

15 August 2022

**Clarification of ASX announcements on 26 July 2022 and 8 August 2022.**

Andromeda Metals Limited (ASX: ADN) (**Andromeda**, the **Company**) wishes to provide clarification to two recent ASX announcements regarding offtake agreements for its Great White Kaolin Project (**Agreements**):

- *Andromeda Signs Binding Kaolin-Halloysite Offtake Term Sheet (26 July 2022)*
- *Andromeda signs another Binding Offtake Agreement for KCM™ 90 from the Great White Project (8 August 2022)*

**Product Supply**

The above two announcements only provided the maximum total number of tonnes of KCM™90 deliverable by Andromeda under the Agreements. The Company would like to clarify the volumes under each Agreement are as follows:

<i>Date of Announcement to ASX</i>	<b>26 July</b>	<b>8- August</b>
<i>Baseline volume</i>	31,000	35,000
<i>Minimum volume</i>	23,500	27,000
<i>Maximum volume</i>	38,500	43,000

*Note: All volumes are cumulative and staged over the first 3 years.*

**Supply of KCM™ 90 over three years**

The above announcements indicated that for both Agreements, KCM™ 90 would be supplied over a three year period, however the Definitive Feasibility Study (**DFS**) (*Great White Kaolin Project – Definitive Feasibility Study*, 6 April 2022) shows production for KCM™ 90 for only the first two years. The Company would like to clarify that KCM™ 90 is the initial refined product of the Great White Kaolin Project and is produced from feedstock which is able to be mined for the life of mine of the Great White Kaolin Project, or further refined into other products, as required to meet customer demand. With the DFS, the Company assumed that customer demand for KCM™ 90 would not extend past two years, however these two recent Agreements have indicated the demand for KCM™ 90 will be for a minimum three years.

**Price**

The above announcements noted that the price negotiated for both offtake Agreements was in excess of the DFS pricing. The pricing of KCM™ 90 in the DFS was noted as AUD425 to AUD465. The pricing achieved for both agreements is greater than this price, based on the current exchange rate of AUD/USD of 0.71.

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

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

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