

May 28, 2021

DEVELOPING A WORLD-CLASS
HALLOYSITE-KAOLIN PROJECT



ASX:ADN
www.andromet.com.au



\$432M
MARKET
CAPITALISATION

\$6.7M
CASH

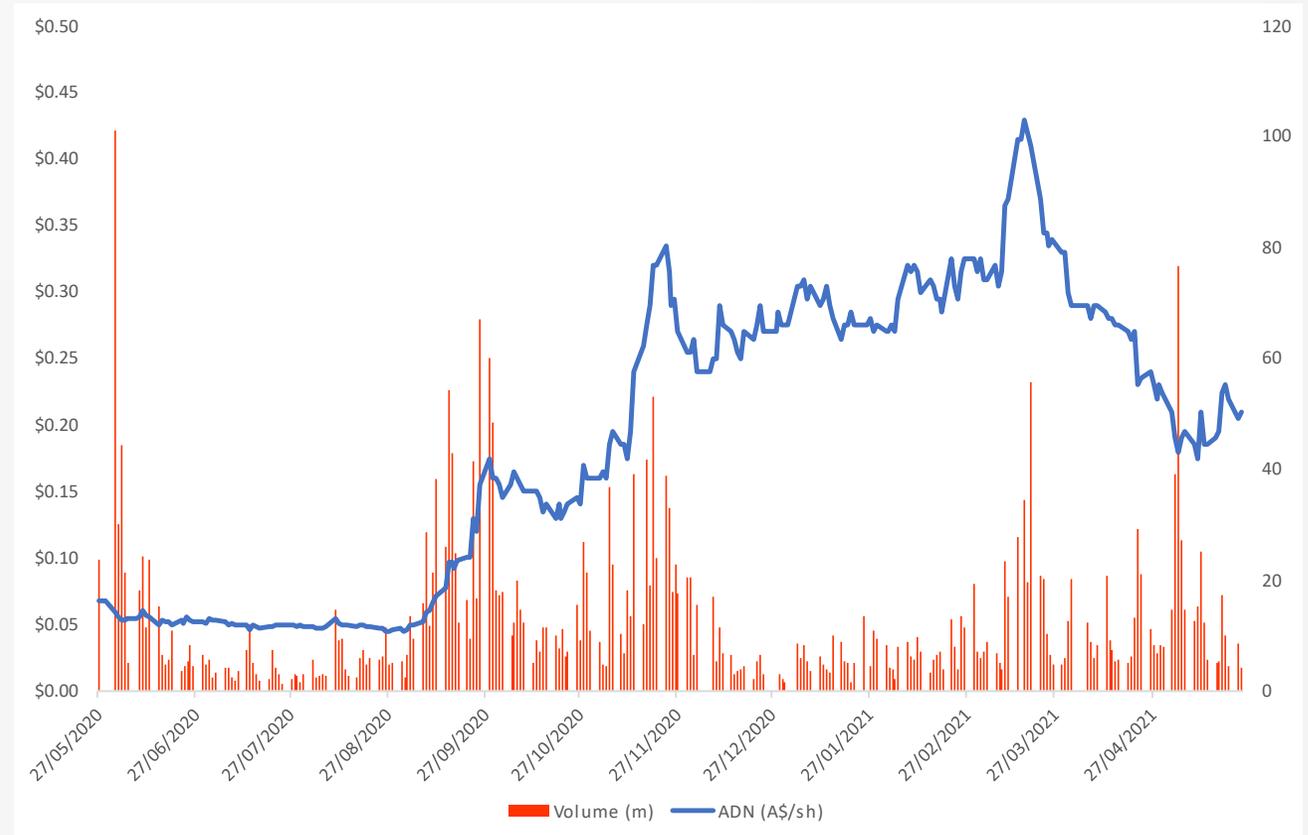
\$0M
DEBT

2,160M
FULLY PAID
ORDINARY SHARES

\$0.20c
CURRENT SHARE
PRICE

BOARD MEMBERS

- Rhod Grivas - Non Executive Chairman
- James Marsh - Managing Director
- Joe Ranford - Operations Director
- Nick Harding - Finance Director
- Andrew Shearer - Non Executive Director



