

March 17, 2021

DEVELOPING A WORLD-CLASS
HALLOYSITE-KAOLIN PROJECT



ASX:ADN
www.andromet.com.au



\$900M

MARKET
CAPITALISATION

\$6.7M

CASH
(31 March 2021)

\$0M

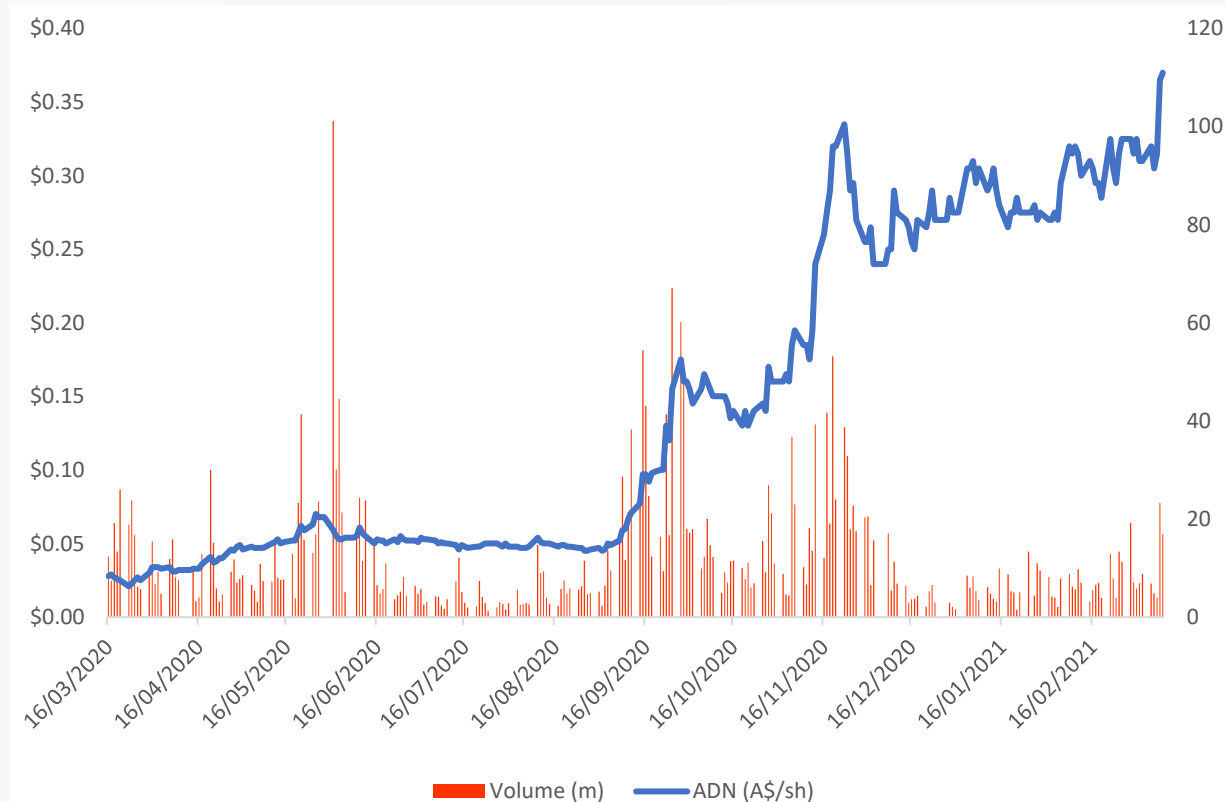
DEBT

2,152M

FULLY PAID
ORDINARY SHARES

\$0.41c

CURRENT SHARE
PRICE



**PRIMARY
FOCUS**

HALLOYSITE-KAOLIN

**Great White Kaolin (ADN 75% JV with MEP 25%) and Mount Hope (100%)
Projects in South Australia**

Natural Nanotech (ADN 50% JV with MEP 50%)

