ExchangeSA Presentation Sep 2019

Andromeda

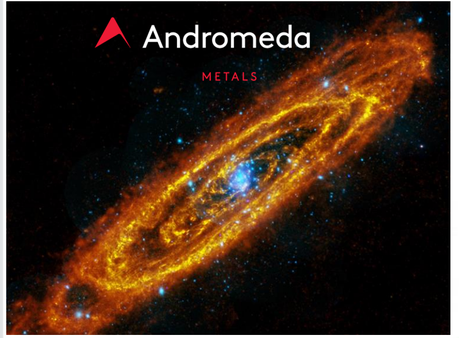
METALS

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An Emerging Force in Industrial Minerals

ASX:ADN

Andromeda Metals Limited (ASX:ADN)



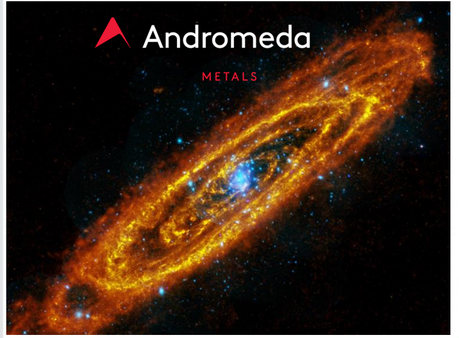
Company Presentation

James Marsh
Managing Director



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To be a world leading producer of halloysite kaolin, and specialist nanotube technology company



Our Vision



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The Andromeda Evolution

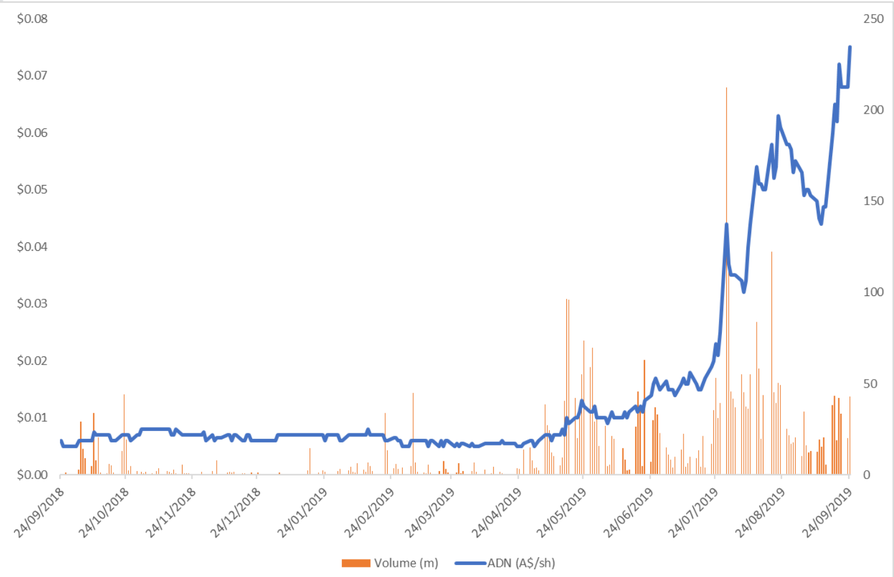
- Andromeda Metals born January 2017
- Entered into a JV with Minotaur Exploration (ASX:MEP) for the Poochera Project - April 2018
- JORC 2012 Resource – August 2018
- Acquired Mt Hope tenements – October 2018
- High Purity Alumina (HPA) Testing Completed – February 2019
- Product Offtake Letter of Intent Agreements – August 2019
- Halloysite Nanotechnology IP JV with Minotaur – May 2019
- Expansion of Tenure – September 2019
- Halloysite Exploration – in progress
- Scoping Study Results – imminent!
- Environmental and Feasibility studies - through to mid-2020
- Commencement of Operations - targeted for mid-2021

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Development Program



Share Price and Volume History



Company Snapshot

Rhod Grivas - Non-Executive Chairman

- Geologist with 30 years experience
- 16 years of corporate/board experience
- Taken projects from exploration to production
- Ex MD of Dioro Exploration
- Chair of Golden Mile Resources (ASX:G88)

James Marsh - Managing Director

- 30+ years industrial minerals experience
- Specialised in all aspects of the kaolin industry
- Previous first hand experience with the Poochera Project
- A qualified industrial chemist
- Wide experience in R&D, product development, operations and global marketing/sales

Nick Harding - Executive Director

- Accountant and company secretary with 30+ years mining experience
- Extensive experience in commercial and resource project management
- 5 years as CFO for Olympic Dam

Andrew Shearer - Non Executive Director

- Geologist/Geophysicist with 23 years experience in the mining and finance industries
- Currently a Resources Analyst with PAC Partners
- NED with Northern Cobalt (ASX:N27)