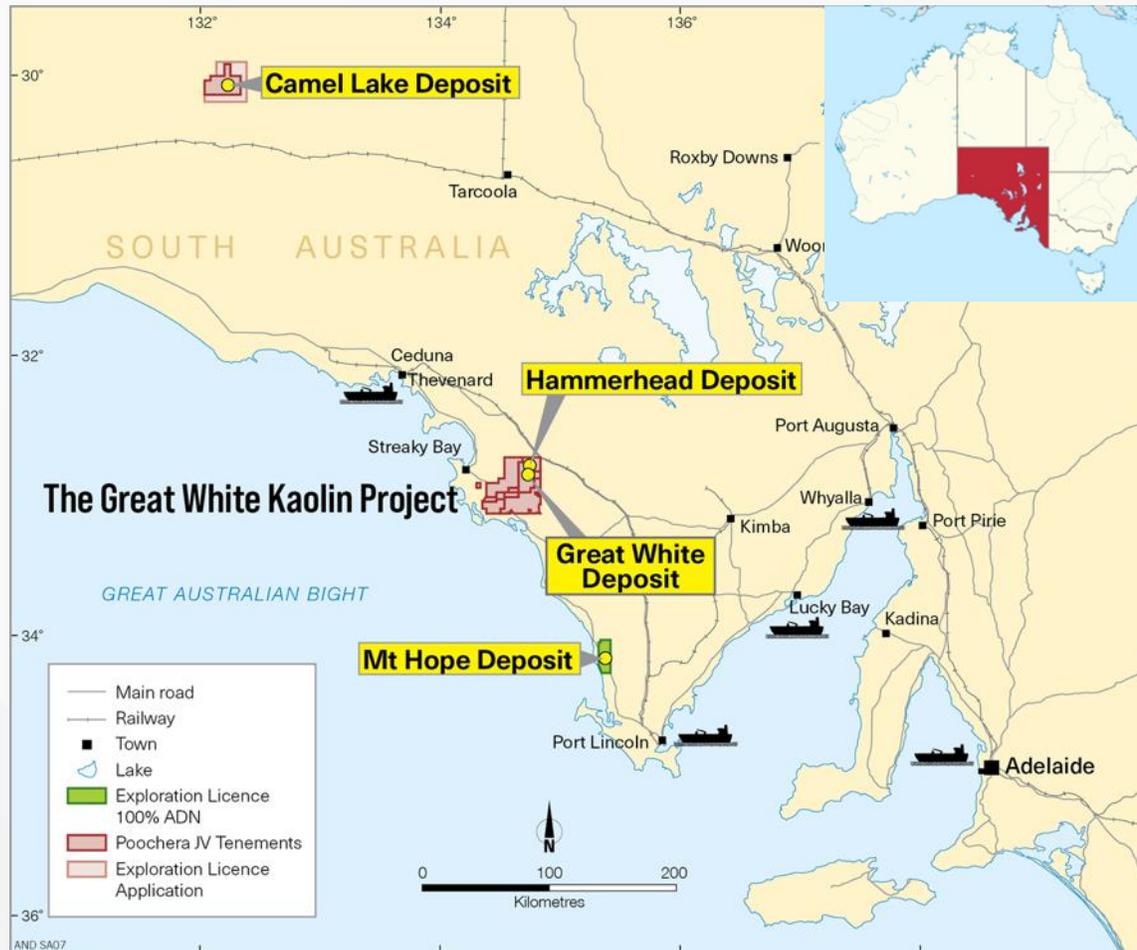
PRIMARY FOCUS

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		COPPER
	Drummond Project Gold in Qld	Cobra Resources JV Gold in SA	Environmental Copper Recovery JV Copper in SA



