

ASX ANNOUNCEMENT

ANDROMEDA METALS LTD (Andromeda, ASX: ADN)



Andromeda

10 November 2022

Andromeda Metals Limited

ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash (30 Sep 2022): \$27.6m

Issued Capital:

3,110,008,432 ordinary shares

69,480,000 unlisted options

22,333,325 performance rights

Directors:

Mick Wilkes

Non-Executive Chair

James Marsh

Managing Director

Joe Ranford

Operations Director

Melissa Holzberger

Non-Executive Director

Austen Perrin

Non-Executive Director

Company Secretary:

Andrea Betti

Contact details:

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5000

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Unley BC SA 5061

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www.andromet.com.au

Andromeda presents at Noosa Mining Conference

Andromeda Metals Limited (ASX: **ADN**) (**Andromeda**, the **Company**), a near-term producer of the halloysite-kaolin industrial mineral, is pleased to announce it will present at the Noosa Mining Investor Conference on Thursday 10 November at 5.00pm AEDT/4.00pm AEST.

James Marsh, Andromeda's Managing Director, will provide an overview of the Company which is focused on the development of its flagship Great White Kaolin Project, located near Poochera on South Australia's Eyre Peninsular.

Event: Noosa Mining Investor Conference

Date: Thursday 10th November 2022

Time: 4.00pm AEST / 5.00am AEDT

A copy of the presentation has been lodged with the ASX and is also attached to this Announcement. Shareholders and investors wishing to attend the free virtual presentation by registering at www.noosaminingconference.com.au

This ASX 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



ASX:ADN

www.andromet.com.au



Noosa Mining Conference
10 November 2022

Our Vision: Leading the world in the sustainable supply of superior quality industrial minerals and advancement of nanotechnologies

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Mineral Resources and Ore Reserves Estimates

As an Australian company with securities listed on the Australian Securities Exchange (ASX), Andromeda is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX listing rules that the reporting of ore reserves and mineral resources in Australia comply with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the **JORC Code**) and that the Ore Reserve and Mineral Resource estimates underpinning the production targets in this presentation have been prepared by a Competent Person in accordance with the JORC Code.

Information that relates to Mineral Resources estimates has been previously announced to ASX on 23 December 2019, "Significant increase in Mineral Resource for the Poochera Kaolin Project", 29 September 2020, "New mineral resource estimate for Hammerhead Halloysite-Kaolin Deposit" and 11 August 2020, "New Mineral Resource for the Mount Hope Kaolin project", all available at <https://www2.asx.com.au/markets/company/adn>. Andromeda confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Andromeda confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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 undertaking 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.

Andromeda (ASX: ADN)

A near-term mining producer well placed for growth

AU\$146m

**Market
Capitalisation**
(9 November 2022)



Tier 1 Mining Jurisdiction

South Australia

**Flagship project
GWKP
NPV¹
A\$613M
(pre-tax)**



Exploration Endowment

Large portfolio of exploration
tenements, totalling
8,313.7km² including earn-ins

**3,110,008,432
Ordinary Shares
69,480,000
Unlisted Options
22,333,325
Performance
Rights
Issued Capital**



Mineral Resources

Kaolin Mineral
Resource: >110Mt of JORC
Resources^{2,3,4,5,6}

14,200

**Number of
Shareholders**
(9 November 2022)



Ore Reserves

Kaolin Ore Reserve
(GWKP): 15.1Mt of JORC
Reserves⁷

AU\$27.6m

Cash on Hand
(30 September 2022)

**AU\$0.0m
Debt**



Experienced Team

Experienced and industry
focused Board and
Executive team

1. ASX 6 April 2022 Great White Kaolin Project - Definitive Feasibility Study
2. ASX 23 December 2019, "Significant increase in Mineral Resource for the Poochera Kaolin Project".
3. ASX 29 September 2020, "New mineral resource estimate for Hammerhead Halloysite-Kaolin Deposit".
4. ASX 11 August 2020, "New Mineral Resource for the Mount Hope Kaolin project"
5. "The Company is not aware of any new information or data that materially affects the information in the relevant market announcements. All material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed."
6. ASX 23 March 2022, Maiden Tiger Kaolin Resource and Regional Rare Earth Element Potential. Halloysite reported with kaolinite.
7. ASX 6 April 2022 Great White Kaolin Project - Definitive Feasibility Study

Ideally positioned to meet growing global demand



Estimated Size of Global Kaolin Market

US\$9.0 billion¹

in 2023 (41Mt)

