

ASX ANNOUNCEMENT



18 July 2023

Andromeda Metals Limited

ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash (31 March 2023): \$19.6m

Issued Capital:

3,110,270,932 ordinary shares

24,760,000 unlisted options

18,596,711 performance rights

Directors:

Mick Wilkes

Non-Executive Chair

Bob Katsioularis

CEO & Managing Director

James Marsh

Executive Director, Sales & Marketing

Melissa Holzberger

Non-Executive Director

Austen Perrin

Non-Executive Director

Company Secretary

Sarah Clarke

Contact details:

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431 King William Street,
Adelaide SA 5000

Tel: +61 8 7089 9800

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www.andromet.com.au

Presentation at Noosa Mining Conference

Andromeda Metals Limited (ASX: **ADN**) (**Andromeda**, the **Company**) is pleased to advise that its CEO & Managing Director, Bob Katsioularis, will be presenting at the Noosa Mining Conference.

A copy of the presentation is included in this announcement,

Details for the conference, including how to register to access the online webcast, are as follows:

Date: 20 July 2023

Time: 1:50pm AEST (1:20pm ACT)

Webcast:

<https://us06web.zoom.us/meeting/register/tZcpdOCvrjojGNRNvi5lkdF0LnApKU11g-4Q#/registration>

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

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

Manager, Investor Relations & Corporate Affairs

Patrick Sinclair

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e: Patrick.Sinclair@andromet.com.au



About Andromeda

Andromeda Metals (ASX: ADN) is an ASX-listed emerging industrial minerals producer. Our vision is to lead the world in the sustainable supply of superior quality industrial minerals.

We see 2023 as a transformational year for Andromeda. Following which we anticipate becoming a globally significant producer of halloysite-kaolin products. Having received all major regulatory approvals, we are progressing towards early-stage construction of Stage 1A Processing Plant, while also advancing funding discussions aimed at enabling a final investment decision to be made.

From there, we aim to leverage the uniqueness of our Great White Project resources to grow through meeting the growing long-term demand for kaolin, expanding our range of high-margin kaolin-based products and developing many new technologies at the forefront of science, and essential to building a more sustainable future.

Andromeda's kaolin deposits are located in South Australia's Eyre Peninsula, a Tier 1 mining jurisdiction, and contain some of the highest purity kaolin ever discovered. Kaolin has been used in ceramics production for centuries because of its unique properties as a bright white inert mineral with very fine particle size. In addition to ceramics, today, kaolin can be found in a range of everyday products, including ceramic tiles, porcelain tableware, cosmetics, paint, rubber, medicines, paper, pesticides, orthodontics, orthopedics, and plastics. Every modern home and car contains kaolin in some form.

Using a novel flowsheet, we also have the potential to use our high-quality kaolin as a feedstock to produce the critical mineral High-purity Alumina (HPA).

Our large, high-quality deposits also contain a rare form of kaolin called halloysite, a naturally occurring nanotube. Halloysite is highly desirable in some applications where it attracts a premium price. Halloysite-kaolin can be used in emerging high-tech nanotechnologies and applications, such as carbon capture, soil remediation, water purification, hydrogen storage, medicine delivery and renewable energy.



Andromeda

Noosa Mining Conference

Noosa

20 July 2023

ASX:ADN

www.andromet.com.au

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Mineral Resources and Ore Reserves Estimates

As an Australian company with securities listed on the Australian Securities Exchange (ASX), Andromeda is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX listing rules that the reporting of ore reserves and mineral resources in Australia comply with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the **JORC Code**) and that the Ore Reserve and Mineral Resource estimates underpinning the production targets in this presentation have been prepared by a Competent Person in accordance with the JORC Code.

Information that relates to Mineral Resources estimates has been previously announced to ASX on 23 December 2019, "Significant increase in Mineral Resource for the Poochera Kaolin Project", 29 September 2020, "New mineral resource estimate for Hammerhead Halloysite-Kaolin Deposit" and 11 August 2020, "New Mineral Resource for the Mount Hope Kaolin project", all available at <https://www2.asx.com.au/markets/company/adn>. Andromeda confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Andromeda confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Competent Person's Statements

Information in this announcement has been compiled 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 and options in the company 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 Persons 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.



Acknowledgement of Country

On behalf of Andromeda, I respectfully acknowledge that we are meeting on Sunshine Coast Country, home of the Kabi Kabi peoples and the Jinibara peoples, the Traditional Custodians, whose lands and waters we all now share.