Primary Project Focus – Halloysite-Kaolin

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

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



Ceramics



Medical



Paint & Coatings



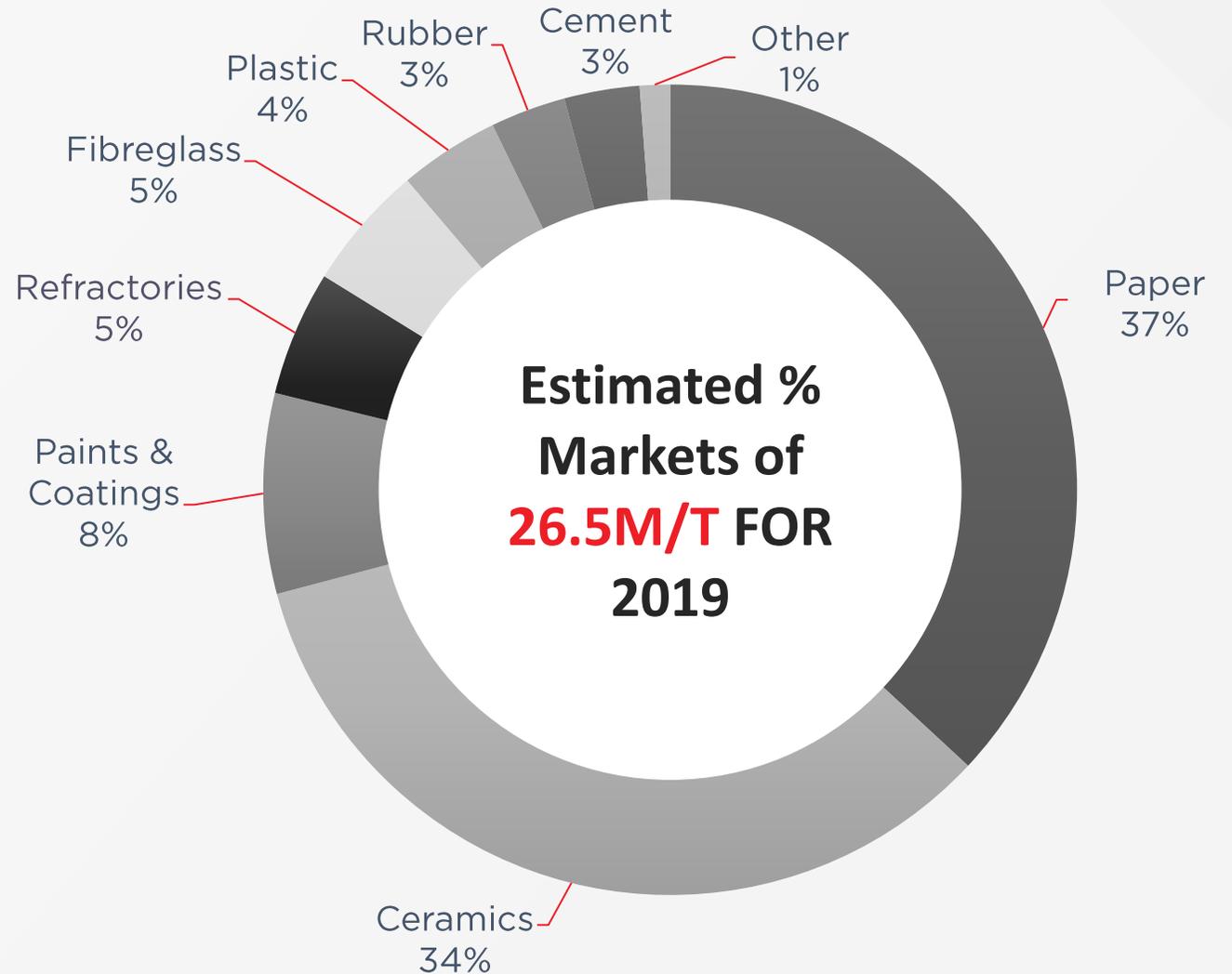
Transport



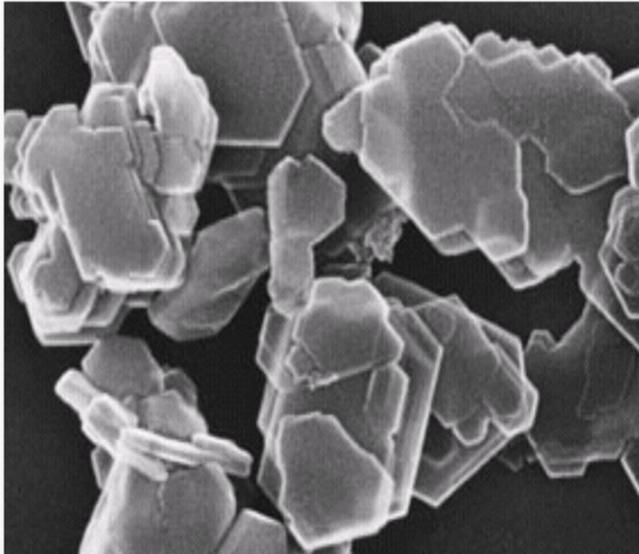
Plastic



Product



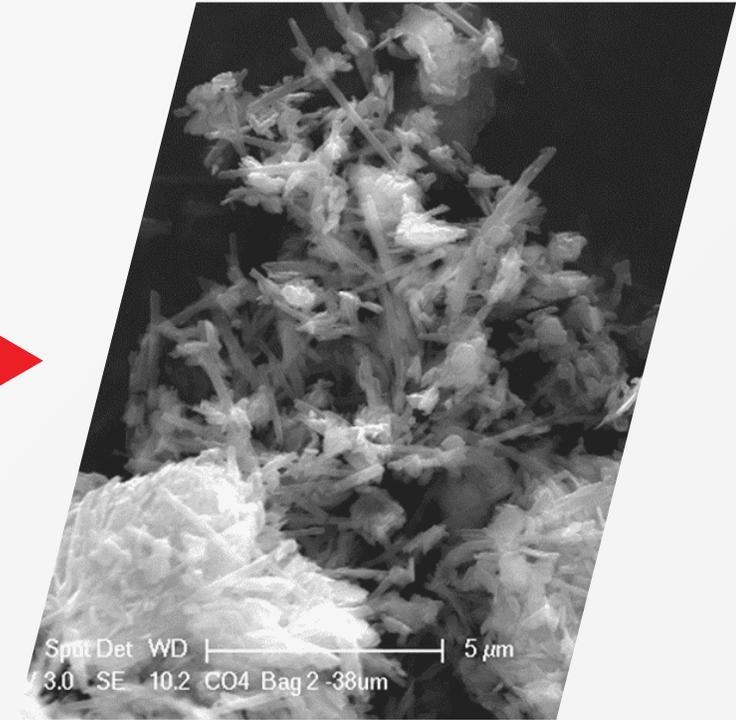
Standard Kaolin Product



Kaolinite Plates



Halloysite Tubes



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

Ultra-High Purity Kaolin

From Great White & Mt Hope

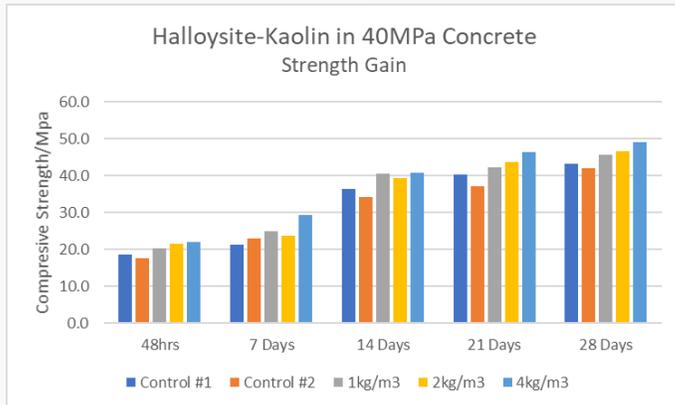
Fired Brightness off the Scale



Out-Performs the World's Best Kaolin Products

Grade	Great White	Mt Hope	Eckalite YMT	Supreme	Speswhite
Country	Australia	Australia	Australia	UK	UK
Brightness (%)	90.4	90.0	88.0	88.0	85.5
Yellowness (%)	4.2	4.1	4.5	3.8	4.7
Oil Absorption (g/100g)	62	56	50	46	42
<2 um (%)	94	92	-	94	80
<1 um (%)	81	75	-	80	60
Surface Area (m ² /g)	16	17	-	16	14

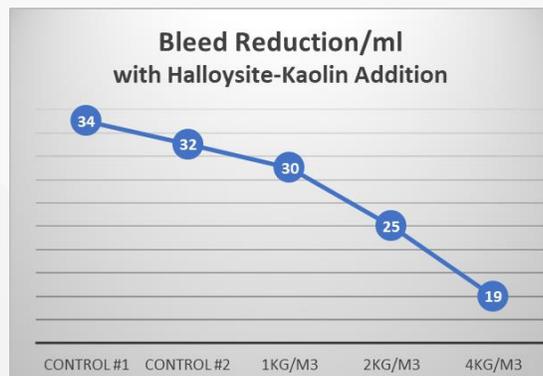
Exciting New Applications in Construction Products



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



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

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



Carbon Dioxide Capture/Storage and Conversion to Fuels



Pilot Plant under Construction



Batteries and Super-Capacitors



Patent Filing Planned



Water Purification



Patent Filing Planned

R&D in Progress



Agriculture/Delivery of Herbicides & Fertilisers



Medical Delivery of Drugs



Hydrogen Storage and Transport



Remediation of Contaminated Soils

HIGH PURITY ALUMINA PROJECT

- Andromeda has proven premium quality kaolin feed for HPA production
 - 4N purity was repeatedly achieved with only one stage of purification
 - MoU signed with Advanced Energy Minerals for exclusivity to their technology in Australia and New Zealand
 - AEM has the only globally operating commercial facility to produce HPA from kaolin
 - Their Canadian plant has a state of the art R&D centre and holds a portfolio of related IP
 - AEM is currently designing a UK plant with support from the UK government and this improved modular design would be duplicated in Australia by Andromeda
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- HPA is recognised as a key component in the Lithium-Ion Battery supply chain
 - Annual demand is set to quadruple between 2020 and 2028 causing a significant shortfall in supply
 - Current 4N HPA pricing is approx. US\$24,000/t and 5N up to US\$50,000/t

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
- Mining approvals
- 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

James Marsh
Managing Director
james.marsh@andromet.com.au



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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.