



Andromeda Metals Limited ASX: ADN ASX Announcement

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Non-binding Heads of Agreement signed with Traxys

Andromeda Metals Limited (ASX: **ADN**) (**Andromeda**, the **Company**) is pleased to announce that it has entered into a non-binding Heads of Agreement (**HoA**) with Traxys Europe S.A (**Traxys**), to pursue mutually beneficial business opportunities linked to the sale and purchase of Andromeda's halloysite-kaolin products for distribution into ceramic tile production, and other applications, into selected geographies.

The purpose of the HoA is to establish the framework required to identify potential sales geographies, and to complete the necessary product validation and marketing approach for selected target markets.

In addition, the parties will jointly investigate and explore various financing options (for both equity and debt) that can assist Andromeda.

Key terms for discussions under the HoA include the following:

- **Direct sales of Great White CRM™**
 - Targeting 20,000 – 30,000 wet metric tonnes (wmt) per annum for the first Stage, and seeking to proportionally increase over subsequent Stages, covering the potential geographies of Turkey, Middle East, Scandinavian countries, and Latin America (LATAM);
 - Targeting a term of 5 years, with first shipment during the first quarter of calendar year 2025 (Q1 2025); and
 - Option for 60 or 90-days pre-shipments advances, for a portion of agreed target volumes during the first 24 months of production.
- **Direct sales Great White HRM™**
 - Targeting 10,000 – 15,000 wmt per annum for the first Stage, and seeking to proportionally increase over subsequent Stages, covering the potential geographies of Europe, Middle-East and Africa (EMEA), India and the Persian Gulf region;
 - End-user validation and homologation and certification for each market to be completed;
 - Targeting a term of 5 years, with first shipment during Q1 2025; and
 - Option for 60 or 90-days pre-shipment advances, for a portion of agreed target volumes during the first 24 months of production.
- **Potential equity and debt arrangements**
 - Participation in funding raises to support the Company in the period until an anticipated Final Investment Decision (FID) is made; and
 - Contribution towards funding requirements following an anticipated FID being made, including potentially as a cornerstone equity investment or via the provision of working capital facilities.



The Chair of Andromeda, Mick Wilkes, said: “We are excited by the prospect of working with Traxys towards establishing a comprehensive strategic relationship. The partnership has the potential to significantly de-risk The Great White Project in a number of areas, further supporting an anticipated final investment decision being made.

“In selecting a long-term strategic partner, the Board considered a number of key elements: trust, strategic alignment, and establishing a broad and mutually beneficial relationship across multiple areas of Andromeda's business.

“The prospect of partnering with Traxys delivers on these in spades! Access to Traxys' deep network of trading and financing relationships in industrial minerals, has the potential to assist Andromeda in securing further binding offtake commitments, debt and trade financing, and cornerstone equity participation.”

Bob Katsioularis, Andromeda's CEO and Managing Director, said: “The strong economics of the recently released 2023 Definitive Feasibility Study for The Great White Project heightened interest in discussions from potential cornerstone partners.

“Traxys offers the prospect of an ideal strategic partner, one in whom we can trust, and one that shares our commitment to meeting the increasing global need for superior industrial minerals.

“Through leveraging Traxys' global reach, intimate working knowledge of industrial minerals supply chains and deep access to financing options, the relationship represents the opportunity to accelerate the development for commercialising The Great White Project high-quality halloysite-kaolin products.”

Mark Kristoff, CEO of Traxys, welcomed the development: “We are excited about the opportunity a strategic partnership represents for Traxys, Andromeda and global kaolin markets.

“Our Industrial Minerals group has been involved in similar commodities on a global basis for over 20 years. This agreement supports us in deploying that capability into facilitating the planned development of The Great White Project and bringing its premium products to global markets.

“The established market for kaolin is currently valued at over \$4 billion of sales per annum, which we expect to grow rapidly as demand for kaolin continues to rise while sources of high quality kaolin are increasingly being depleted.”

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

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

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ABOUT TRAXYS

Traxys is a physical commodity trader and merchant in the metals and natural resources sectors. Its logistics, marketing, distribution, supply chain management, and trading activities are conducted by over 450 employees in over 20 offices worldwide, and its annual turnover is in excess of USD 10 billion. Headquartered in Luxembourg, Traxys is engaged in sourcing, trading, marketing, and distributing non-ferrous metals, ferro-alloys, minerals, industrial raw materials, and energy.

The Group serves a broad base of industrial customers and offers a full range of commercial and financial services. Traxys is committed to the highest internationally recognized principles for responsible business conduct, and to ensuring that its operations are equitable, sustainable, and transparent.

Traxys premises its practices on environmental, social, and governance (ESG) standards that enable Traxys to set a leading example for the responsible sourcing and trading of metals and minerals.

To learn more about Traxys, go to: www.traxys.com.