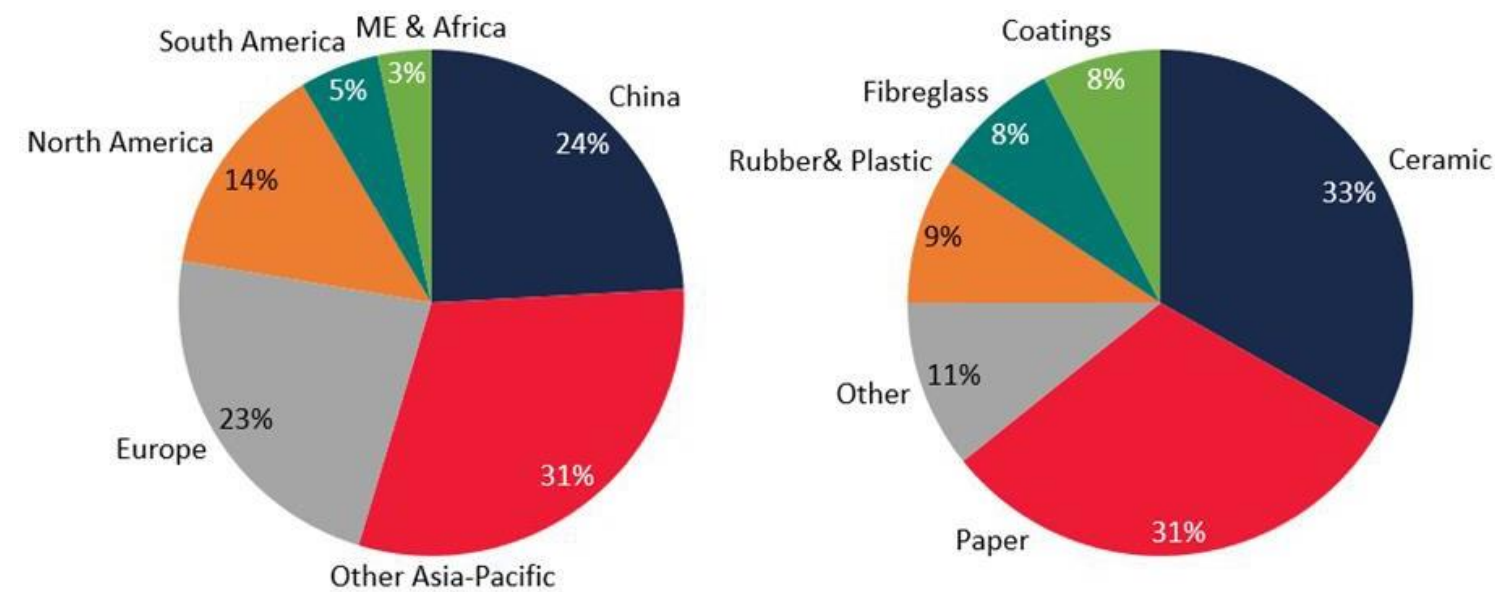


Estimated Growth of Global Kaolin Market

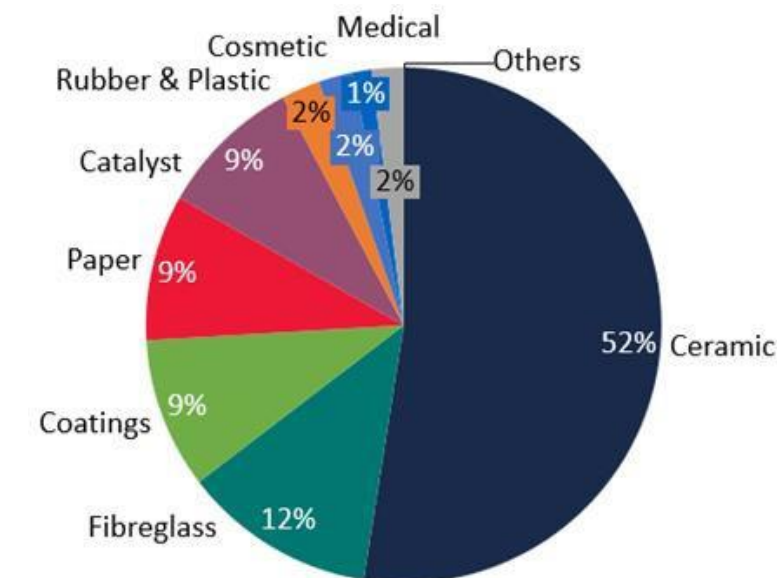
11.1% p/a¹

2020-2027 CAGR (Asia Pacific)

