



Andromeda

METALS

FINANCIAL REPORT

For the Half-Year Ended

31 December 2024

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Directors' Report

The names of the directors of Andromeda Metals Limited (**Andromeda, the Company**) during the half-year period and as at the date of this report, are:

Sue-Ann Higgins Executive Chair (appointed 11/09/2024) Non-Executive Director (to 11/09/24) Sustainability & Governance Committee Chair	LLB (Hons), BA, ACIS, GAICD Grad Dip Company Secretarial Practice Grad Dip Applied Finance and Investment
Michael Wilkes Non-Executive Director (from 11/09/2024) Non-Executive Chair (to 11/09/2024) Remuneration and Nomination Committee Chair Audit and Risk Committee Chair (from 29/01/2025)	BEng (Hons), MBA, MAusIMM, MAICD
Luke Anderson (Appointed 01/08/24, Resigned 11/09/2024) CEO & Managing Director	BA (Acc.), CA
Robert Katsioularis (Resigned 31/07/2024) CEO & Managing Director	BEng, MBA
Austen Perrin (Resigned 31/01/2025) Non-Executive Director Audit and Risk Committee Chair	B. Econ. (Acc.), CA, GAICD
Jean-Dominique Sorel (Appointed 23/12/2024) Non-Executive Director	BSc, MBA
Miguel Galindo (Appointed 16/01/2025) Non-Executive Director	MEngSc (Chem) majoring in Ceramic Technology, Post-graduate studies at London Business School (UK), Fuqua Business School at Duke University (USA) and INSEAD (Singapore)

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Operating and Financial Review

Strategy

To achieve the goal of delivering superior long-term shareholder returns, the directors of Andromeda Metals have formulated a strategy for the Company, comprising the following key elements:

- The Company's primary focus is on advancing the Great White Project (**GWP**, the **Project**) through to a final investment decision for development and production. This is underpinned by the Directors continuing to see a strong growing market, with supply deficits, for high-quality kaolin products driven by long-term declines in global sources of supply.
- The Company will seek to pursue additional opportunities to develop new products, processes and/or technologies that leverage the high-quality kaolin from GWP and have the potential to further enhance shareholder value.
- The Company will adhere to principles of good corporate governance, caring for its employees, conducting its operations in an environmentally sensitive and safe manner, and maintaining respect for its stakeholders and for the communities in which it operates.
- The Company acknowledges the importance of committing to, and establishing, an integrated approach to Sustainability supported by 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 used in Australia and the main markets in which the Company sells its products. The Company will also comply with all legislative requirements for sustainability reporting.

Financial Results

Income for the six months ending 31 December 2024 was \$534,651, representing a 26% decrease from the \$720,868 during the prior corresponding period (pcp). The decrease was driven by a reduction in accrued research and development incentives for activities conducted by the Company and reduced interest income on bank deposits.

The net result of operations for the six months ending 31 December 2024 was a loss after income tax of \$2,337,940 (31 December 2023 loss of \$4,213,684) representing a 45% decrease from the corresponding period.

Exploration and evaluation expenditure for the six months ending 31 December 2024 was \$1,423,289 (2023: \$2,635,720), the majority of which was directed towards the advancement of the Great White Project. In accordance with the Group's accounting policy, \$1,402,443 (2023: \$2,630,342) was capitalised and a total of \$20,846 (2023: \$5,378) was recognised in the profit and loss as a result of amounts expensed.

Operating expenditure, excluding exploration and evaluation impairment and expenses for the six months ending 31 December 2024 totalled \$2,718,628 (2023: \$4,075,382) which is inclusive of the valuation of options and performance rights issued to directors and employees.

At 31 December 2024, the Company held cash and cash equivalents totalling \$3,205,225 (31 December 2023: \$8,378,141).

Subsequent to the half-year period, the company received the following:

- a tax refund of \$2.34 million, related to tax incentives for Stage 1A+ research & development activities undertaken during the 2024 financial year; and,
- proceeds of \$950,000 following the sale, via an off-market transfer, of 52,010,000 shares in Cobra Resources PLC (LSE: COBR).

Review of Operations

During the period 1 July to 31 December 2024, the primary focus for Andromeda has been to continue the advancement of the Great White Project (**GWP**, the **Project**). The Company continued moving towards making a final investment decision while progressively de-risking the Project and evaluating funding arrangements.