**ADDITIONAL
ASSETS& JV'S**

GOLD

**Drummond Project
Gold in Qld**

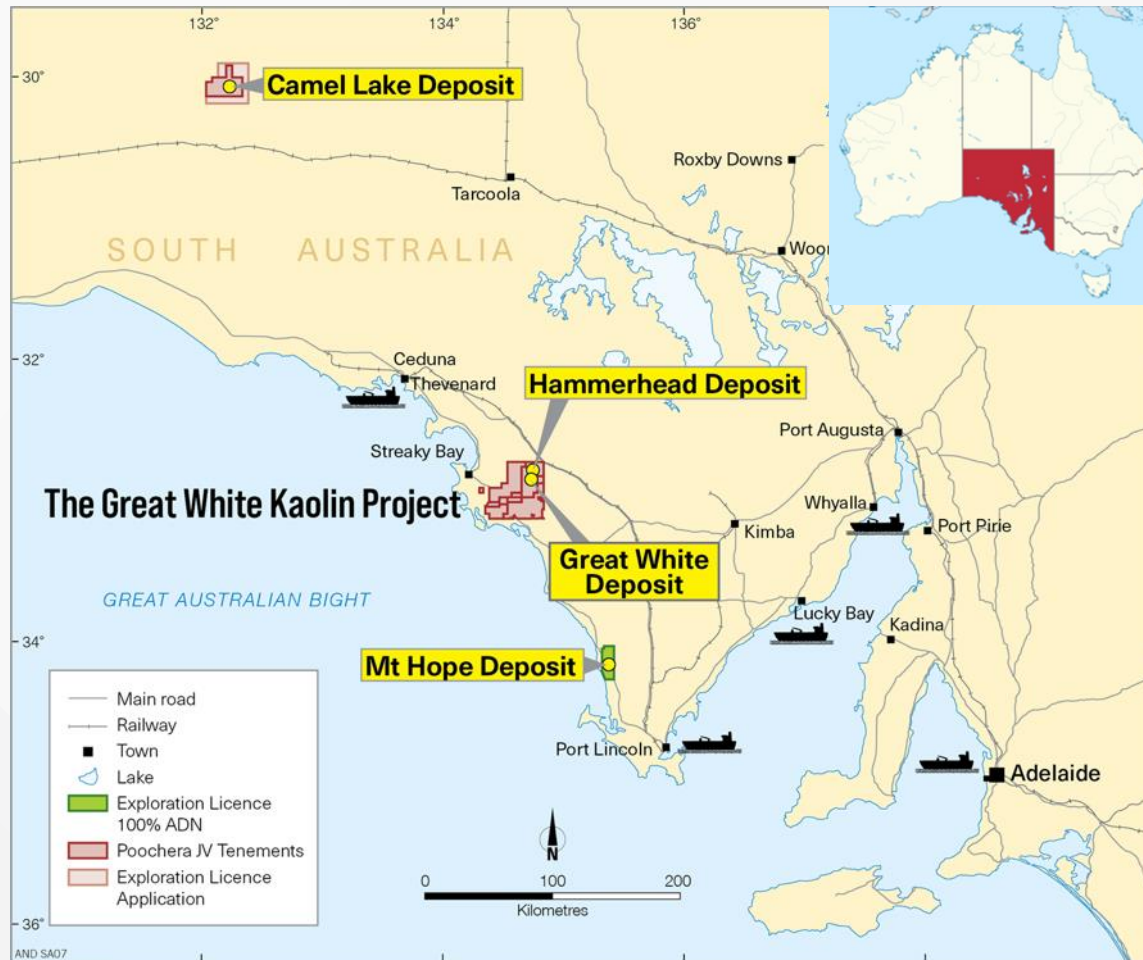
**Cobra Resources JV
Gold in SA**

COPPER

**Environmental
Copper Recovery JV
Copper in SA**

GREAT WHITE KAOLIN PROJECT

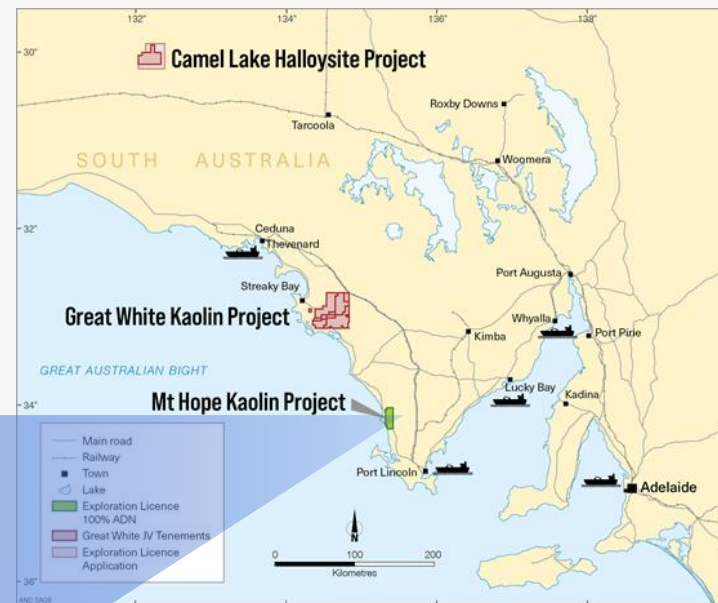
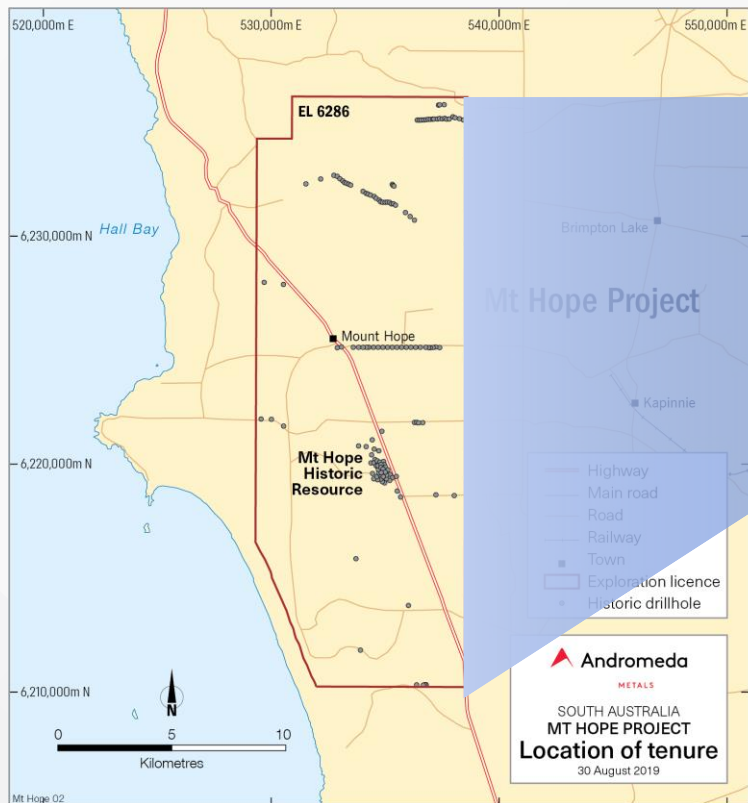
(Joint Venture 75% Andromeda:25% Minotaur)



Primary Project Focus – Halloysite-Kaolin

- Great White – probably the world's largest known high-purity halloysite-kaolin resource
- Current total resources of well over 100Mt