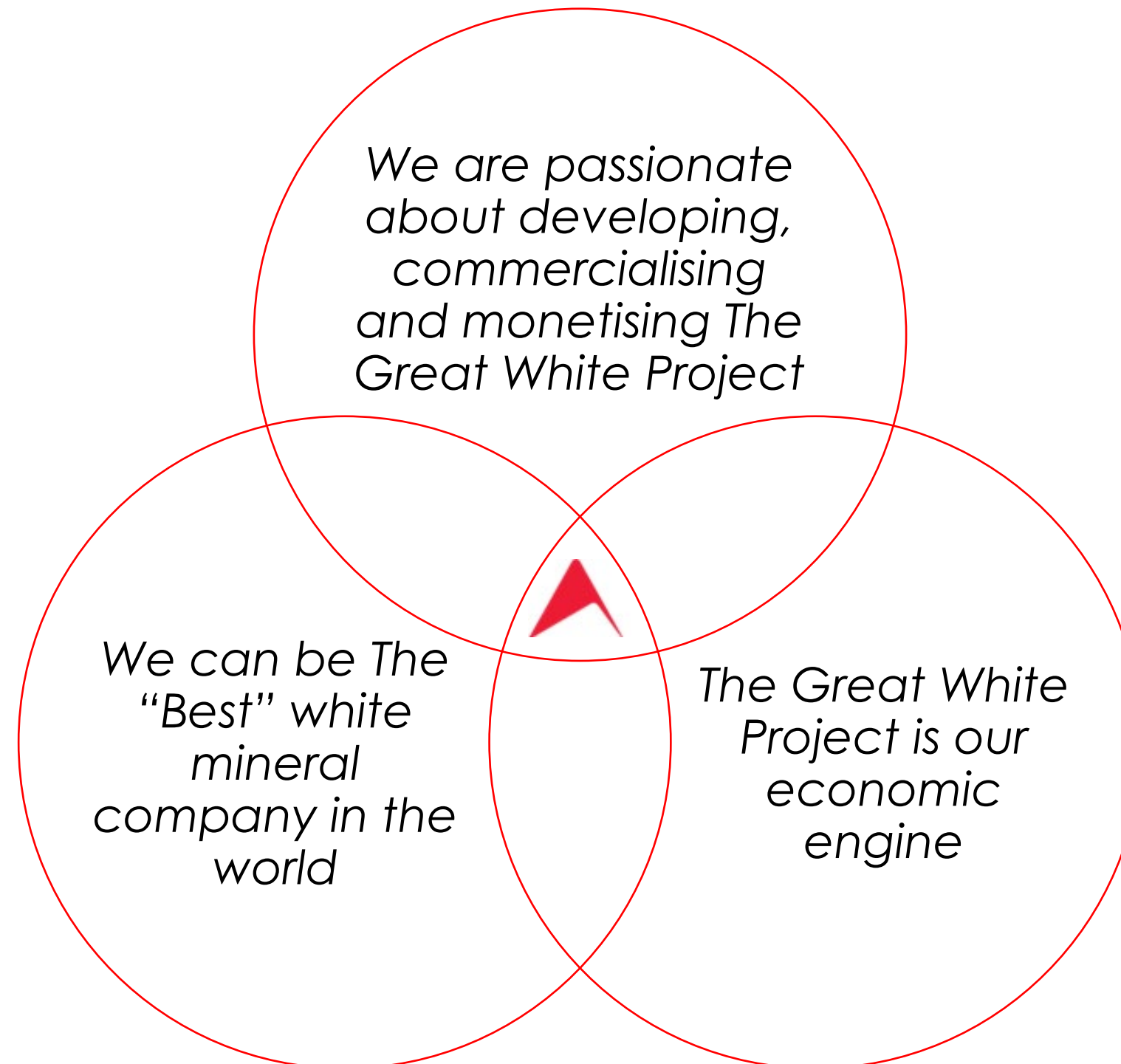
Andromeda operates on the lands of the Kaurna people of the Adelaide Plains and the Wirangu people of South Australia's Eyre Peninsula.

We pay our respects to their Elders both past and present, and extend that respect to Elders from other communities who may be present today.