Commercial

In July 2024, a Binding Offtake Agreement with Traxys Europe S.A (**Traxys**), was signed for sales across global markets, covering:

- **Great White CRM™ purchases** for sale into ceramics applications, for:
 - 25,000 wmt during the first year of production, 40,000 wet metric tonnes (**wmt**) for year two and 50,000 wmt p.a. for year three onwards (+/-10% at Traxys' option);
 - 50% of future production capacity increases, capped at 130,000 wmt p.a.;
 - Exclusive marketing and distribution in the Middle East (excluding Egypt and Morocco), Turkey, Sweden, Denmark, Norway, Finland, Iceland, Poland, Brazil, India¹, Vietnam and Bangladesh;
 - Favourable payment terms with 90% of amounts provisionally invoiced payable upon receipt of commercial documents and bills of lading, with the remaining 10% paid on final invoice;
 - Prices for year 1 and 2 are consistent with pricing assumptions in the 2023 Definitive Feasibility Study², with prices for year 3 onwards subject to annual negotiation³; and,
 - For each year, the parties share equally in pricing upside on on-sales by Traxys (other than sales of product for use in ceramic tile bodies) and in risk for on-sales of Great White CRM™ at less than the contract price⁴; and,
- **Great White HRM™ purchases** for sale into concrete applications of 5,000 – 10,000 wmt p.a.⁵

The agreement is for a term of 5-years with automatic yearly extensions (unless terminated earlier), and followed the signing of a non-binding Heads of Agreement with Traxys in November 2023.

This resulted in a total of four (4) binding offtake agreements supporting the development of Stage 1A+ of the GWP. The other binding offtake agreements signed previously:

- Plantan Yamada Co Ltd for sales into the Japanese market, in June 2023;
- Foshan Gaoming Xing-Yuan Machinery Co. Ltd for sales into the Chinese market, in October 2023; and,
- IberoClays SLU for sales across Mediterranean markets, in January 2024.

¹ Note sales by Andromeda under the Opaque HOA announced on 9 November 2023 will no longer be pursued directly, with any sales of Great White CRM™ in India and Middle East jurisdictions to be managed by Traxys.

² Refer ADN ASX dated 24 August 2023 titled *The 2023 DFS delivers significantly improved economics...*

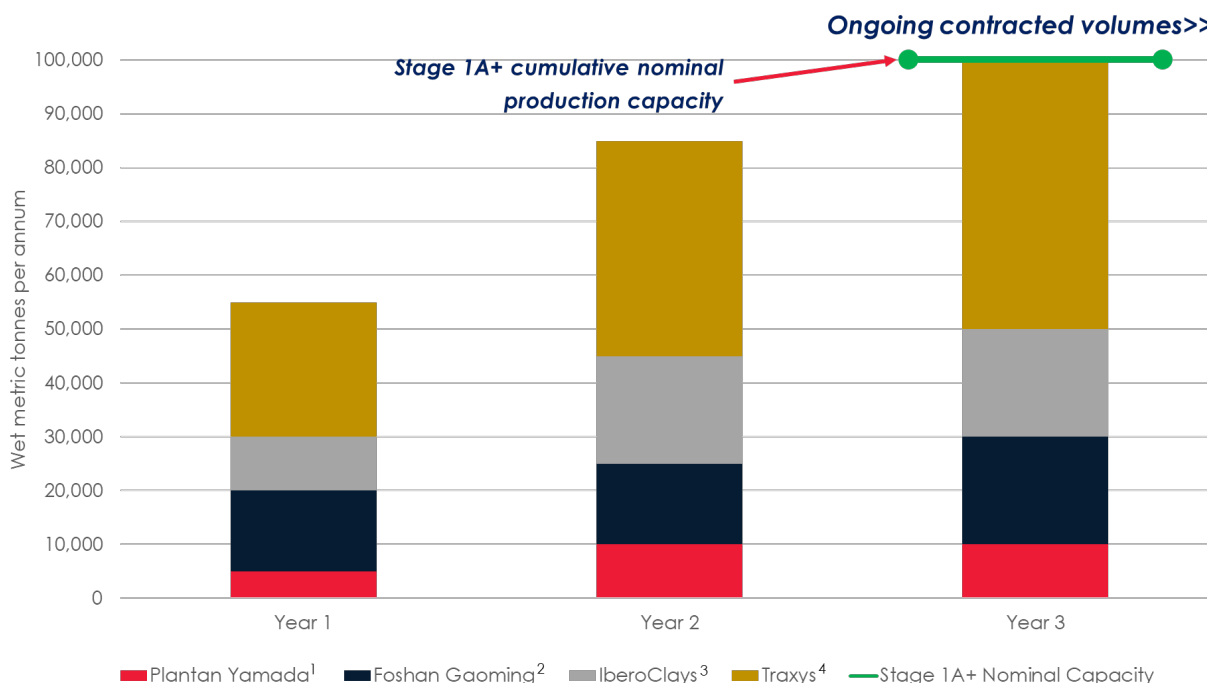
³ If agreement cannot be reached in 6 months, the audited volume weighted average sale price of the product for the Company and Traxys for the relevant contract year will apply.

⁴ To ensure a steady revenue line, Andromeda's share of any negative price difference from the fixed contract price will be financed by a secured finance facility provided by Traxys, accruing interest at 15% per annum and limited to US\$5 million (A\$7.5 million), to be subordinate to any project financing facility. The Facility may be repaid at any time and must be repaid within 5 years of the first date of delivery of Great White CRM™ or on earlier termination of the Agreement, unless Traxys elects to convert the Facility into ordinary shares (subject to any necessary approvals).

⁵ Subject to a condition precedent in favour of Traxys relating to market acceptance of the product.