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Capital Structure (26/09/2019)	
Shares on Issue	1,356,485,250
Listed Options ($0.012/sh, exp 30/11/2020)	703,602,124
Unlisted Options ($0.012/sh, exp 15/11/2021)	20,000,000
Cash (30/06/2019)	$1.669M
Market Capitalisation (Fully Diluted 25/09/2019)	$144M

Top 5 Shareholders (24/09/2019)	
Buratu Pty Limited (Connolly Super Fund A/C)	9.48%
Debuscey Pty Ltd	2.21%
Citicorp Nominees Pty Ltd	2.12%
Peter Andrew Proksa	1.93%
Shong Zeng	1.35%

The Andromeda Transformation

Transforming from gold-copper explorer to industrial minerals developer

Primary Project Focus

- Poochera Halloysite-Kaolin Project JV with Minotaur Exploration
- Building an experienced team
- Halloysite-Kaolin Explorer, Developer and Producer

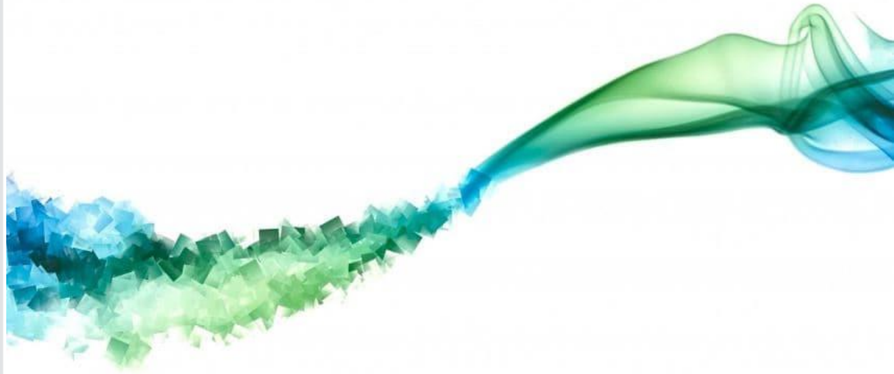


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Joint Venture Projects

Minimising Holding Costs/Maximising Value

- JV with Evolution Mining - Gold in Qld
- JV with Environmental Copper Recovery - Copper in SA
- JV with Cobra Resources PLC - Gold in SA
- Gold project in Pilbara - Opportunities being investigated

