6,061	237,449,503	7.63
100,001 and over	3,369	2,852,630,806	91.72
Total	13,624	3,110,270,932	100.00

6,275 shareholders hold less than a marketable parcel of shares

TOP 20 SHAREHOLDERS

RANK	NAME	UNITS	% UNITS
1	BURATU PTY LTD <CONNOLLY SUPER FUND A/C>	138,355,448	4.45
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	52,640,592	1.69
3	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	37,973,232	1.22
4	CITICORP NOMINEES PTY LIMITED	35,188,409	1.13
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	33,045,061	1.06
6	LJ & K THOMSON PTY LTD <LJT & KT SUPER FUND A/C>	31,953,815	1.03
7	YARRAANDOO PTY LTD <YARRAANDOO SUPER FUND A/C>	30,407,804	0.98
8	MR ADONIS KIRITSOPOULOS + MS JENNIFER ANNE FORD	30,000,896	0.96
9	DEBUSCEY PTY LTD	30,000,000	0.96
10	HAINASON HOLDINGS PTY LTD <HAINASON HOLDINGS A/C>	25,857,234	0.83
11	SURPION PTY LTD <M W SUHR & CO A/C>	22,600,000	0.73
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,983,440	0.67
13	G & C ASHMORE NOMINEES PTY LTD <ASHMORE SUPERFUND A/C>	20,851,300	0.67
14	MR ROBERT JOHN CONNOLLY	17,928,264	0.58
15	SUPERHERO SECURITIES LIMITED <CLIENT A/C>	15,006,121	0.48
16	MINOTAUR EXPLORATION LTD <DISSENTERS A/C>	14,984,835	0.48
17	MR CRAIG ALEX BARRETT	14,707,880	0.47
18	MR WILLIAM MARK PALMER + MRS PATRICIA DAWN GREGORY <PALMER S/F A/C>	14,000,000	0.45
19	MR GREGORY JOHN HOOK	13,405,000	0.43
20	MR JAMES EDWARD MARSH	12,293,000	0.40
Total of top 20 holders of fully paid ordinary shares		612,182,331	19.68
Other holdings		2,498,088,601	80.32
Total fully paid ordinary shares on issue		3,110,270,932	100.00

Shareholder information

as at 13 September 2023

SUBSTANTIAL SHAREHOLDERS

as disclosed in substantial shareholders notices given to the Company

	NUMBER
Buratu Pty Ltd (Connolly Super Fund A/C) / Robert Connolly)	161,943,712

Holders of shares are entitled to vote at meetings of shareholders (with each shareholder to have one vote on a show of hands and one vote per fully paid ordinary share held on a poll), in accordance with the Company's Constitution.

UNLISTED OPTIONS

Unlisted options with an exercise price of \$0.075 and expiring 28/11/2023	20,000,000
Unlisted options with an exercise price of \$0.2375 and expiring 31/12/2025	4,760,000

Holders of unlisted options have no voting rights.

UNLISTED PERFORMANCE RIGHTS

Performance rights with performance hurdles to be achieved by 23/12/2023	14,306,082
Performance rights with performance hurdles to be achieved by 30/6/2024	4,260,000

Holders of unlisted performance rights have no voting rights.

Glossary

CONTENT	EXPANSION
\$ / AUD	All prices are in Australian dollars, unless otherwise stated
\$m	Millions of dollars
Andromeda	Andromeda Metals Limited (ABN 75 061 504 375)
Cobra	Cobra Resources PLC
DCSB	District Council of Streaky Bay
DFS	Definitive feasibility study
EKJV	Eyre Kaolin Joint Venture
ECL	EnviroCopper Limited
EMR	Environmental Metals Recovery Pty Ltd (a subsidiary of EnviroCopper Ltd)
FY23	Financial Year 2023, for the financial year ending 30 June, 2023
FYXX	Financial Year 20XX (with XX denoting the last two digits of the year ending 30 June, 20XX)
Group	Andromeda Metals Limited and its consolidated subsidiaries
HPA	High purity alumina
IRR	Internal rate of return
ISO B	ISO brightness, a European standard for measuring brightness
ISR	in-situ recovery
JORC	Joint Ore Reserves Committee
JORC Code	The Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves
JVP	Joint venture partners (including Cobra Resources PLC)
kt	Thousand tonnes
LTI	Long-term incentive
Minotaur	Minotaur Exploration Limited
Mt	Million tonnes
NPV	Net present value
PCT	Patent Co-operative Treaty
REE	Rare earth element
Rush	Rush Resources Limited
SGA	Smelter grade alumina
STI	Short-term incentive
tpa	Tonnes per annum
TFR	Total fixed remuneration
TGWP	The Great White Project (wholly owned by Andromeda)
TSR	Total shareholder returns
WGP	Wundinna Gold Project



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