In August, having obtained the required binding offtake agreements to underpin the Stage 1A+ planned production, the Company reactivated its project funding process, seeking the finance required to support a final investment decision for Stage 1A+ (see further details under Stage 1A+ Project Funding on page 10).

Binding Offtake Agreements supporting Stage 1A+ production capacity⁵



1. Refer ADN ASX dated 8 June 2023 titled *Binding Offtake Agreement signed for Japanese market*.
2. Refer ADN ASX dated 18 October 2023 titled *Binding Offtake Agreement signed for Chinese market, adjusted per Seller's volume option for Year 3*.
3. Refer ADN ASX dated 19 January 2024 titled *Binding Sales and Distribution Agreement Signed with IberoClays*.
4. Refer ADN ASX dated 17 July 2024 titled *Binding Offtake Agreement signed with Traxys*.
5. Volumes exclude contracted volumes for Great White HRMTM.

Stage 1A+ production volumes shown above exclude sales of Great White HRMTM under signed agreements. Great White HRMTM is an additive designed to assist in the decarbonisation of concrete, whose product validation program is ongoing (see further details in following section titled Technical).

Conditional offtake agreements⁶ for Great White HRMTM sale into concrete applications have been signed with:

- Traxys for 5,000 wmt in year 1 and 10,000 wmt p.a. for year 2 onwards (as noted previously), with exclusive marketing and distribution in Turkey, India, France and the Middle-East; and
- IberoClays 2,000 wmt p.a. with non-exclusive marketing and distribution rights in Spain and Portugal for concrete applications.

Technical

During the period, the product validation program on Great White CRMTM facilitated by Galesk Consultancy continued, with pilot scale production tests of its use in ceramic glazes undertaken in the commercial production of glossy glazed and porcelain glazed tiles.

⁶ Subject to conditions precedent in favour of the buyer relating to market acceptance of the product.

The pilot scale production tests were conducted at a commercial manufacturer of frits and glazes in Spain, with additional test work conducted independently by the Institute of Ceramic Technology (ITC), located at the University of Castellón, Spain.

During the period, the product validation program for the commercialisation of Great White HRM™ continued to progress under Stage 2 of the Strategic Alliance Agreement with Hallett Group signed in November 2023.

Under Stage 2, Hallett Group will undertake laboratory trials to test the suitability of Great White HRM™ for use in various concrete and mining applications.

Separately, additional samples of Great White HRM™ were sent overseas to assess potential customer applications in offshore markets.

Operations

Andromeda continued planning activities in anticipation of a final investment decision being made.

During the period, the procurement of Stage 1A+ long lead items was progressed, with the following activities conducted and current status shown as follows:

- Drum washer – factory acceptance testing (**FAT**) completed, warehoused, ready for shipment;
- Thickener – FAT completed, warehoused, ready for shipment;
- Fluid bed dryer – FAT completed, warehoused, ready for shipment;
- Filter Press – FAT process in progress; and
- Filter Cake Feeder – engineering design completed, with fabrication to commence following an anticipated final investment decision being made.

Warehousing of long lead items is actively managed to optimise product warranty conditions, with delivery timeframes aligned with anticipated development schedule.

The Company also made preparations for the procurement of the 'balance of plant' capital and infrastructure items to support the expanded Stage 1A+ nominal production of 100,000 wmt p.a.

Operations at the Streaky Bay Pilot Plant were minimised to conserve cash, while also enabling the delivery of samples for customer testing and product validation.

During the period there were no lost time injuries and no reportable environmental incidents.

✓ **Drum washer built**



✓ **Thickener built**



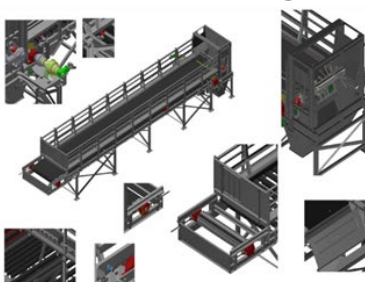
✓ **Fluid bed dryer built**



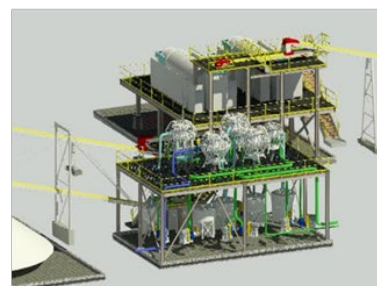
✓ **Filter press built**



✓ **Cake feeder designed**



✓ **Engineering design**



Regional Minerals Exploration

GWP – Regional Exploration (Andromeda 100%)

Eyre Kaolin Project

(Andromeda has earned the right to a 51% interest by expending \$750,000 by November 2024)

During the period, the Company earned the right to a 51% interest in the Eyre Kaolin Joint Venture (**EKJV**) under Stage 1 of the agreement with Peninsula Exploration Pty Ltd signed in August 2021, by satisfying the \$750,000 expenditure commitment on exploration and evaluation activities within the initial three (3) year timeframe.

The four tenements comprised in the EKJV are located in close proximity to the GWP, which include kaolin prospects with complementary properties to those at GWP.