Our Vision and Strategic Intent

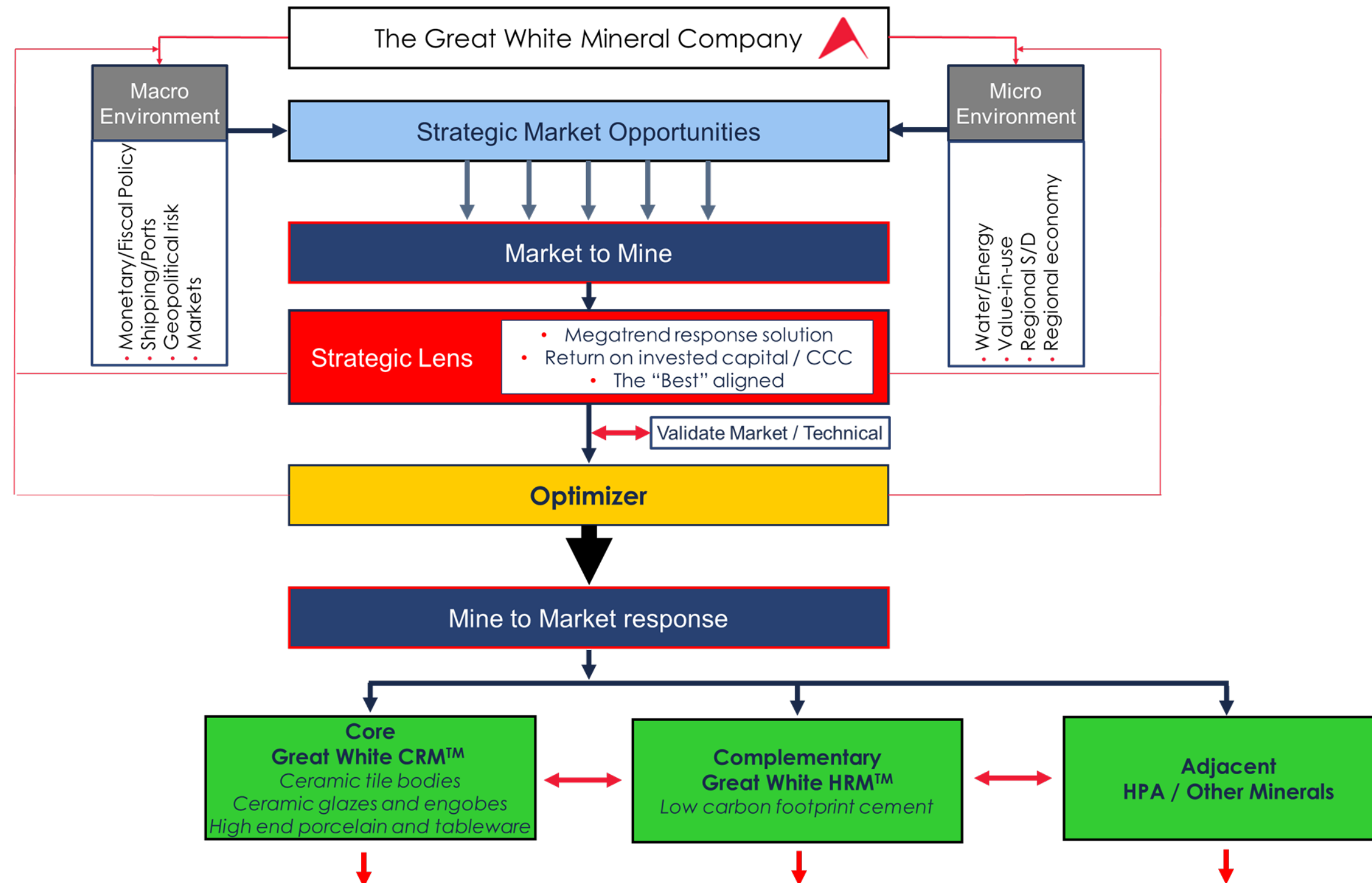
To be The Great White Mineral Company





Go To Market Methodology – Strategy Map

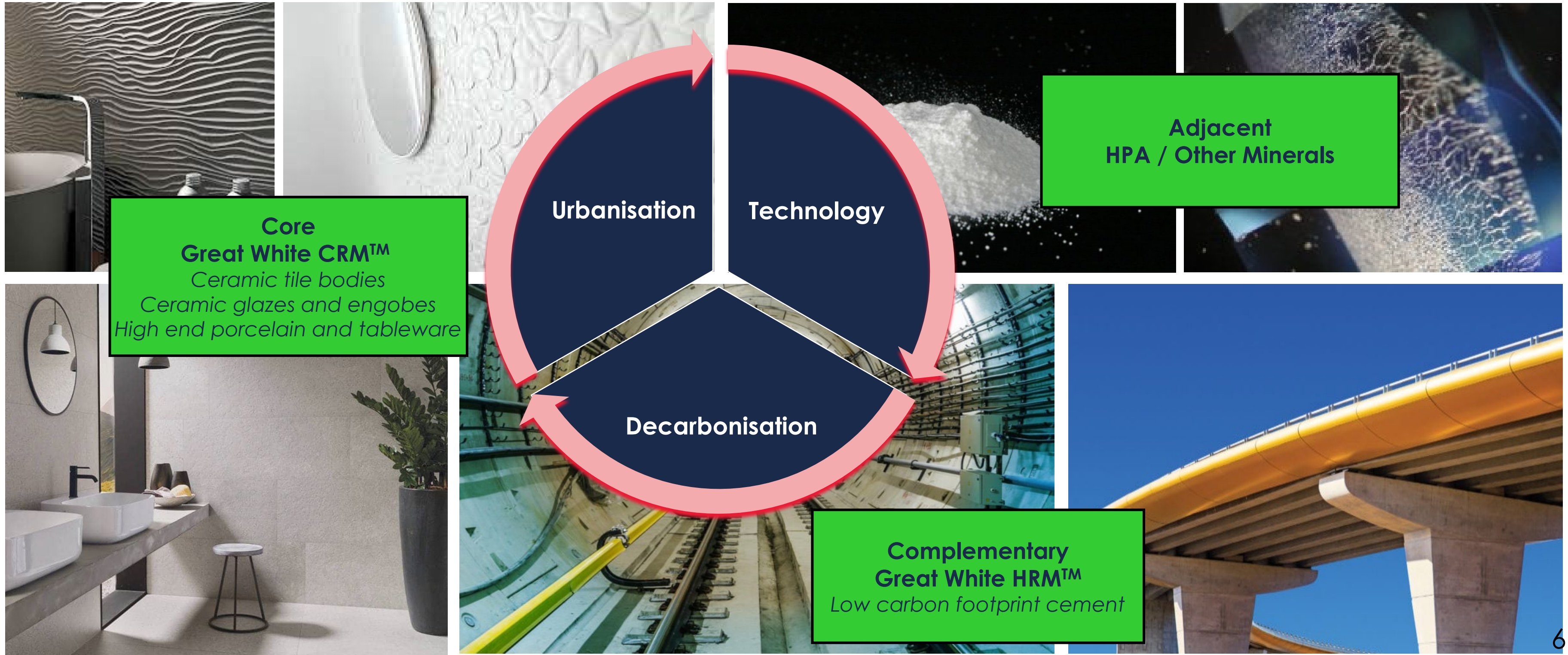
Execute with a focus on Core and Complementary