Global kaolin demand by end use and region in 2021



Chinese kaolin demand by end use in 2021

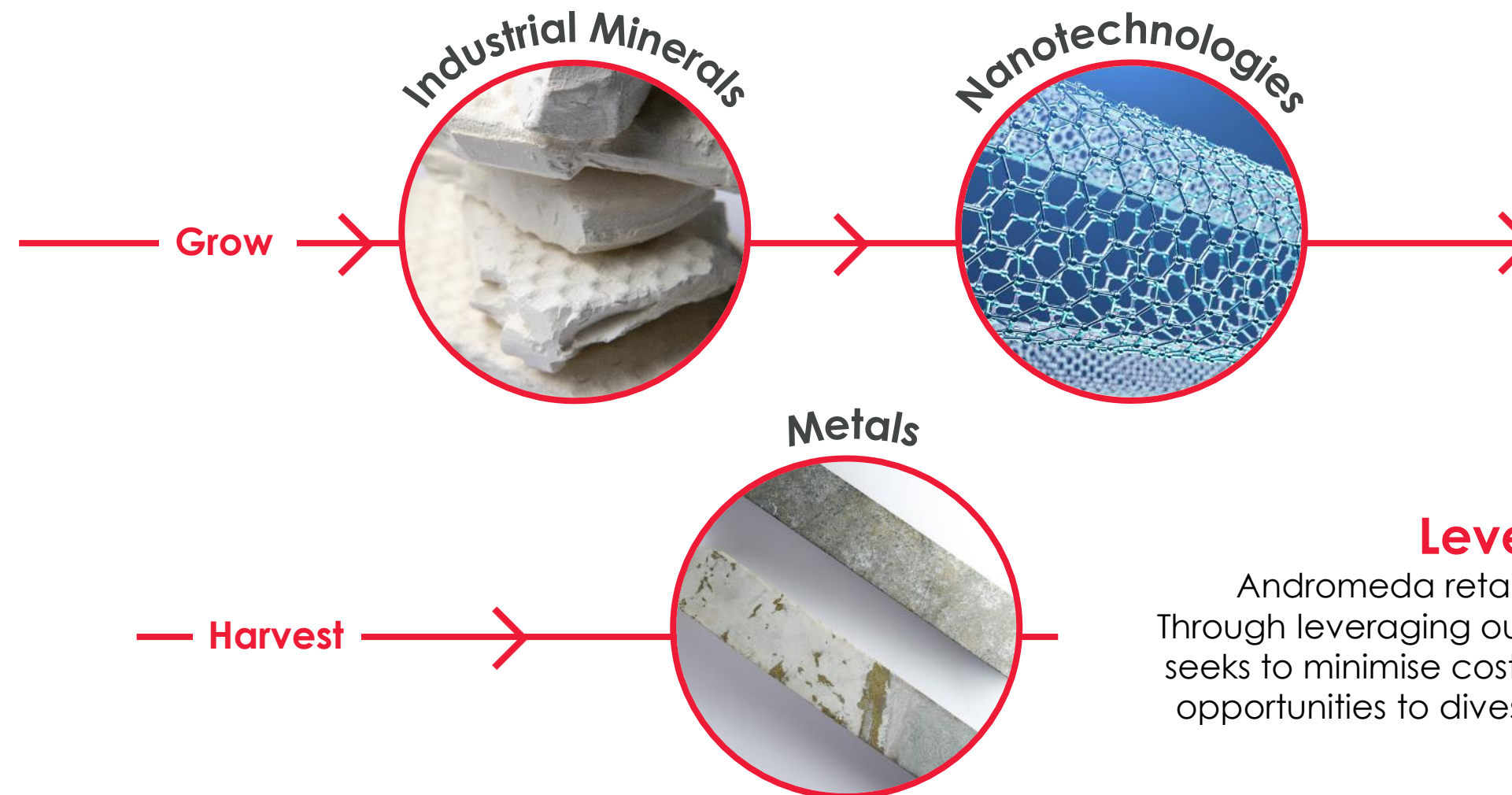


Our purpose

Through the use of our halloysite-kaolin and nanotechnologies we strive to enrich the lives of people by improving the environment, creating prosperity for our shareholders and delivering value for our stakeholders

Our vision

Lead the world in the sustainable supply of superior quality industrial minerals and advancement of nanotechnologies



Our mission

To mine and process industrial minerals for supply, together with advancing nanotechnologies, to a global customer base by leveraging our unique natural resources and intellectual property portfolio

Leverage for growth

Andromeda retains legacy gold and copper assets. Through leveraging our joint venture partnerships, Andromeda seeks to minimise costs and management time, while seeking opportunities to divest and reinvest funds in growth projects

Our Values



Innovation



Teamwork



Integrity



Quality

The safety and wellbeing of our employees and our communities is our first priority

Why Andromeda?