- Offtake LOI's for approx. 1Mt/pa mixed grades
- First Binding Offtake just secured
- Located close to essential infrastructure
- Multiple Nanotechnology opportunities
- High Purity Alumina (HPA) opportunity

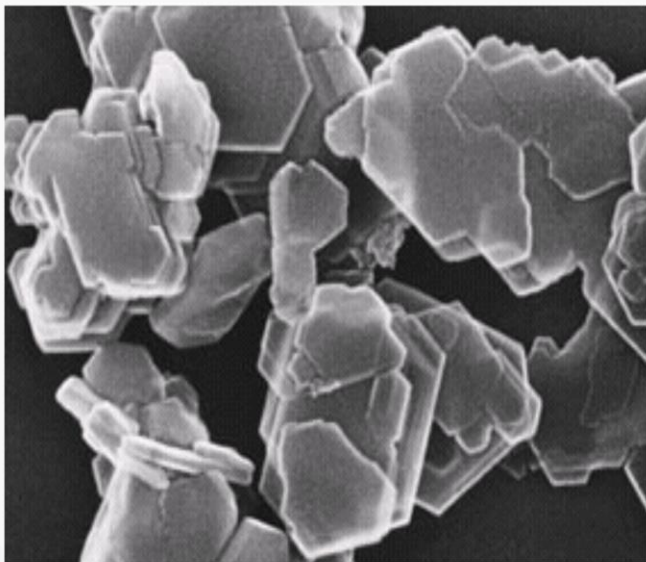
MOUNT HOPE PROJECT (100% ADN)



- Mount Hope JORC Resource of 18Mt
- Still open and areas up to 4 times the average Great White Resource thickness
- Out-performs the World's leading high-value coatings products
- Drilling program just completed