Our Products

Positioned to respond to megatrends





LOI received from IberoClays¹

Results confirm above market value-in-use for Great White CRM™ in fastest growing ceramics segments

Great White CRM™ properties and applications²

✓ **Top 3 Iron/Aluminium ratio**
(Fe₂O₃/Al₂O₃) of global
kaolin samples

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

✓ Very high dry mechanical
strength is highly-valued in
large format porcelain tiles

Porcelain and ceramic large format tiles and glazes
Positioned to offer exceptional value-in-use

¹ Refer to ADN ASX dated 10 July 2023, titled *Letter of Intent received from IberoClays for exclusive distribution to the Mediterranean region*, in which IberoClays confirms its intention for an exclusive distribution agreement covering Spain, France, Italy, Portugal, Morocco, Egypt and Turkey with targeted volumes of 15,000 - 20,000 tonnes per annum (tpa) during the first 3 years of production and pre-payment until 30 September 2025.

² As determined by testing conducted on Great White CRM™ by IberoClays (May/June 2023)



Global Ceramic Tile Market

Asia-Pacific market to grow by over 3% CAGR¹

Production

WORLD

18,340 mln sqm 2021 **21,537** mln sqm 2026 **+3.3%**
CAGR 2022-2026

EU	1,384 mln sqm	⇒	1,474 mln sqm	+1.3%
Other Europe	741 mln sqm	⇒	720 mln sqm	-0.6%
NAFTA	377 mln sqm	⇒	398 mln sqm	+1.1%
South America	1,360 mln sqm	⇒	1,643 mln sqm	+3.9%
Middle East	757 mln sqm	⇒	868 mln sqm	+2.8%
Far East	12,828 mln sqm	⇒	15,164 mln sqm	+3.4%
Africa	893 mln sqm	⇒	1,270 mln sqm	+7.3%

Consumption

WORLD

18,209 mln sqm 2021 **21,339** mln sqm 2026 **+3.2%**
CAGR 2022-2026

EU	1,069 mln sqm	⇒	1,105 mln sqm	+0.7%
Other Europe	721 mln sqm	⇒	716 mln sqm	-0.1%
NAFTA	603 mln sqm	⇒	699 mln sqm	+3.0%
South America	1,448 mln sqm	⇒	1,817 mln sqm	+4.6%
Middle East	1,008 mln sqm	⇒	1,132 mln sqm	+2.3%
Far East	12,158 mln sqm	⇒	14,217 mln sqm	+3.2%
Africa	1,202 mln sqm	⇒	1,653 mln sqm	+6.6%



Global Ceramic Tile Market – Asia Pacific

Market driven by strong trends in growth drivers

Macroeconomic Indicators

 GDP GROWTH 2026
+4.0%

 GDP PER CAPITA
6,894€

 LOGISTIC PERF. INDEX
3.0/5

 POPULATION
4,051,588,280

 POP. GROWTH RATE 2026
+0.6%

 URBANISATION RATE
50.1%

Construction Investment

 CONSTR. INVESTMENT 2021
3,917.3 bln €

 RESIDENTIAL
1,192.2 bln €

 MCP INDEX
3.6%

MCP Index forecasts annual construction industry trends to 2025 by crossing ten international indicators

Asia-Pacific 2022-26 CAGR¹

4.0%

0.6%

1.5%

5.0%

4.1%

Growth drivers:

- Economic growth
- Population growth
- Increasing urbanisation
- Higher levels of wealth (per capita)

} Increasing need for safe, hygienic and durable building materials

} Increasing demand for high-end fashion/designer 'look and feel'

- Construction investment

→ Focus on sustainability – durability and substitution away from marble and stone