<div>Completed over last 12 months</div>		
	Mining Approval	Granted
	Minotaur Acquisition	Completed
	Natural Nanotech	100% Owned
	DFS	Released
	Binding Offtakes	Four Binding offtake agreements signed
	Team	Expert and dedicated team built
	PEPR	Environmental Management Plan submitted for approval
	Land acquired	Agreements signed to acquire land covered under Mining Lease

Halloysite - Kaolin

- Rare world class resource
- Halloysite is the highest value form of kaolin
- Developed significant in-house knowledge base



New High Value Product Opportunities

Developing new high value products including High Purity Alumina (HPA) and a concrete additive for existing markets



Nanotechnologies

Strategic research relationship with University of Newcastle



Intellectual Property

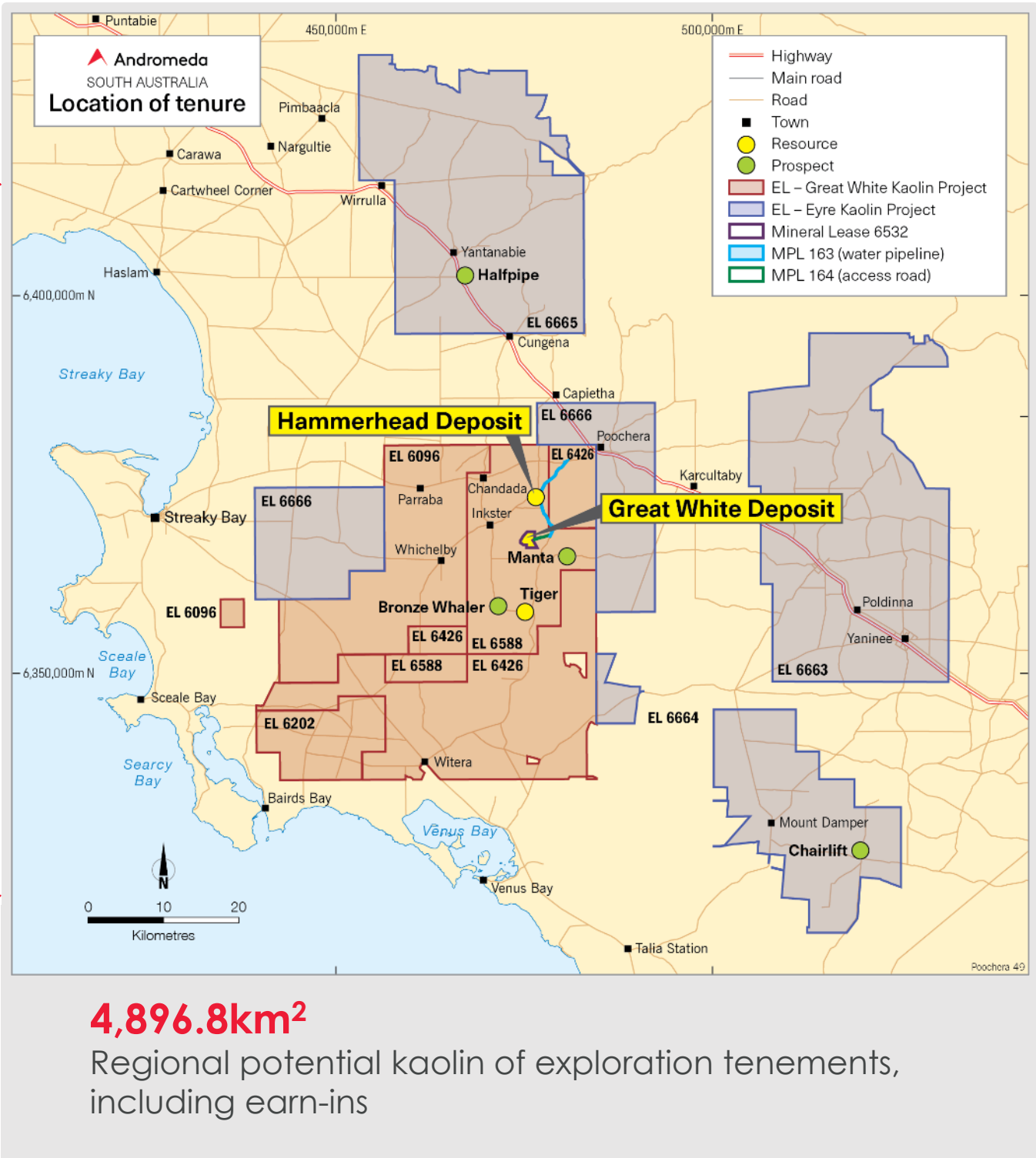
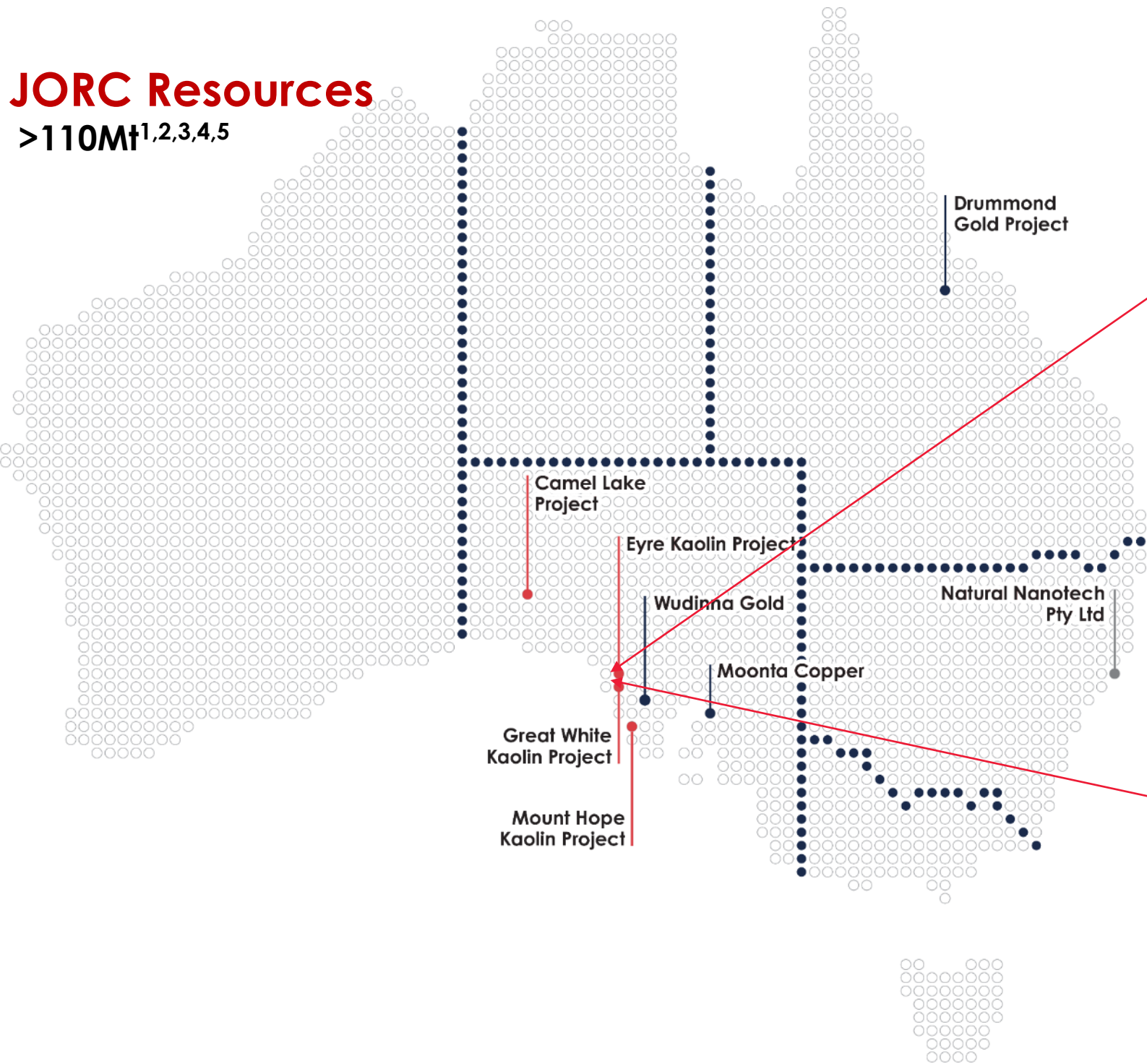
Building our IP portfolio