From within the EKJV Project area, the South Australian Core Library holds around 400 broad spaced historic drillholes. Of these, approximately 250 drillholes were only assayed for either uranium or heavy mineral sands. Hence, Andromeda has commenced a program to assess these holes for a broader range of commodities, including metals and commercial minerals.

The Company has the right to earn a further 29% interest in the EKJV (for a total of 80%) by expending a further \$2 million on exploration over an additional period of three years.

Metals Projects

Andromeda's strategic focus remains on developing its portfolio of kaolin projects which has resulted in the Company divesting its gold and copper assets.

During the period, the Company continued to progress the tenement transfers related to the previously completed sales of the Wudinna Gold Project and Moonta Copper Gold Project, via South Australia's subdivision process.

Additionally, Western Australian tenement E63/2089, held by Mylo Gold Pty Ltd, was surrendered.

Research Projects

In June 2024, the Company announced that it progressed plans to produce the critical mineral, high-purity alumina (HPA) from kaolin sourced from the GWP, using its novel flowsheet for which an international Patent Co-operation Treaty (PCT) application had previously been filed.

During the period, test work on the Company's novel flowsheet was progressed.

Finance

The Company continued to prudently manage costs during the period. In addition to minimising expenditure, the Company identified other measures to support it in conserving cash.

A total of over \$1.5 million in cash saving initiatives were implemented, including:

- Mick Wilkes electing not to receive any director fees until the Project is fully financed;
- Sue-Ann Higgins accepting reduced fees than what she would ordinarily have received as an Executive Chair;
- No salary increases being awarded, and no short-term incentives (STIs) being paid, following the annual remuneration review for the 2024 financial year;

- Reducing some staff to a temporary part-time commitment to save salary costs (noting that retention of staff is important for the funding due diligence process and to demonstrate the Company can deliver the Project); and,
- Implementation of a strategy to allow directors and employees to have some of their remuneration or fees satisfied by the issue of zero exercise price options (**ZEPOs**), whilst development funding is being pursued.

During the period, the Company conducted a capital raising, raising approximately \$3.82 million (before costs), including:

- \$3.4 million via the Placement to sophisticated and institutional investors;
- approximately \$260,000 by way of the take up of entitlements under the Entitlement Offer by eligible shareholders, including full take-up by Directors Mick Wilkes and Austen Perrin;
- approximately \$140,000 from eligible shareholders under a Top-up Facility; and
- \$10,000 from each of Sue-Ann Higgins (Executive Chair) and Sarah Clarke (Acting CEO) out of the remaining shortfall.

New securities offered under the above were at a price of \$0.012 per new fully paid ordinary share (**New Share**), with a free attaching listed option for every New Share subscribed, exercisable at \$0.0175 and expiring 30 September 2027 (**Option**).

To seek shareholder approval or ratification for the issuing of New Shares and Options under the capital raising, a General Meeting occurred on 10 October 2024, with all 4 resolutions put before the meeting, passed.

Advance Finding awarded for GWP by Australian Government

During the period, the Australian Government's AusIndustry awarded the Company an Advance and Overseas Finding Certificate (**Advance Finding**).

The Advance Finding covers certain activities related to scaling up of product and process development under Stage 1A+ of the GWP, covering Great White CRM™, Great White KCM™90, Great White HRM™, in addition to feedstock for HPA trials.

The Advance Finding enables Andromeda to claim refundable tax offsets or cash rebates of 43.5%⁷ on eligible expenditure of up to ~\$26 million⁸, on the following:

- Streaky Bay Pilot Plant expenditure,
- Expenditure related to the Project team, exploration and evaluation, and site administration,
- Stage 1A+ design works and processing operating costs,
- Mining operating costs during testing period, and
- Depreciation on plant and mine development during testing period.

Andromeda's Advance Finding is binding for the three income tax years commencing with the 2024 financial year and including the two subsequent financial years.

During the period, an Income Tax Return for the 2024 financial year, was submitted. Subsequent to the period, a tax refund of \$2.34 million was received, related to tax incentives predominately for Stage 1A+ research & development activities undertaken during the 2024 financial year.

⁷ Subject to the applicable research & development incentive and income tax rules. Should aggregated turnover exceed \$20 million during any financial year, rather than refundable the amounts claimed will be applied as carried-forward tax losses at the relevant non-refundable R&D tax offset rate.

⁸ Eligible expenditure must be incurred in order to claim.

Stage 1A+ Project Funding

During the period, the Company reactivated its project funding process with the aim of securing the required finance to support a final investment decision for Stage 1A+.

The Stage 1A+ project funding process aims to secure the \$90 million (excluding financing costs, interest and cash reserves), which includes:

- \$84 million capital expenditure for Stage 1A+,
- less any capital expenditure already incurred prior to a final investment decision,
- plus working capital expected during the planned development period.

The Company is targeting debt to equity structures of up to two thirds debt to one third equity, at either company or asset level, and will consider alternative financing structures such as royalties.