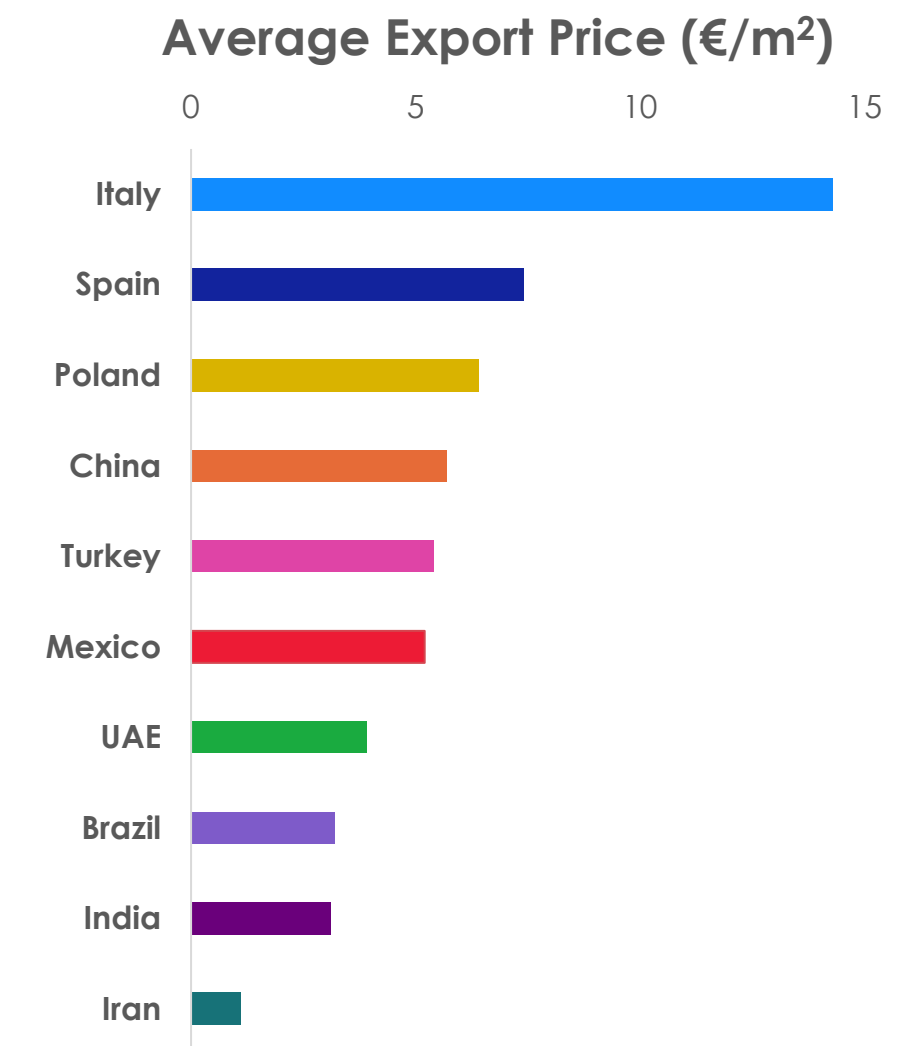
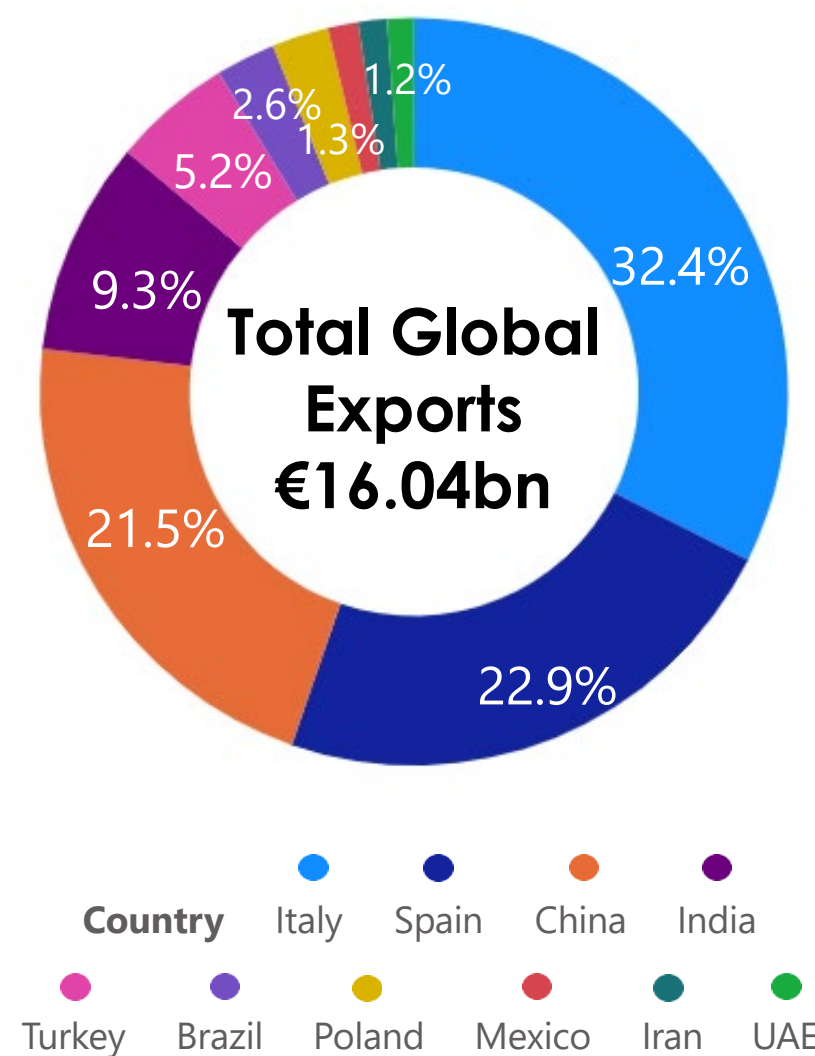