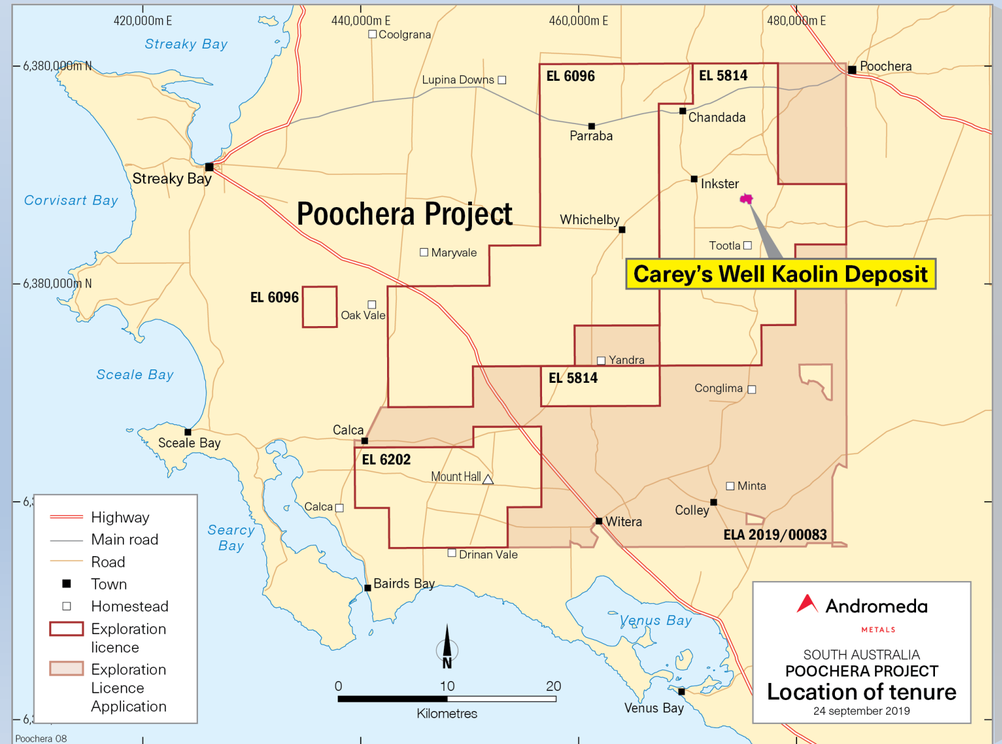


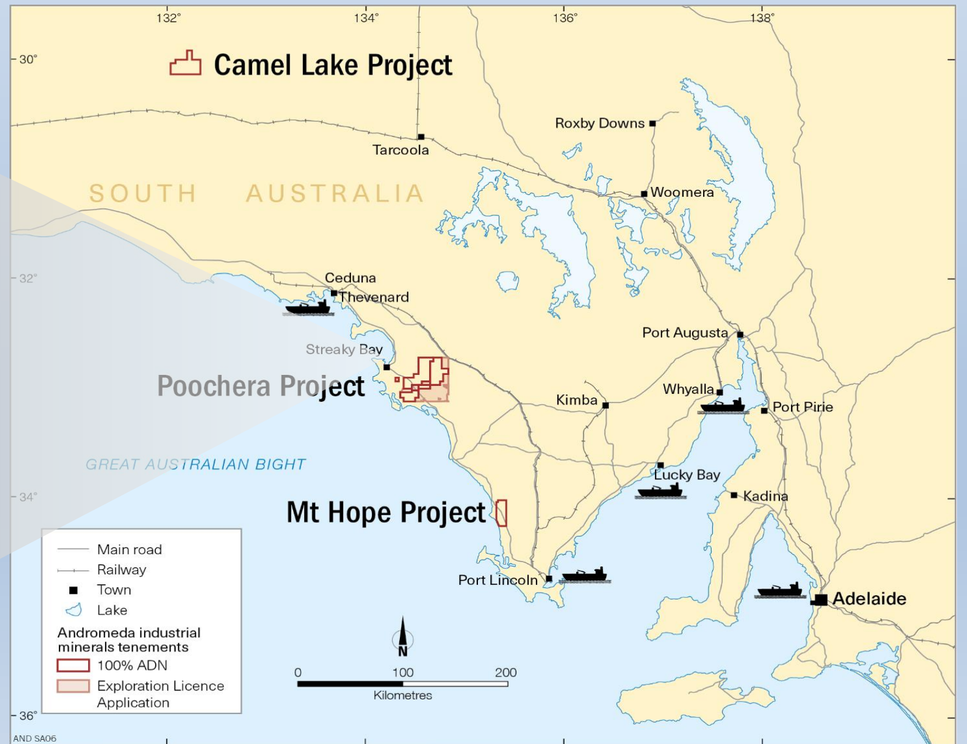


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Poochera Project - Overview

- World class halloysite-kaolin deposit
- Estimated short timeframe to production
- Very long mine life
- Offtake Letters of Intent signed for almost 1 million tpa of three product forms:
  1. Direct Shipping Ore (DSO)
  2. Dry-processed
  3. Wet-refined
- High Purity Alumina (HPA) testwork proved a 99.99% (4N) feedstock in a single stage
- Numerous opportunities for halloysite in emerging nanotechnology applications