To support the Stage 1A+ project funding process, the Company has appointed:

- Azure Capital, a leading Australian corporate advisory firm, to seek cornerstone investment to support the development funding; and,
- Pareto Securities, a specialist provider of brokerage and advisory services for companies seeking to access certain debt markets, to run a process in those markets.

The debt and equity funding processes are competitive and being run in parallel.

Positive progress is being made, with advanced due diligence in progress with a select number of capital providers.

Outlook and Future Developments

Looking forward, the Company's primary focus will continue to be directed towards further advancing GWP, through the following:

- Finalisation of the funding process aimed at securing financing required for Stage 1A+
- Subject to securing the required funding and a final investment decision being made, commencement of construction of Stage 1A+
- Progression of ongoing discussions, and identification of new potential opportunities, aimed at securing further binding offtake agreements to underpin future expansions for GWP;
- Pursuit of additional opportunities to develop new products, processes and/or technologies that leverage the high-quality kaolin from GWP and have the potential to further enhance shareholder value; and
- Continuation of exploration activities focused on prospects with complementary attributes to the GWP.

Dividends

No dividends were paid or declared since the start of the financial year, and the directors do not recommend the payment of dividends in respect of the financial year.

Changes in State of Affairs

There was no significant change in the state of affairs of the Group during the financial year.

Competent Persons Statements

Information in this report that relates to the Exploration Results for The Great White Project, Eyre Kaolin Project and Mt Hope Halloysite-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 consents to inclusion in this document of the information in the form and context in which it appears.

Subsequent Events

On 16 January 2025, Miguel J. Galindo joined the Board of Andromeda as a Non-Executive Director. Mr Galindo is a chemical engineer with a major in ceramic technology, and is a globally recognised expert in industrial minerals, with over 25 years' experience at Rio Tinto in operations, sales and marketing and general management. He is the founder and CEO of Galesk Consultancy S.L.U. (Galesk);

On 20 January 2025, a tax refund of \$2.34 million was received, related to tax incentives for Stage 1A+ research & development activities undertaken during the 2024 financial year.

On 31 January 2025, Austen Perrin elected to step down from the Board, to ensure an orderly transition and to keep the size of the Board appropriate to the size and position of the Company.

On 24 February 2025, the Company received proceeds of A\$950,000 following the sale, via an off-market transfer, of its 52,010,000 shares in Cobra Resources PLC (LSE: COBR) received from the sale of its remaining 25% interest Wudinna Gold Project.

On 26 February 2025, 1,972,789 ordinary shares were issued, subject to escrow conditions, following exercise of an equivalent number of unlisted ZEPOs (ASX: ADNAC) issued under the Employee Incentive Plan, following approval by shareholders at the 2024 Annual General Meeting. On 31 January 2025, 5,918,367 unlisted ZEPOs (ASX: ADNAC) lapsed.

Other Matters

There has not been any other matter or circumstance occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or state of affairs of the Group in future financial years.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 13 of the half-year financial report.

Dated at Adelaide this 14th day of March 2025 and signed in accordance with a resolution of the directors.



Sue-Ann Higgins
Executive Chair



Michael Wilkes
Non-Executive Director

14 March 2025

The Board of Directors
Andromeda Metals Limited
431 King William Street
ADELAIDE SA 5000

Dear Board Members

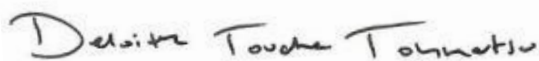
Auditor's Independence Declaration to Andromeda Metals Limited

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.

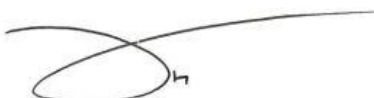
As lead audit partner for the review of the financial report of Andromeda Metals Limited for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Darren Hall
Partner
Chartered Accountants

**Condensed Consolidated Statement of Profit or Loss
and Other Comprehensive Income
for the Half-Year ended 31 December 2024**

	Note	Half-Year Ended 31/12/24	Half-Year Ended 31/12/23
		\$	\$
Other income	2	534,651	720,868
Impairment of exploration and evaluation assets		(133,117)	(853,792)
Exploration and evaluation expenditure expensed	3	(20,846)	(5,378)
Administration expenses		(869,095)	(909,336)
Corporate consulting expenses		(375,947)	(762,591)
Company promotion		(15,540)	(43,505)
Salaries and wages		(981,441)	(1,699,826)
Directors fees		(138,498)	(205,031)
Research & development		(310,034)	(528,631)
Share based remuneration	5	(28,073)	73,538
Loss before income tax		(2,337,940)	(4,213,684)
Income tax expense		-	-
Loss for the period		(2,337,940)	(4,213,684)
Other comprehensive income		-	-
Total comprehensive loss for the period		(2,337,940)	(4,213,684)
Earnings Per Share			
Basic (cents per share) – (Loss)		(0.07)	(0.14)
Diluted (cents per share) – (Loss)		(0.07)	(0.14)