Global Ceramic Tile Export Market

Top 4 export leaders are China, Spain, Italy and India, representing 76% of market at over 3 billion m² of global exports

China Spain, India and Italy represent:

- Over 86% of export value (in €) by the Top 10
- **Italy and Spain are leaders** in average export € value, with Italy exceeding China by ~2.5 times





Great White CRM™ – Key high value-in-use markets

Focused on key markets in Asia that are growing and where our high-quality products are in demand

		Import						
		EU	Other Europe	NAFTA	South America	Asia	Africa	Oceania
Export	EU	532.7	109.9	112.1	56.1	130.0	101.2	8.4
	Other Europe	68.9	65.1	36.8	0.5	57.5	6.3	0.3
	NAFTA	0.0	0.1	37.1	7.6	0.2	0.0	0.0
	South America	1.3	0.4	29.5	148.8	0.3	2.6	0.2
	Asia	44.4	37.3	64.2	82.1	996.5	147.8	41.2
	Africa	2.0	0.5	0.5	0.0	20.3	62.0	0.1
	Oceania	-	-	0.0	-	0.0	-	0.0
	TOTAL	649.4	213.3	280.2	295.1	1,204.9	319.9	50.2
		TOTAL						
		1,050.6						
		235.4						
		45.0						
		183.1						
		1,413.5						
		85.4						
		0.0						
		3,013.0						

➤ Europe represents 35% of global exports, focused on high value-in-use segments

➤ Asia accounts for 47% of global exports, of which 70% is to other Asian countries



Ceramics Tiles – Key Urban Trends

Increasing demand in Consumer & Commercial segments

Consumer Preferences

- Consumers are experimenting with design, colors, and patterns
- Looking for unique look to set themselves apart

Ceramic Tiles

- Residential – Increasing adoption in halls, lobbies and bedrooms due to low cost, low maintenance and durability
- Commercial – Increasing usage as a cost-effective alternative to conventional stone (eg. granite, marble) in corporate offices, hotel lobbies, and museums

Ceramic Wall Tiles

- Rapidly replacing traditional wall coverings, such as paint, wallpapers and wooden panels.
- Increased usage driven by durability, stain & scratch resistance, and low maintenance properties.





Interim Results received from ITC

Great White CRM™ validation program

➤ Stage 1: Basic Characterisation – COMPLETED

- Instituto de Tecnología Cerámica (ITC), located at the University of Castellón in Spain, is progressing with technical evaluation and formulation at pilot plant level
- Interim results received on testing of suitability for ceramic glazes, confirmed and validated the work done with IberoClays
- Benchmarking work comparisons to alternative European kaolins, validated previous results

➤ Stage 2: Complementary use in glazes

- Comparative benchmarking will be finalised

➤ Stage 3: Complementary use in sanitaryware

- Expanding work already done into a new end use segment

➤ Stage 4: Pilot Trial

- Pilot production trial will be conducted at a frit and glaze producer in Spain

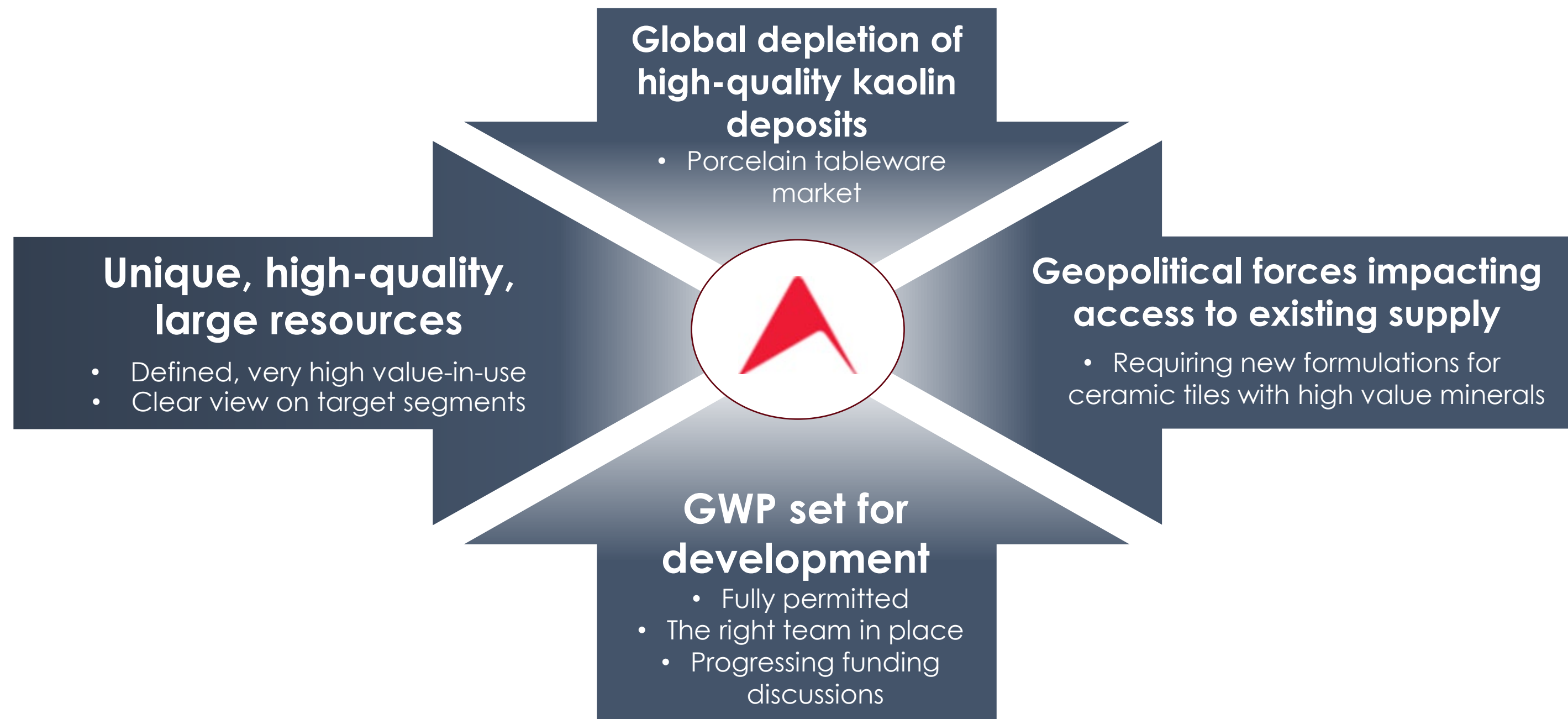
Stages 1-3:
Results to be
included in
uDFS