- Carbon capture international patent application filed
- Carbon dioxide conversion provisional patent application filed
- HPA production process provisional patent application filed
- HRM approved for use in concrete

Halloysite - Kaolin Resources & Exploration

Exploration efforts by our experienced Geological Team to grow the market base for value products

JORC Resources
>110Mt^{1,2,3,4,5}



4,896.8km²
Regional potential kaolin of exploration tenements,
including earn-ins

1. ASX 23 December 2019, "Significant increase in Mineral Resource for the Poochera Kaolin Project".
2. ASX 29 September 2020, "New mineral resource estimate for Hammerhead Halloysite-Kaolin Deposit".
3. ASX 11 August 2020, "New Mineral Resource for the Mount Hope Kaolin project".
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5. ASX 23 March 2022, Maiden Tiger Kaolin Resource and Regional Rare Earth Element Potential. Halloysite reported with kaolinite.
6. ASX 12 August 2021, "Andromeda enters new kaolin Joint Venture on the Eyre Peninsula, SA".

Great White Kaolin Project– Post DFS Works

- Pilot Plant scaled-up for product samples to support marketing for Ceramics, Coatings, HPA and Nanotechnologies
- Starter Plant sized for production to match offtake profile
- Up-front capital requirements reduced
- Procurement process for long lead items underway
- Operational readiness - establishment, construction and starter pit detailed planning

Great White Deposit and Starter Processing Plant Design

DFS design concept minimises capital with a staged approach to production capacity and product quality to self-fund capital upgrades.