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

**Condensed Consolidated Statement of Financial Position
as at 31 December 2024**

	Note	31/12/24 \$	30/06/24 \$
CURRENT ASSETS			
Cash and cash equivalents		3,205,225	5,436,262
Trade and other receivables		3,184,013	706,141
TOTAL CURRENT ASSETS		6,389,238	6,142,403
NON-CURRENT ASSETS			
Exploration and evaluation assets	3	142,978,301	143,987,140
Property, plant and equipment		6,643,981	5,949,169
Other financial assets		1,985,880	1,989,303
TOTAL NON-CURRENT ASSETS		151,608,162	151,925,612
TOTAL ASSETS		157,997,400	158,068,015
CURRENT LIABILITIES			
Trade and other payables		1,057,024	2,250,227
Provisions		254,952	251,112
Lease liabilities		217,751	215,898
TOTAL CURRENT LIABILITIES		1,529,727	2,717,237
NON-CURRENT LIABILITIES			
Provisions		132,275	109,407
Lease liabilities		260,023	365,437
TOTAL NON-CURRENT LIABILITIES		392,298	474,844
TOTAL LIABILITIES		1,922,025	3,192,081
NET ASSETS		156,075,375	154,875,934
EQUITY			
Issued capital	4	223,385,175	219,882,120
Reserves		1,166,548	1,132,222
Accumulated losses		(68,476,348)	(66,138,408)
TOTAL EQUITY		156,075,375	154,875,934

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

Condensed Consolidated Statement of Changes in Equity for the Half-Year ended 31 December 2024

	Issued capital	Share Option Reserve	NCI Acquisition Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2024	219,882,120	205,409	926,813	(66,138,408)	154,875,934
Loss for the period	-	-	-	(2,337,940)	(2,337,940)
Total comprehensive income (loss) for the period	-	-	-	(2,337,940)	(2,337,940)
Issue of share capital through placement	3,400,000	-	-	-	3,400,000
Issue of share capital through entitlement offer	421,382	-	-	-	421,382
Cost associated with the issue of shares	(318,473)	6,253	-	-	(312,220)
Shares issued on the exercise of listed options	146	-	-	-	146
Fair value of options issued to directors	-	16,190	-	-	16,190
Fair value of options issued to employees	-	73,668	-	-	73,668
Fair value of performance rights issued to employees	-	(61,785)	-	-	(61,785)
Balance at 31 December 2024	223,385,175	239,735	926,813	(68,476,348)	156,075,375
Balance at 1 July 2023	219,882,120	4,287,070	926,813	(62,939,160)	162,156,843
Loss for the period	-	-	-	(4,213,684)	(4,213,684)
Total comprehensive income (loss) for the period	-	-	-	(4,213,684)	(4,213,684)
Fair value of options issued to directors	-	35,693	-	-	35,693
Fair value of performance rights issued to directors	-	97,235	-	-	97,235
Fair value of performance rights issued to employees	-	42,504	-	-	42,504
Performance Rights Forfeited	-	(36,392)	-	-	(36,392)
Performance Rights Expired	-	(3,363,042)	-	3,363,042	-
Options Forfeited	-	(212,578)	-	-	(212,578)
Options Expired	-	(706,866)	-	706,866	-
Balance at 31 December 2023	219,882,120	143,624	926,813	(63,082,936)	157,869,621

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

Condensed Consolidated Statement of Cash Flows for the Half-Year ended 31 December 2024

	Note	Half-Year Ended 31/12/24 \$	Half-Year Ended 31/12/23 \$
Cash flows related to operating activities			
Government grants received		28,000	516,308
Payments to suppliers and employees		(2,683,101)	(4,000,822)
Net cash used in operating activities		(2,655,101)	(3,484,514)
Cash flows related to investing activities			
Interest received		68,813	202,839
Government grants received		-	690,630
Payment/Refund for Bank Guarantee		-	7,000
Payments for exploration and evaluation expenditure		(1,700,378)	(2,561,661)
Payments for plant and equipment		(1,282,238)	(1,656,494)
Net cash used in investing activities		(2,913,803)	(3,317,686)
Cash flows related to financing activities			
Proceeds from shares and equity options		3,821,528	-
Payment for Capital Raising costs		(312,219)	-
Lease payments		(162,623)	(109,456)
Interest paid		(8,819)	(11,093)
Net cash provided by/ (used in) financing activities		3,337,867	(120,549)
Net decrease in cash and cash equivalents		(2,231,037)	(6,922,749)
Cash and cash equivalents at beginning of financial period		5,436,262	15,300,890
Cash and cash equivalents at end of financial period		3,205,225	8,378,141

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

Notes to the financial statements

Half-Year ended 31 December 2024

1. BASIS OF ACCOUNTING

This half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2024 annual financial report, other than as disclosed below.

Adoption of new and revised Accounting Standards

The Group has adopted all 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 2024. 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/amendment	Effective for annual reporting periods beginning on or after	Nature of the change and expected impact
<i>AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended)</i>	1 January 2025	Limits the recognition of gain or loss arising from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture to the extent of the unrelated investors' interest in that associate or joint venture. Similar limitations apply to remeasurements of retained interests in former subsidiaries. These amendments may impact the Group's consolidated financial statements in future periods should such transactions arise.
<i>AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability</i>	1 January 2025	Specifies how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not. The Group currently does not have operations in countries where the currency is not exchangeable at the measurement date.