WHAT IS HALLOYSITE-KAOLIN

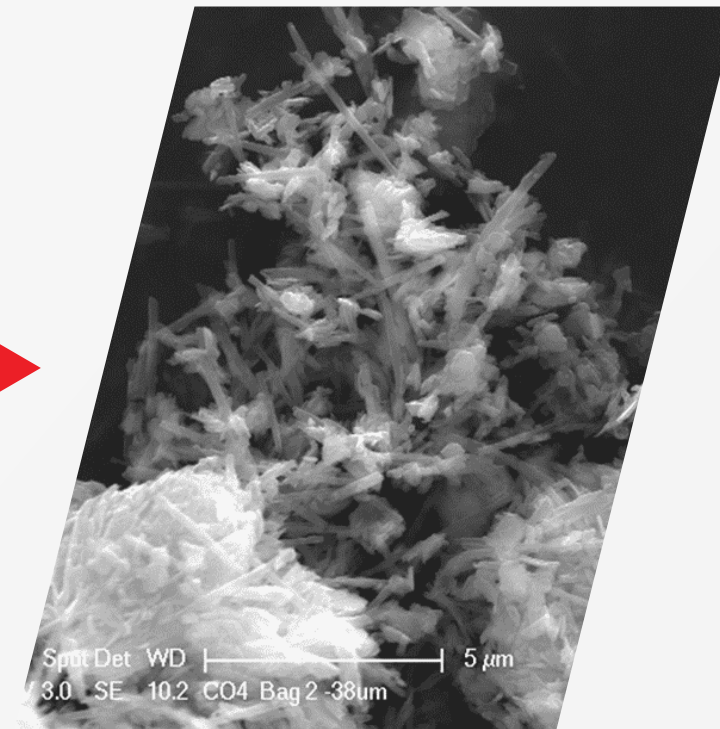
Standard Kaolin Product



Kaolinite Plates



Halloysite Tubes



The Great White Resource is a naturally occurring blend of tubes and plates

You already use kaolin in a vast number
of applications, everyday