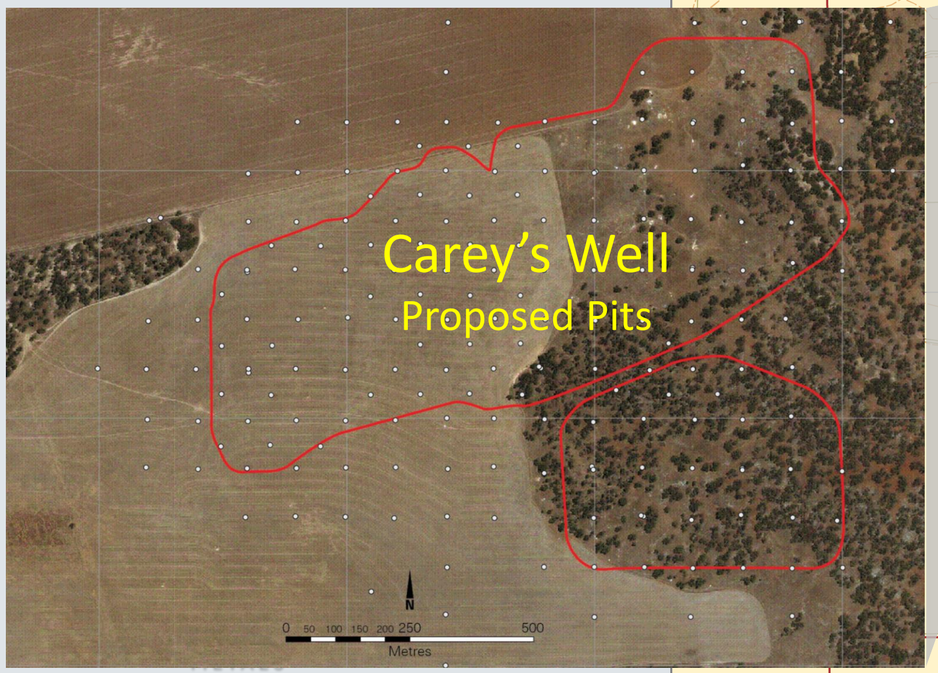


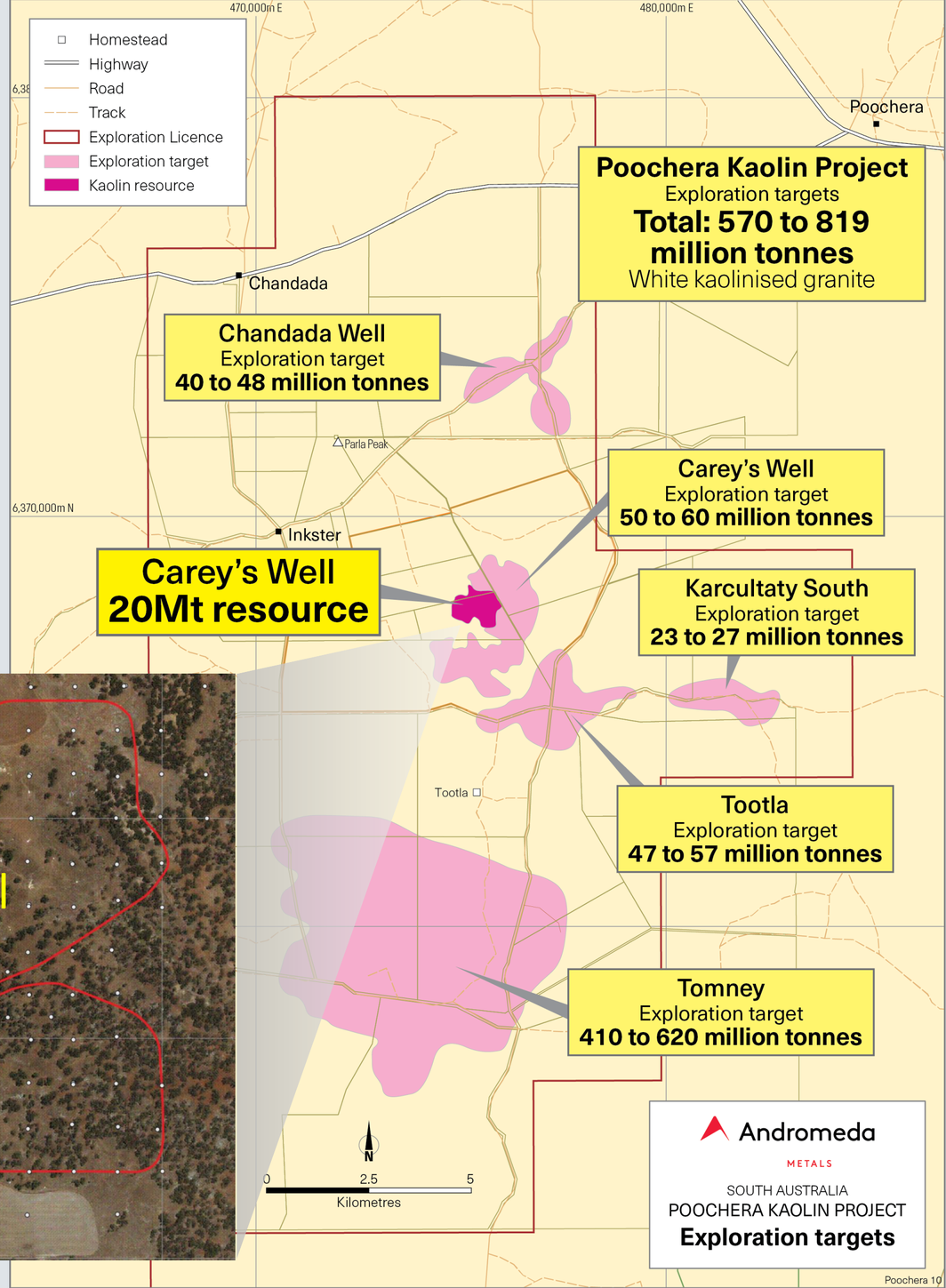


Defined Resource

JORC 2012 Resource Estimate for Carey's Well

- Halloysite component of 9.7Mt*
- Total 20Mt of "bright white" kaolinised granite (includes 9.7Mt halloysite component)
- Drilling campaign recently completed and analysis in progress
- Significant exploration targets**





* Andromeda Metals ASX announcement 12 Feb 2019 – 'Poochera Project Halloysite Kaolin Mineral Resource'