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.

Going Concern

The consolidated financial statements have been prepared on the 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 half year ended 31 December 2024 the Group incurred a net loss of \$2,337,940 (31 December 2023: \$4,213,684), and experienced net cash outflows from operating activities \$2,655,101 (31 December 2023: \$3,484,514) and investing activities of \$2,913,803 (31 December 2023: \$3,317,686). At 31 December 2024, the Group has cash reserves of \$3,205,225 (31 December 2023: \$8,378,141).

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:

- In January 2025, the Group received a Research & Development (R&D) Tax Incentive refund of \$2.34 million, following lodgement of the Company's tax return for the 2024 financial year.
- In February 2025, the Group sold 52,010,000 ordinary shares in Cobra Resources PLC (LSE: COBR) via an off-market transfer for total proceeds of A\$950,000.
- The Group continues to pursue its flagship development, 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 is in advanced due diligence with a select number of capital providers.
- Progress is being made towards finding an appropriate debt funding package to partially support the Project's funding needs.
- 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.
- In a scenario in which funding is not secured, management have prepared a cash flow forecast for the period ending 31 March 2026 which indicates minimum funding of \$2.0 million will be required progressively over the period commencing from October 2025 by way of debt, equity or other forms of funding to continue to progress the Group's projects through to 31 March 2026.

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.

2. OTHER INCOME

	Half-Year Ended 31/12/24 \$	Half-Year Ended 31/12/23 \$
Interest income on bank deposits	73,798	118,742
Research and development incentives (i)	436,035	559,481
Fair value movement in equity investment held at fair value through profit and loss	(3,782)	
Other	28,600	42,645
	<u>534,651</u>	<u>720,868</u>

- (i) Research & Development tax incentives made up of \$199,293 adjustment for FY24 R&D Incentive and accrual of \$236,742 for half year ended 31/12/2024 relating to Research & Development expenditure.

3. EXPLORATION AND EVALUATION ASSETS

	Half-Year Ended 31/12/24 \$	Year Ended 30/06/24 \$
Costs brought forward	143,987,140	142,124,436
Expenditure incurred during the period (net)	1,402,443	4,906,454
Research and development incentives (i)	(2,257,319)	(1,579,626)
	<u>143,132,264</u>	<u>145,451,264</u>
Impairment of exploration and evaluation expenditure assets		
Exploration impaired	(133,117)	(853,792)
Exploration written off	(20,846)	(10,180)
Transfer to assets held for sale	-	(600,152)
	<u>142,978,301</u>	<u>143,987,140</u>

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.

Exploration and evaluation expenditure expensed

Exploration and evaluation expenditure expensed relates to exploration activities, such as regional exploration to identify new exploration targets where no tenure is currently held by the Group. Such expenditure is expensed as incurred in accordance with the requirements of AASB 6.

- (i) Research and Development incentives are made up of amounts receivable relating to Government R&D incentives for expenditure directly associated with the Great White Project. The movement is made up of \$1,789,601 adjustment accrued for the FY24 R&D Incentive and an additional accrual of \$467,718 for R&D expenditure for the half year ended 31/12/2024.

4. ISSUED CAPITAL

	Half-Year Ended 31/12/24 \$	Half-Year Ended 31/12/23 \$
Fully paid ordinary shares	223,437,396	219,934,341
Treasury shares	(52,221)	(52,221)
	<u>223,385,175</u>	<u>219,882,120</u>

Movement in issued shares for the year:

	Half-Year Ended 31/12/24 No.	Half-Year Ended 31/12/24 \$	Half-Year Ended 31/12/23 No.	Half-Year Ended 31/12/23 \$
<u>Fully paid ordinary shares</u>				
Balance at 1 July	3,110,270,932	219,934,341	3,110,270,932	219,934,341
Placement at 1.2 cents	283,333,344	3,400,000	-	-
Entitlement offer at 1.2 cents	35,115,061	421,382	-	-
Exercise of listed options	8,352	146	-	-
Costs associated with the issue of shares	-	(318,473)	-	-
Balance at 31 December	<u>3,428,727,689</u>	<u>223,437,396</u>	<u>3,110,270,932</u>	<u>219,934,341</u>
<u>Treasury shares</u>				
Balance at 1 July	(2,107,500)	(52,221)	(2,107,500)	(52,221)
Change in treasury shares	-	-	-	-
Balance at 31 December	<u>(2,107,500)</u>	<u>(52,221)</u>	<u>(2,107,500)</u>	<u>(52,221)</u>
Total issued capital	<u>3,426,620,189</u>	<u>223,385,175</u>	<u>3,108,163,432</u>	<u>219,882,120</u>

5. SHARE OPTIONS AND PERFORMANCE RIGHTS

Half-year ended 31 December 2024

During the half-year ended 31 December 2024 the Company issued the following share options:

	Number	Exercise Price	Vesting Date	Expiry Date
Listed Share Options	338,448,405	\$0.0175	N/A	30 September 2027
Unlisted Share Options	52,312,825	\$0.0000	Various	02 December 2027

The listed share options (ASX: ADNOC) were granted as:

- free attaching options to new ordinary shares issued in the placement conducted in August 2024 (283,333,344 options),
- free attaching options to new ordinary shares issued under the associated entitlement offer completed in October 2024 (35,115,061 options) and
- as part of fees paid to the Joint Lead Managers of the capital raise (20,000,000 options).