Ceramics



Medical



Paint & Coatings



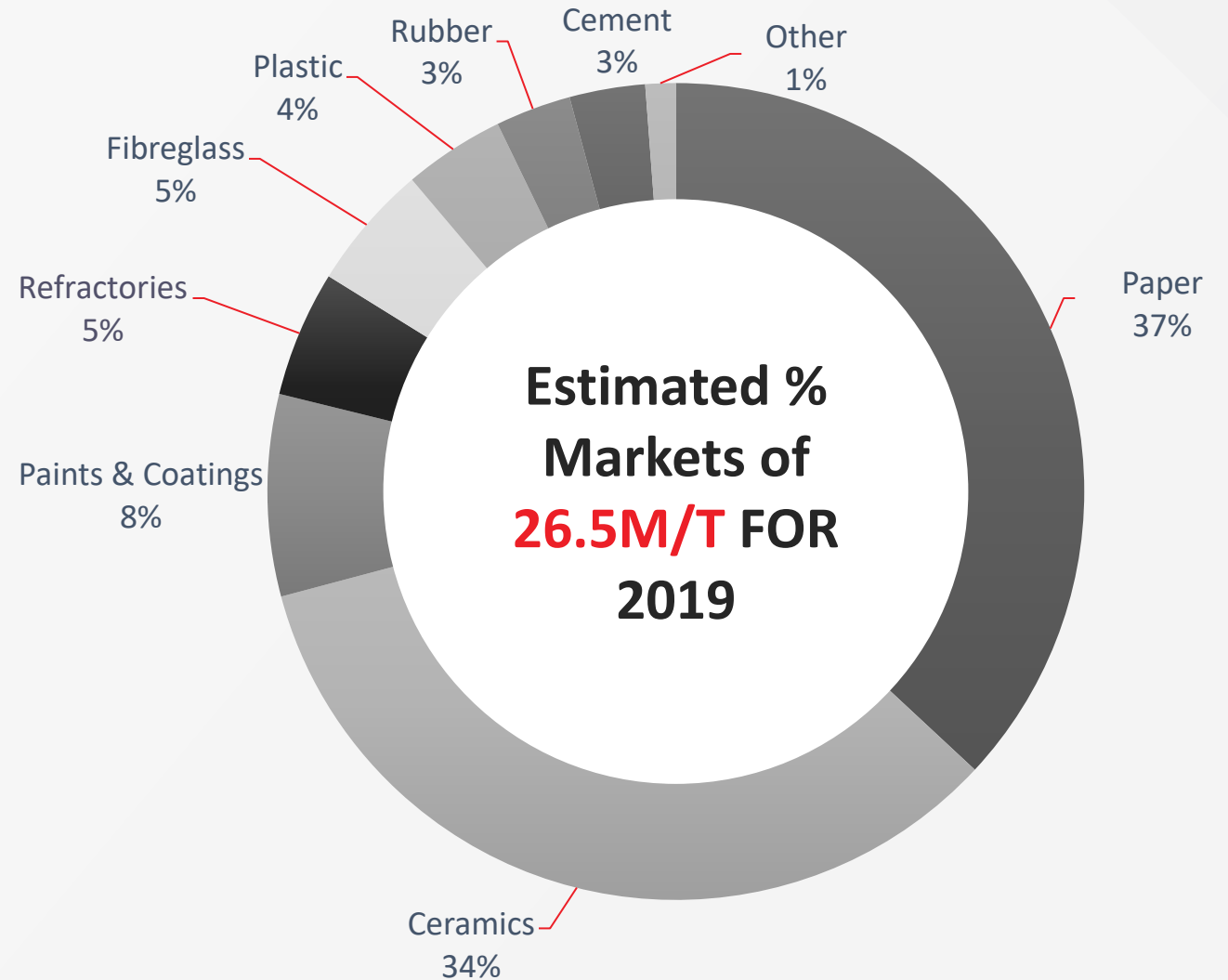
Transport



Plastic



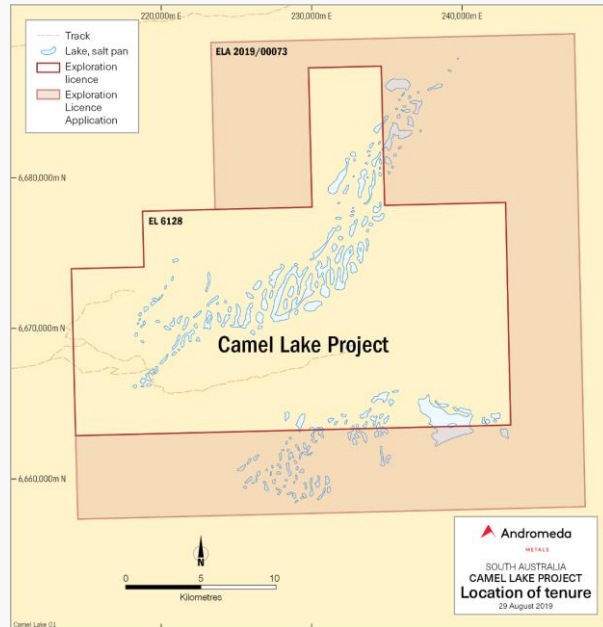
Product



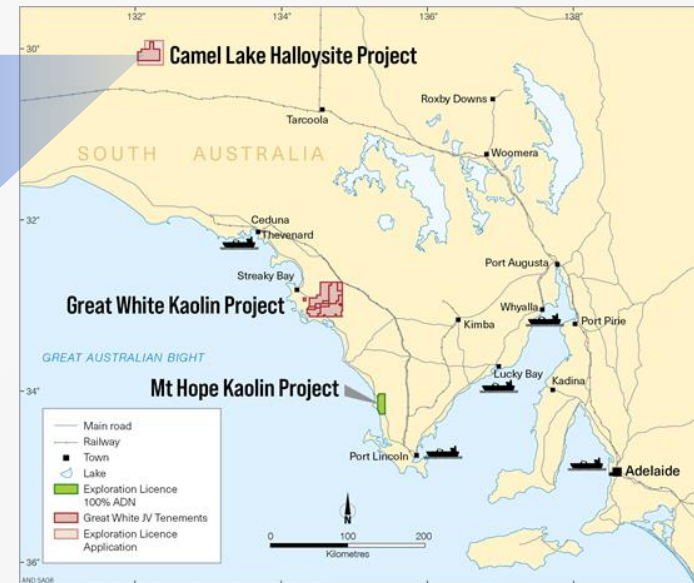
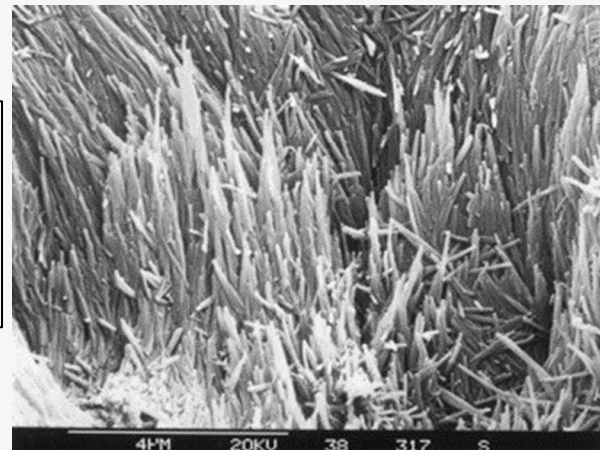
CAMEL LAKE PROSPECT