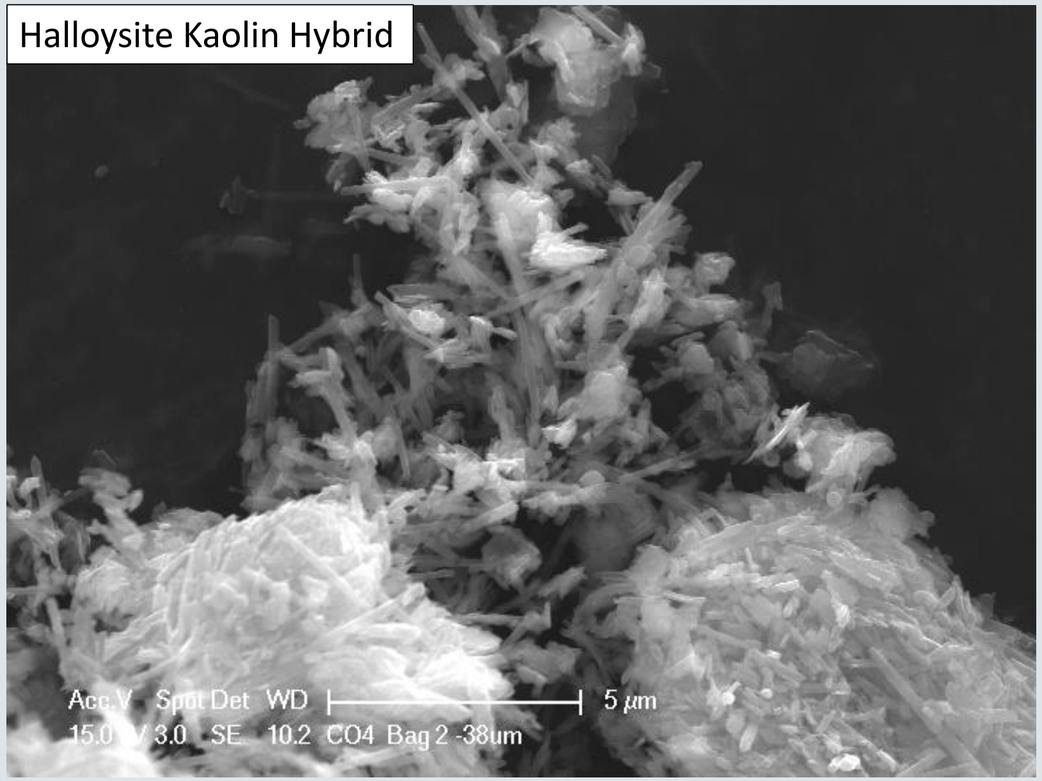
**Minotaur Exploration ASX announcement 3 May 2012 – 'Major Exploration Target Established for Poochera Kaolin Project South Australia'

What is Halloysite Kaolin?

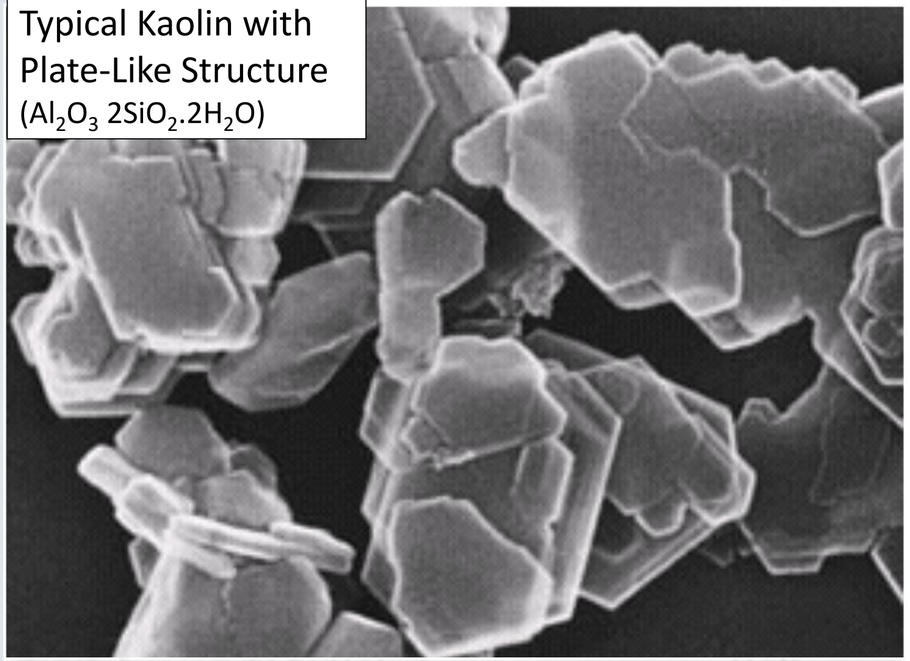
Halloysite is a rare ‘tubular shaped’ derivative of kaolin

The Poochera resource is a naturally occurring hybrid blend of halloysite and kaolin

