



Andromeda Metals Limited ASX: ADN

ASX Announcement

10/431 King William Street
Adelaide, SA 5000

Tel: +61 8 7089 9800
ir@andromet.com.au

ABN
75 061 503 375

Project Funding Update

Andromeda Metals Limited (ASX: **ADN**) (**Andromeda**, the **Company**) is pleased to provide an update on the progress of funding for the Great White Project (**GWP**, the **Project**).

Since the Company's revised commercial strategy was announced in May 2023¹ to focus on established kaolin markets, the Company has worked to deliver the key elements required to enable the funding of the Project and a FID.

As noted in the Capital Raising Investor Presentation announced on 21 August 2024, capital expenditure for Stage 1A+ of the Project is \$84 million. The ultimate final funding requirement will be reduced by a portion of the capital expenditure which has been incurred prior to a final investment decision (**FID**) and increased by working capital expected during the planned development period.

The anticipated funding requirement after these elements is \$90 million, excluding financing costs, interest and cash reserves. The Company is considering debt to equity structures of up to two thirds debt to one third equity, as well as alternative financing structures such as royalties.

Debt Funding

In June 2023, an announcement was made by the Company regarding the opening of a dataroom for debt-only investors for a 55ktpa project (**Stage 1A**)². Following this announcement, discussions with potential offtake parties led to an anticipated increase in offtake demand. The Company took a decision to bring forward the staged expansion of the Project, with production for the first stage increasing from 55ktpa in Stage 1A to 100ktpa (**Stage 1A+**), which improved capital efficiency and financial outcomes, and better supported discussions with potential funding parties³.

The Company has now delivered all the anticipated key elements to support a funding process for Stage 1A+:

- **In Q1 2024**, the Company delivered a Bankable Feasibility Study (**BFS**) for the expanded initial Stage 1A+ of the Project.
- **In Q2 2024**, a review of the BFS by Behre Dolbear, the independent technical engineer, was completed for the benefit of potential lenders.
- **In Q3 2024** the final element, the signing of binding offtakes, was delivered with the execution of the Traxys agreement⁴. This now sees a total of 4 binding offtakes underpinning production from Stage 1A+ of the Project. The Traxys agreement also supports future expansion by Traxys committing to purchase 50% of production, up to a total of 130,000tpa.

¹ Refer ADN ASX dated 31 May 2023 titled *Company Positioning and Business Strategy Update*.

² Refer ADN ASX dated 8 June 2023 titled *Presentation - Company Positioning and Business Strategy Update - Sydney*

³ Refer AND ASX dated 6 May 2024 titled *Andromeda expansion plans for The Great White Project*

⁴ Refer ADN ASX dated 17 July 2024 titled *Binding Offtake Agreement signed with Traxys*.



Following the finalisation of the Traxys agreement, all anticipated key elements are now in place and have been shared with potential debt financiers.

The Company is in discussions with multiple potential debt financiers, including Government funding bodies, banks, and private credit institutions, all of whom are active in the data room.

In addition, we have appointed Pareto Securities, a specialist provider of brokerage and advisory services for companies seeking to access global bond markets (or markets for other debt instruments), to run a process in those markets.

The timeframe to complete a greenfield development funding process can typically take between 4-5 months (subject to market conditions), after which a final investment decision can take place.

Equity Funding

In addition to the debt funding, the Company is seeking cornerstone equity investor(s) to support the development of the GWP. Consistent with the elements required for a successful debt process, the search for a cornerstone investor in industrial minerals depends upon confidence in our product and end markets, which requires binding offtake agreements for a majority of our production. With all offtakes now in place for Stage 1A+ and Traxys' support for production expansion, a new advisor, Azure Capital (a leading Australian corporate advisory firm), has been appointed to secure cornerstone equity to support the development funding. This process will be run in parallel with the debt funding process. PAC Securities Pty Ltd and Henslow Pty Ltd, who supported the Company in its recent capital raise, will continue supporting the Company in fundraising from traditional institutional investors.

Sue-Ann Higgins, Andromeda's Executive Chair said: *"The Company remains confident in progressing towards a final investment decision, now that all the elements are place to progress funding discussions."*

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:

Manager, Investor Relations & Corporate Affairs

Patrick Sinclair

T: 08 7089 9819

M: 0403 708 431

E: Patrick.Sinclair@andromet.com.au

FORWARD-LOOKING STATEMENTS

This document contains or may contain certain forward-looking statements and comments about future events, that are based on Andromeda's beliefs, assumptions and expectations and on information currently available to management as at the date of this document. Often, but not always, forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "plan", "believes", "estimate", "anticipate", "outlook", and "guidance", or similar expressions. Such statements are only expectations or beliefs and are subject to inherent risks and uncertainties which could cause actual values, results or performance achievements to differ materially from those expressed or implied in this presentation.

Where Andromeda expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and on a reasonable basis. No representation or warranty, express or implied, is made by Andromeda that the matters stated in this presentation will in fact be achieved or prove to be correct. Except as required by law, Andromeda undertakes no obligation to provide any additional or updated information or update any forward-looking statements, whether on a result of new information, future events, results or otherwise.

Readers are cautioned against placing undue reliance on forward-looking statements. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Andromeda, the directors, and management of Andromeda.