(Part of the Great White Project)

Highest Purity and most Consistent Halloysite Discovered Worldwide



Electron
Micrograph of
Camel Lake
Halloysite



Purity of 99.6%
Found Very Close to
Surface



Most researched clay mineral in the world

Use only constrained by supply shortage

100's of Patents Granted

Great White Project halloysite is being tested in numerous emerging and existing applications



Hydrogen Storage and Transport



Batteries and Super-Capacitors



Water Purification



Medical Delivery of Drugs



Carbon Dioxide Capture/Storage and Conversion to Fuels



Agriculture/Delivery of Herbicides & Fertilisers



Construction

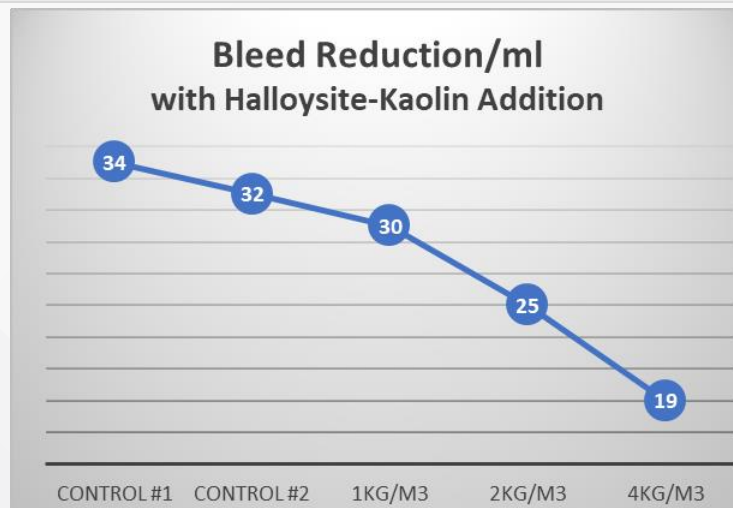
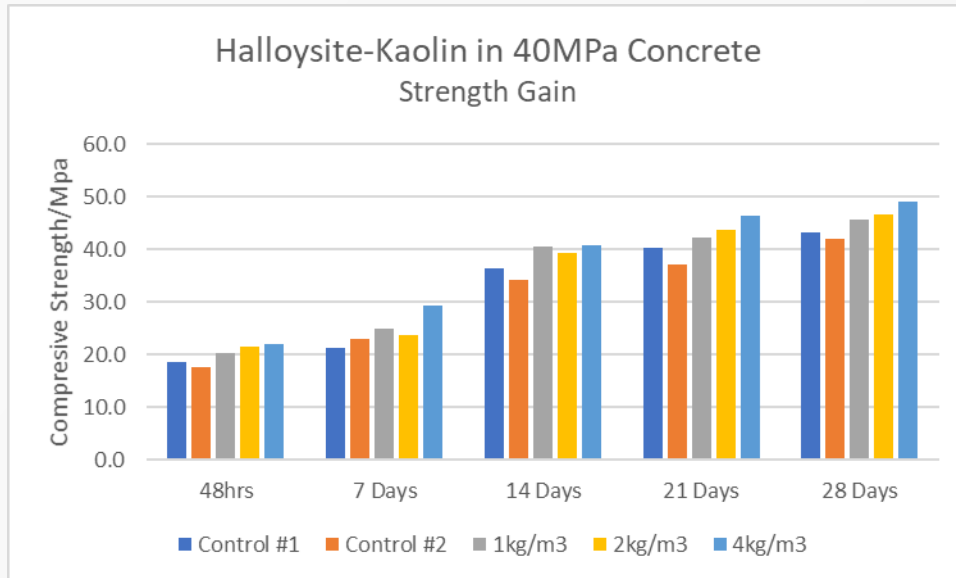