3D elevation of Great White Kaolin Project – Stage 4 capacity plant

DFS Highlights¹

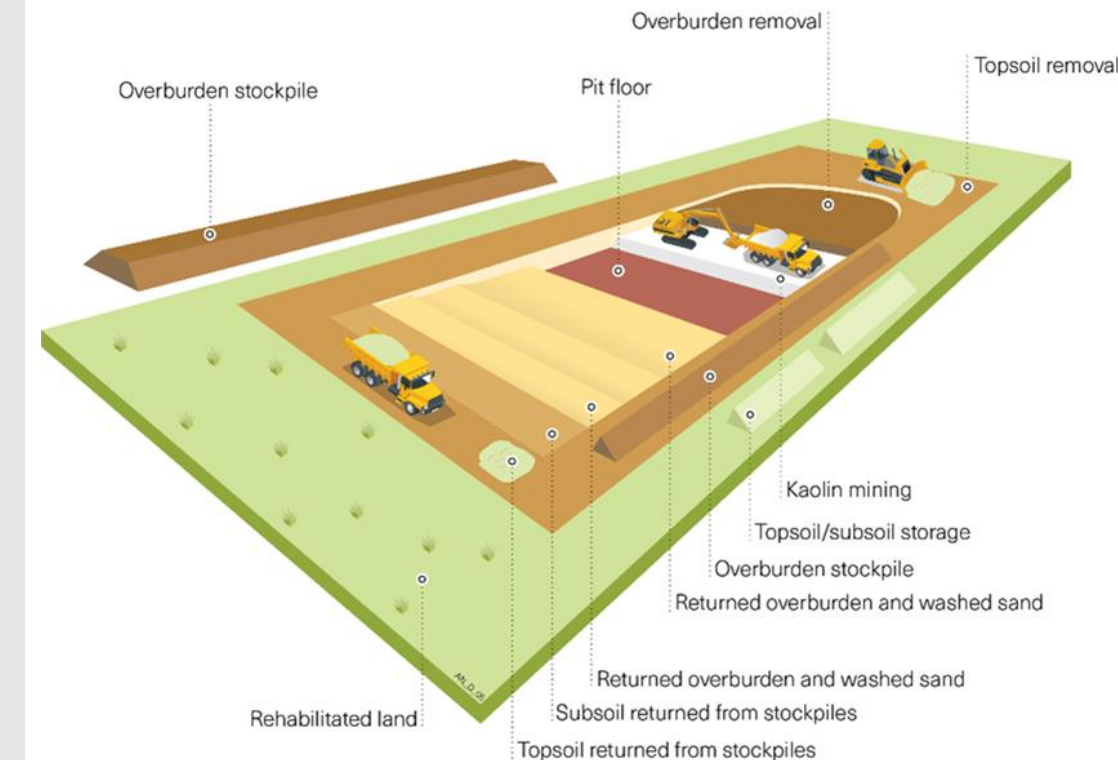
NPV₈
A\$613M
(pre-tax)

- IRR = 36%
- Stage 1 capital of A\$93.8M

LOM
28yrs

15.1Mt
Total Ore
Reserves

- Stage 1A capital includes Starter Plant² capital of A\$50-60M



1. ASX 6 April 2022 Great White Kaolin Project - Definitive Feasibility Study
2. ASX 26 August 2022 Andromeda Commencing Procurement of Long Lead Time Items for Great White Kaolin Project

Great White Kaolin Products & Marketing

Andromeda is developing four high-grade Kaolin products with a Kaolin Concentrate, 'Great White KCM,' the first of a phase of a releases.

Concentrate Product Great White KCM™90

A semi-refined high-quality kaolin for direct use, further refinement or upgrade of resources

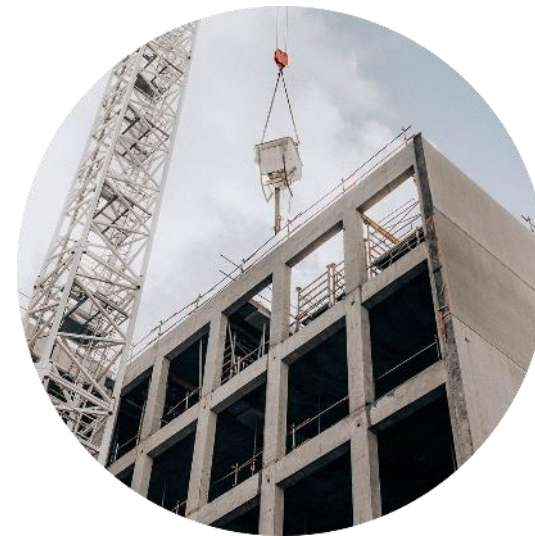


- Highly consistent premium grade
- Halloysite optimised
- Suitable as feed for HPA

2 Binding Offtakes signed for minimum 66,000t during first 3 years with remaining capacity under negotiation

Concrete Product Great White HRM™

A refined kaolin for sale for use as a concrete and building product additive



- Decarbonisation of concrete
- Performance improvements
- Cost and labour savings