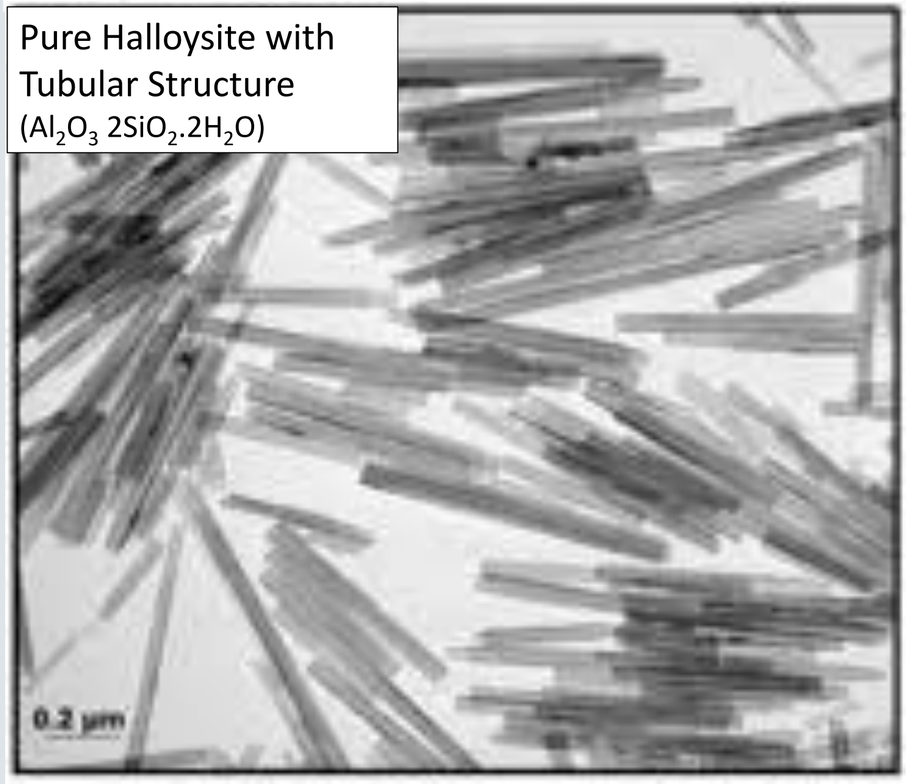
Halloysite Kaolin Hybrid



Typical Kaolin with Plate-Like Structure (Al_2O_3 $2SiO_2$.$2H_2O$)



Pure Halloysite with Tubular Structure (Al_2O_3 $2SiO_2$.$2H_2O$)



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Where is Halloysite-Kaolin Used?

Mature Established Markets

- Ceramics - for high-quality porcelain
- Catalysts - for Fluid Catalytic Cracking (FCC)

New and Emerging Markets

- High Purity Alumina production (HPA)
- Halloysite Nanotube Technologies

Indicative Relative Commercial Values

- DSO (50% sand) - AU$115 – AU$140/t
- Dry Processed Kaolin/Halloysite Hybrid – AU$350-400
- Wet-Refined Kaolin/Halloysite Hybrid - AU$700 - AU$1000/t
- Pure Halloysite - AU$5000/t
- HPA 4N(99.99%) – AU$35,000/t upwards
- Halloysite Nanotechnology – AU$huge





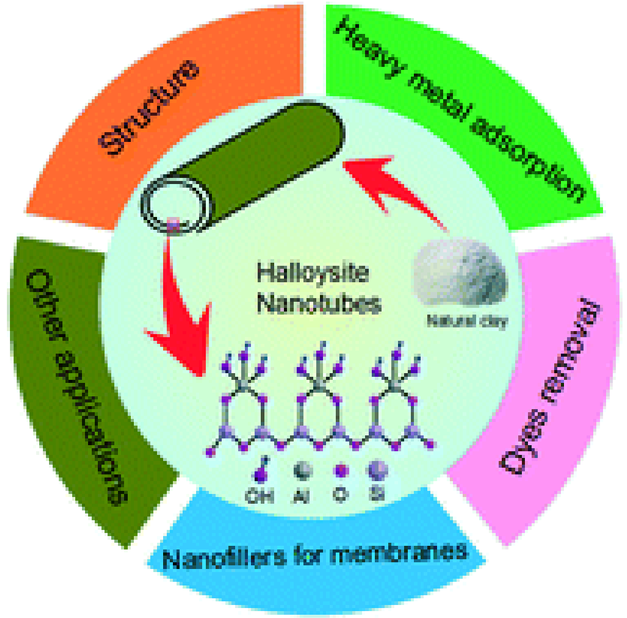


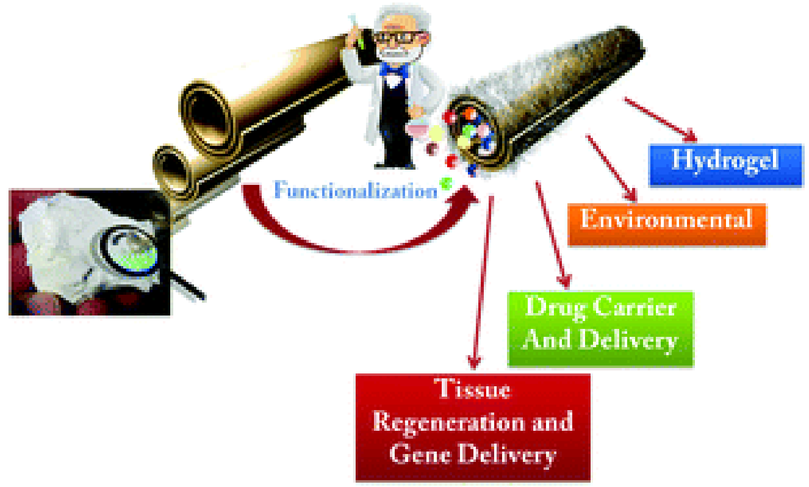
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The World of Halloysite Nanotechnology