Polymers and Coatings



Remediation of Contaminated Soils

Exciting New Applications in Construction Products



Halloysite-Kaolin Rheology Modifier being tested in a range of construction products



Addition levels as low as 1kg/m³ of concrete show clear positive benefits in handling and strength



Australian Concrete Industry Standards certification was achieved on Nov 25th 2020 and Patent filed



This opportunity represents a new huge high-value market with true global reach

Great White Project PFS

- NPV of A\$736m (pre tax / 8% discount rate)
- EBITA (LOM) A\$2.06B
- 26 year mine life (@500ktpa)
- 15 month payback
- IRR of 175%
- Mining Lease Application submitted

Next

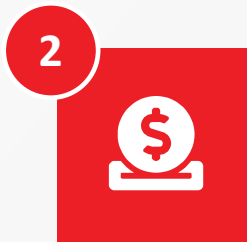
- Binding Offtake Agreements
- Definitive/Bankable Feasibility Studies
- High purity halloysite
- Concrete application testing
- Additional resources & studies
- Nanotechnology commercialisation
- High Purity Alumina

2022

- Breaking Ground at Great White - Feb 2022



Andromeda has one of the world's largest resources of high purity halloysite-kaolin



This is a high value industrial mineral selling into a low-volatility market



Global demand is increasing, and supply is decreasing



Low capex project with a short timeline to operation



Simple business model with low impact mining



Andromeda is well positioned to become the world's leading producer of this mineral



Huge potential in new applications including concrete, nanotube technologies and HPA



Opportunities to build a diversified industrial minerals business

THANK YOU

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Cautionary Statements

The preliminary feasibility study (Pre-Feasibility Study, PFS) referred to in this announcement has been undertaken to study a range of options to produce high-quality halloysite-kaolin product from the Kaolin Resource at Poochera in South Australia in order to provide Andromeda Metals with a basis for more detailed Definitive Feasibilities Studies for the Project. It is a technical and economic study to identify preferred mining, processing and infrastructure requirements but it has not finalised these. The PFS work has advanced assessments of environmental and socio-economic impacts and requirements but these are also not finalised. The estimation of ore reserves is yet to be done.

The Production Target referred to in this announcement is based on this PFS and supported mainly by Measured and Indicated Resources and only minor Inferred Resources. Andromeda Metals has concluded that it has reasonable grounds for disclosing a Production Target, however there is no certainty that the Production Target or the economic assessment will be realised.

The PFS is based on the material assumptions outlined elsewhere in this announcement. These include assumptions about the availability of funding. While Andromeda Metals considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the PFS will be achieved.

To achieve the range of outcomes indicated in the PFS, funding in the order of A\$28M, inclusive of working capital, is likely to be required. Investors should note that there is no certainty that Andromeda Metals will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Andromeda Metals' existing shares. It is also possible that Andromeda Metals could pursue other 'value realisation' strategies to provide alternative funding options.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the PFS.

This announcement includes forward looking statements. For further information on forward looking statements please refer to the end of this release.

Forward Looking Statements

Some of the statements contained in this report are forward looking statements. Forward looking statements, include, but are not limited to, statements concerning estimates of tonnages, expected costs, statements relating to the continued advancement of Andromeda's projects and other statements that are not historical facts. When used in this report, and on other published information of Andromeda, the words such as 'aim', 'could', 'estimate', 'expect', 'intend', 'may', 'potential', 'should' and similar expressions are forward looking statements. Although Andromeda believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results to differ from these forward looking statements include the potential that Andromeda's project may experience technical, geological, metallurgical and mechanical problems, changes in market prices and other risks not anticipated by Andromeda. Andromeda is pleased to report this summary of the Study in a fair and balanced way and believes that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any mining of mineralised material, modifying factors, production targets and operating cost estimates.

This announcement has been compiled by Andromeda from the information provided by the various contributors. All financial assumptions and estimates are quoted in Australian Dollars ('A\$' or 'AUD') only, unless indicated otherwise.

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 undertaken 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.