LOI Signed with IMCD the World's largest additives distributor and conversion to a Binding Offtake in progress

Ceramic Product Great White CRM™

A fully refined product for the high-end ceramics market



- World class grade
- High whiteness and translucency
- Good green and fired strength

Binding Offtake for 5,000t/pa

Coatings Product Great White PRM™

A fully refined product for the coatings and polymers markets



- World class grade
- Ultra-high brightness
- Cost savings

Binding Offtake for 70,000t/pa

High Purity Alumina (HPA) - Adding value through research

Subject Matter Experts Directly Engaged

- Research and Development
- Market Analysis
- Scaling
- Commercialisation

Intellectual Property

- Provisional Patent Application filed for HPA production process

Estimated size & growth of global synthetic sapphire market

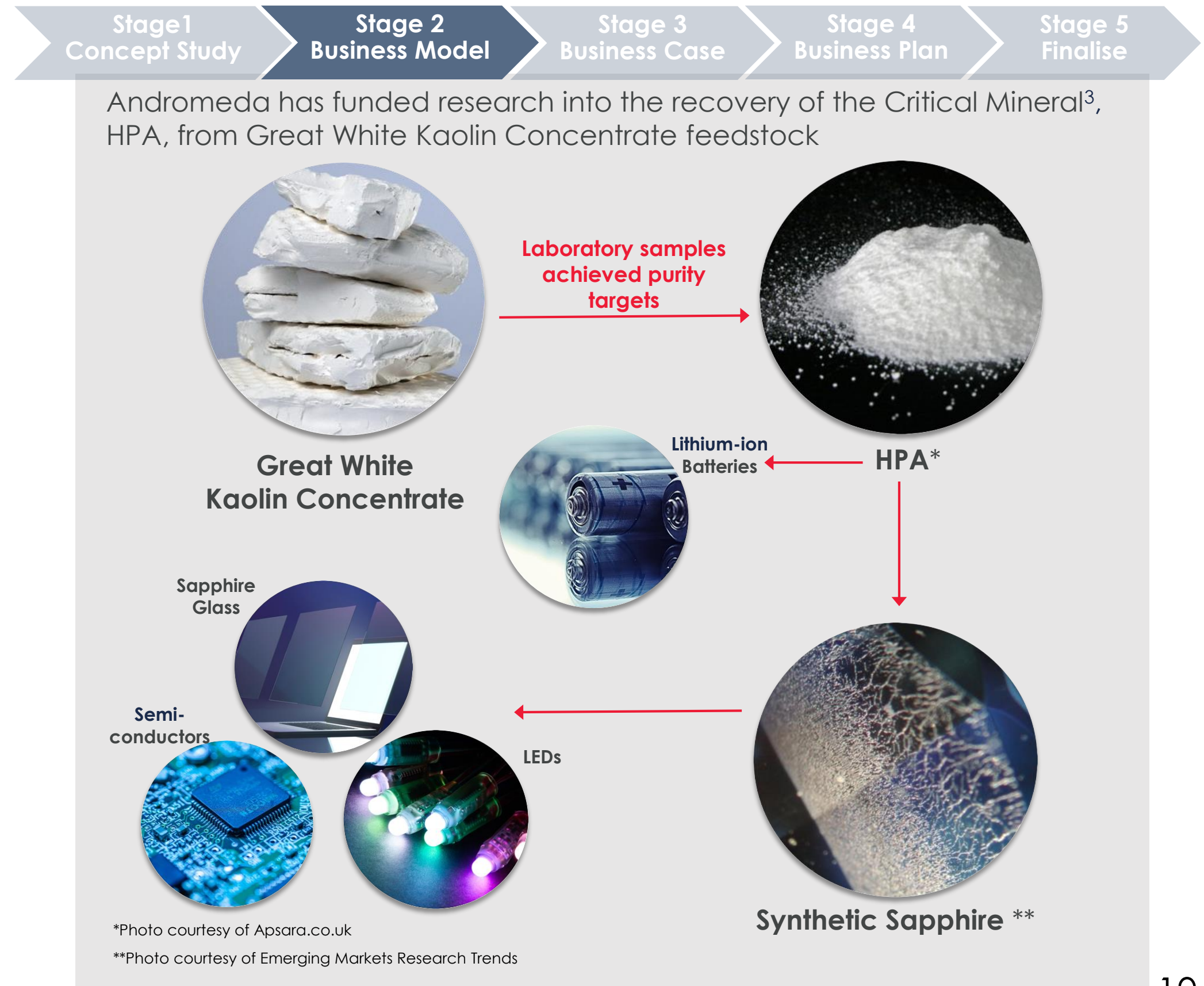
US\$6.0B¹
In 2020

7.0% p/a¹
2020-2027 CAGR

Estimated size & growth of global lithium-ion battery market

US\$41.1B²
In 2021

12.3% p/a²
2021-2030 CAGR



¹Research and Markets: Synthetic Sapphire – Global Market Trajectory & Analytics, April 2021