Why now?

Forces making now the right time for developing GWP

The confluence of numerous forces means the time to develop The Great White Project is now!





Stage 1A Processing Plant

Design and procurement readiness ahead of planned construction

Long lead items - Procurement progress in line with first shipment in October 2024

- | | | |
|----------------------|---|-------------------------------|
| ➤ Dryer – ordered | ✓ | Ordered |
| ➤ Thickener | ✓ | Ordered |
| ➤ Drum washer | ✓ | Ordered |
| ➤ Filter press | } | To be ordered in coming weeks |
| ➤ Filter cake feeder | | |
| ➤ Noodler | | |

All items scheduled to arrive according to revised anticipated schedule for **first shipment in October 2024**

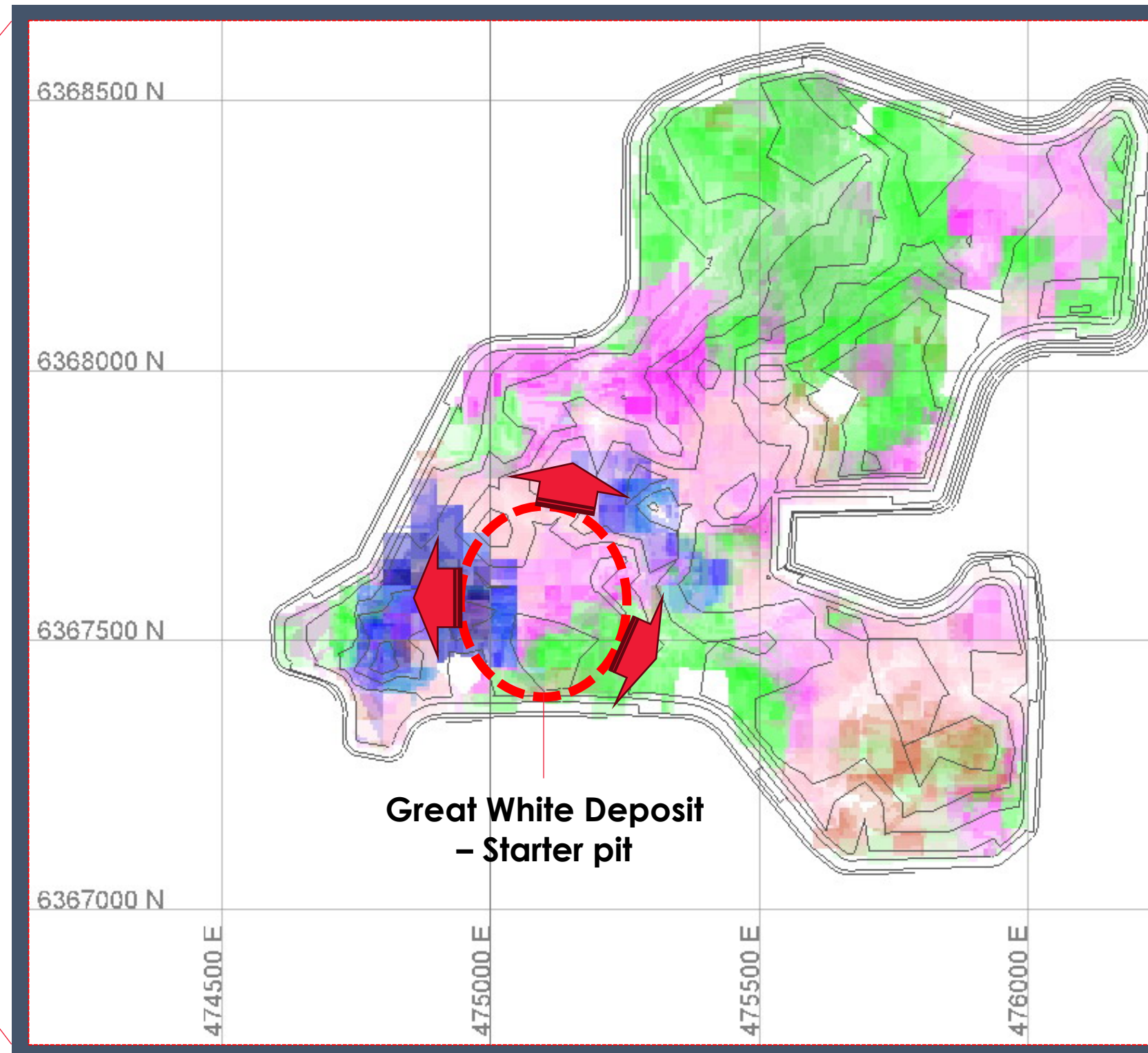
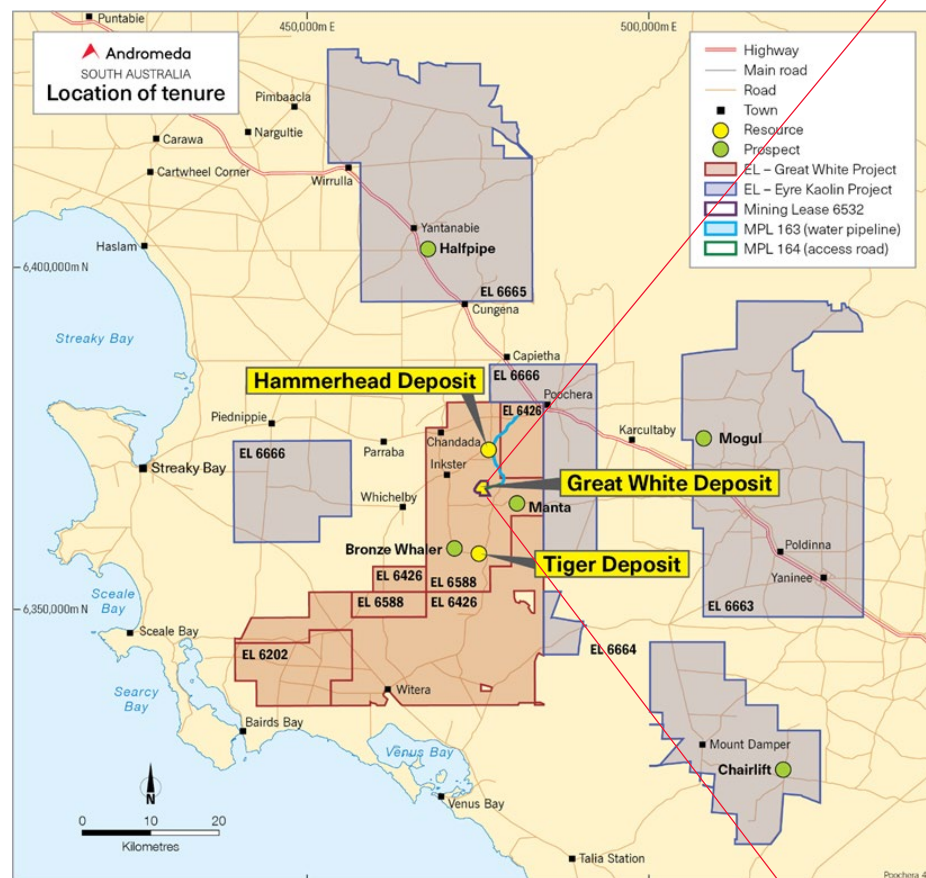




Andromeda

The Mine-to-Market Response

Ideal optionality to address and grow our our core segments aligned with our Commercial Strategy



Great White Deposit by Product

Product	Colour	Grade
Great White HRM™ – Concrete	Light Green	Low
	Yellow	Medium
	Red	High
Great White CRM™ – Tableware	Light Green	Low
	Yellow	Medium
	Red	High
Great White CRM™ – Tiles	Light Green	Low
	Yellow	Medium
	Red	High



Next Steps



Activities

Commercial

- ITC Stages 2 & 3 to be completed by end of July (Stage 1 was completed on time)
- Follow-up on China demand and sample requests post-June trip
- Spain/Italy trip for CERSAIE (22-25 Sept) and preparations for commercial discussions
- Great White HRM™ validations are ongoing

Operations

- Progressing with procurement of long-lead items
- Earthworks planned to commence in early October
- Streaky Bay Pilot Plant to recommence producing large scale samples production by late-July

Funding

- Updated DFS on-track for delivery mid-August
- Formal offtake agreements to be finalised with Foshan Gaoming (120kt) and IberoClays (15-20ktpa)
- Progressing discussions with debt investors with access to data room
- Board to consider and determine appropriate debt funding proposals
- Meetings with investors in Sydney and Noosa this week (with Melbourne & Perth to follow)
- Non-deal roadshow for Asian and Australian investors (August – September)



Andromeda

The Great White Mineral Company

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