The options granted to the Joint Lead Managers have been valued at the grant date using a Black-Scholes Model. At grant date, the share options were valued to a total of \$0.087 million.

The unlisted zero exercise price options (ZEPOs) were issued to Directors and employees who elected to receive a portion of their remuneration satisfied by the issue of ZEPOs. The options vest on a quarterly basis subject to service.

During the half-year ended 31 December 2024 the Company issued the following performance rights:

	Number	Vesting Condition	Expiry Date
Performance rights	10,138,200	Total Shareholder return relative to selected peers over the performance period.	31 December 2027

The performance rights were granted to Mr. Robert Katsioularis in relation to his employment as CEO and Managing Director, as an eligible participant in the Company's Employee Incentive Plan following shareholder approval at the 2024 Annual General Meeting. Vesting of these performance rights is subject to the satisfaction of performance conditions based on the Company's total shareholder return relative to selected peer group companies over the performance period (from 1 January 2024 to 31 December 2026).

Half-year ended 31 December 2023

During the half-year ended 31 December 2023 the Company did not issue any share options or performance rights.

6. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent assets from those disclosed in the annual report for the year ended 30 June 2024.

7. SEGMENT INFORMATION

The Group has a number of exploration licenses in Australia which are managed on a portfolio basis. The decision to allocate resources to individual projects in the portfolio is predominantly based on available cash reserves, technical data and the expectations of future commodity prices. Accordingly, the Group effectively operates as one segment, being exploration in Australia. 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.

8. SUBSEQUENT EVENTS

On 16 January 2025, Miguel J. Galindo joined the Board of Andromeda as a Non-Executive Director. Mr Galindo is a chemical engineer with a major in ceramic technology, and is a globally recognised expert in industrial minerals, with over 25 years' experience at Rio Tinto in operations, sales and marketing and general management. He is the founder and CEO of Galesk Consultancy S.L.U. (Galesk);

On 20 January 2025, a tax refund of \$2.34 million was received, related to tax incentives for Stage 1A+ research & development activities undertaken during the 2024 financial year.

On 31 January 2025, Austen Perrin elected to step down from the Board, to ensure an orderly transition and to keep the size of the Board appropriate to the size and position of the Company.

On 24 February 2025, the Company received proceeds of A\$950,000 following the sale, via an off-market transfer, of its 52,010,000 shares in Cobra Resources PLC (LSE: COBR) received from the sale of its remaining 25% interest Wudinna Gold Project.

On 26 February 2025, 1,972,789 ordinary shares were issued, subject to escrow conditions, following exercise of an equivalent number of unlisted ZEPOs (ASX: ADNAC) issued under the Employee Incentive Plan, following approval by shareholders at the 2024 Annual General Meeting. On 31 January 2025, 5,918,367 unlisted ZEPOs (ASX: ADNAC) lapsed.

Other Matters

There has not been any other matter or circumstance occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or state of affairs of the Group in future financial years.

Directors' Declaration

The directors declare that, in the directors' opinion:

- a) the attached consolidated financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half year ended on that date; and
 - ii. complying with the Australian Accounting Standards and the Corporations Regulations 2001
- b) subject to the matters disclosed in Note (1) Going Concern, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- c) the attached financial statements are in compliance with IFRS Accounting Standards, as stated in note 1 to the consolidated financial statements.

Signed in accordance with a resolution of the directors made pursuant to Section 303(5) of the Corporations Act 2001

On behalf of the directors



Sue-Ann Higgins
Executive Chair



Michael Wilkes
Non-Executive Director

Adelaide, South Australia
14th March 2025

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Independent Auditor's Review Report to the members of Andromeda Metals Limited

Conclusion

We have reviewed the half-year financial report of Andromeda Metals Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2024, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on page 26.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year 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 and 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 annual 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 review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the Group incurred net losses of \$2,337,940, experienced net cash outflows from operating and investing activities of \$5,568,904 for the period ended 31 December 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

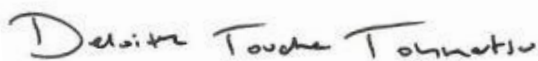
Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

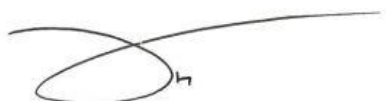
Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The logo for Deloitte Touche Tohmatsu, featuring the company name in a stylized, handwritten-style font.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to be 'Darren Hall'.

Darren Hall
Partner
Chartered Accountants

Adelaide, 14 March 2025