²Markets and Markets: Lithium-ion Battery Market, June 2021

³Australian Federal Government "2022 Critical Minerals Strategy", March 2022

Nanotechnologies - Adding value through research

Stage 1
Concept Study

Stage 2
Business Model

Stage 3
Business Case

Stage 4
Business Plan

Stage 5
Finalise

Research & Development

- Strategic partnership with Global Innovative Centre for Advanced Nanomaterials (GICAN)

Intellectual Property

- International (PCT) Patent Application filed for carbon capture
- Provisional Patent Application filed for carbon dioxide conversion

Estimated size of global nanomaterials market

US\$8.0B¹

In 2020

Estimated growth of global nanomaterials market

14.1% p/a¹

2020-2027 CAGR



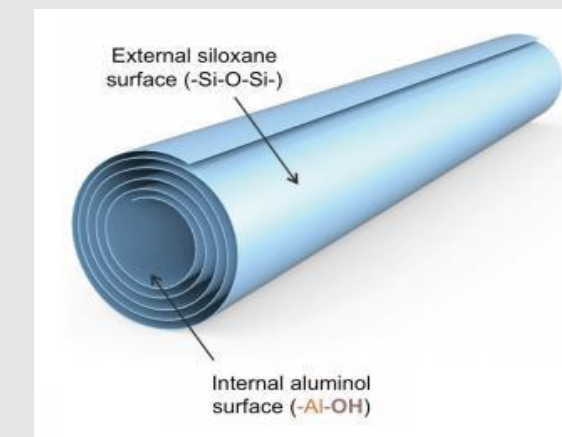
Carbon Capture Pilot Plant designed, manufactured (Height 5.0m) and in Newcastle, Australia

Andromeda has funded research into the production of nanomaterials from Great White Halloysite Kaolin feedstock



Great White Halloysite Kaolin

Nanomaterials produced at laboratory scale



Halloysite Nanomaterials



Energy



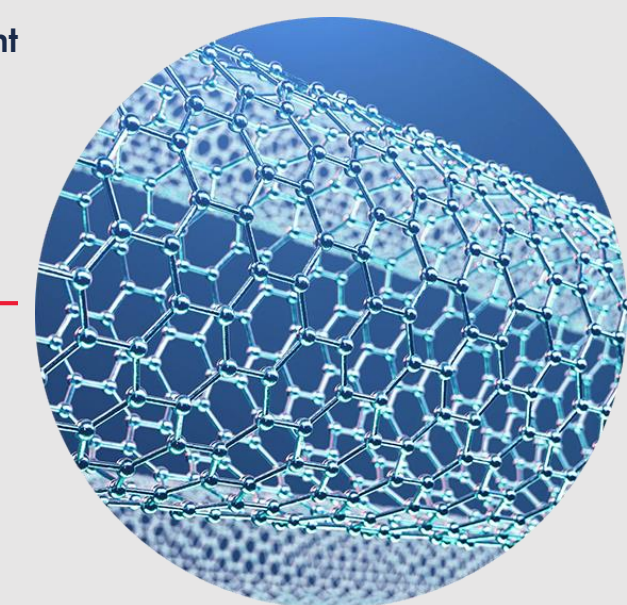
Environment



Health



Agriculture



Nanotechnologies

Industry Applications

Operational and Corporate Readiness



Long Lead Items

Progressing procurement of long lead items in parallel with design and construction



Suppliers

Build relationships with local contractors and suppliers



Site Establishment

Works scoped and designed



Agreements

Preparation of agreements to establish site infrastructure and operations



Logistics

Multiple port facility options with individual attributes remain open



Organisational Capability

Building our team and organisational structure that is ready for construction and operations



Management Operating Systems

Enhanced operational enablement ahead of construction and production



Policies & Procedures

Developed new policies and procedure to support sustainable operations

Next Steps - Future catalysts



In Progress

- | | | |
|---|----------------------------------|---|
| → | Agreements | Drafting to establish site infrastructure and operations |
| → | Pilot Plant | Upgrade in progress with installation of centrifuge |
| → | Binding Offtakes | Remainder of planned capacity under negotiation |
| → | PEPR | Application with South Australia Government awaiting approval |
| → | Logistics | Multiple port facility options with individual attributes remain open |
| → | Suppliers | Long lead items procurement is underway |
| → | Funding | Various funding options under consideration to fully fund DFS Stage 1, with cash flows funding future expansion to stage 2, 3 & 4 |
| → | High Growth Opportunities | HPA, Carbon Capture/Conversion and Nanotechnologies progressing |



ASX:ADN
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Authorised for release by the Board of Andromeda Metals Ltd