Emerging Applications:

- Hydrogen Storage and Transport
- Batteries and Super-Capacitors
- Water Purification
- Carbon Dioxide Capture - Storage and Conversion to Fuel
- Medical Delivery of Drugs
- Construction – Delivery of Biocides
- Agriculture – Delivery of Pesticides and Fertilisers
- Polymers and Coatings – reinforcement and fire-retardancy





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Marketing Strategy

Opportunities

Short Term– early cash flow

- **Direct Shipping Ore**
- **Wet Refining Toll Process (China/Japan)** – premium product

Medium Term

- **Dry or Wet Process at Mine Site ~**50% waste reduction
- **Wet Refining Toll Process (China/Japan)** – premium product

Long Term

- **Premium HPA feedstock –** partnership opportunities
- **Nanotechnology –** research partnerships





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Mine Plan

- Open cut mine
- Shallow/Low stripping ratio
- Stockpile at site and/or near port facility
- Pit backfill and progressive mine rehabilitation

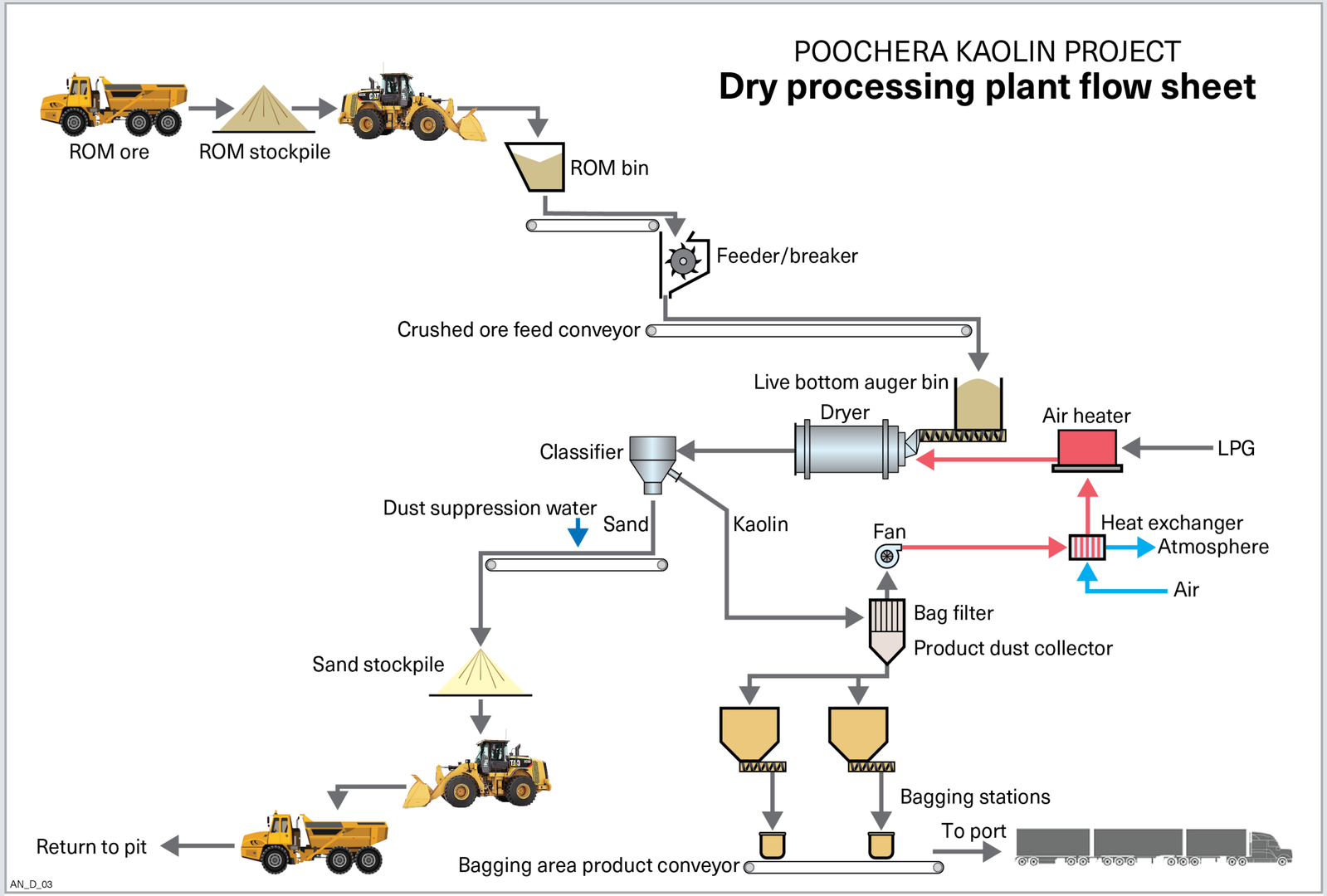


Typical Dry Mining Kaolin Operation



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Processing Options

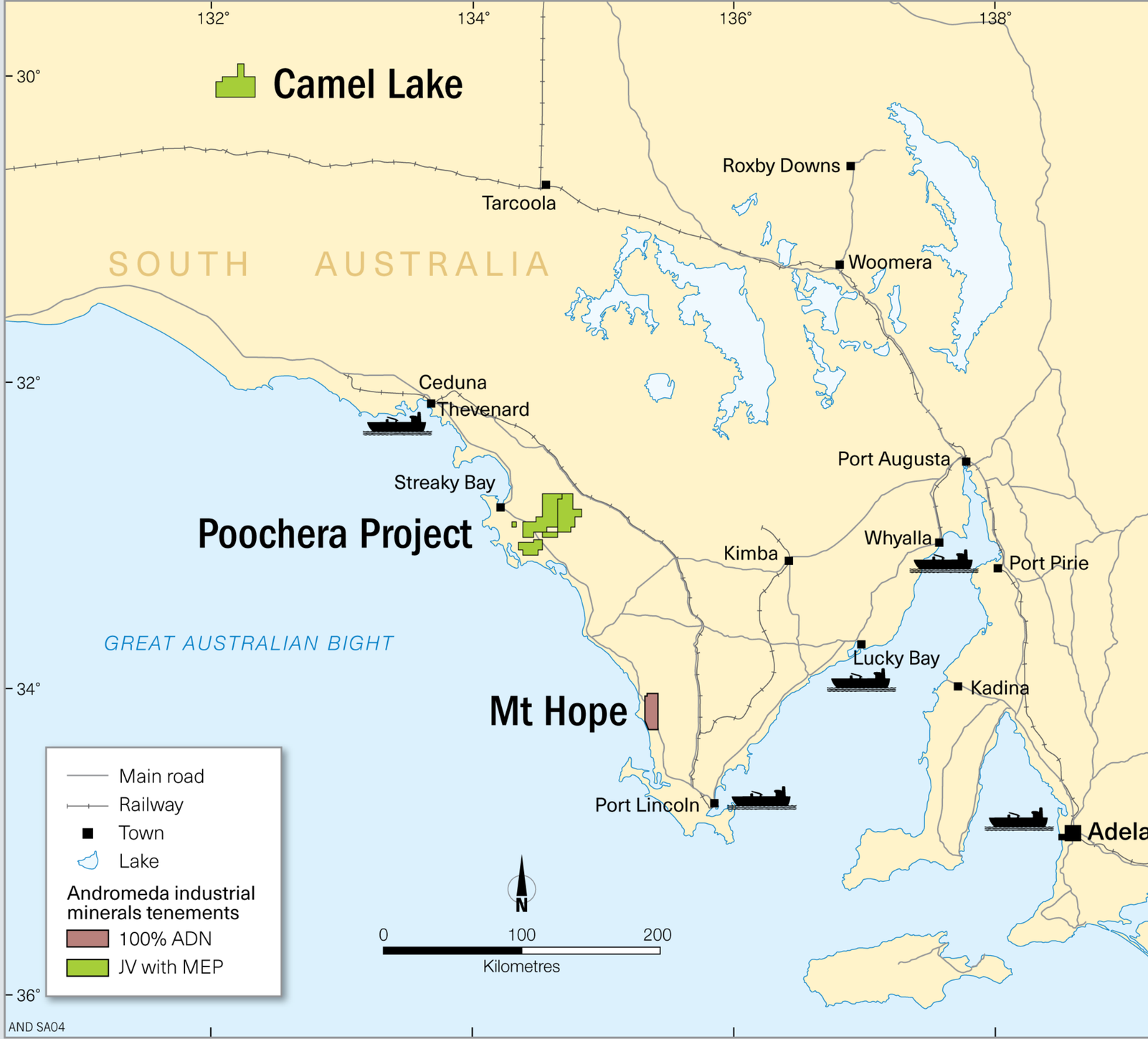


- Dry-processing to remove 50% waste (sand) and 10% moisture
- Transport cost reduced approx. half
- Potential to give market ready products
- Potential to wet-refine overseas



Existing Infrastructure

- Adjacent to Streaky Bay, SA
- Several port opportunities offer suitable shipping options

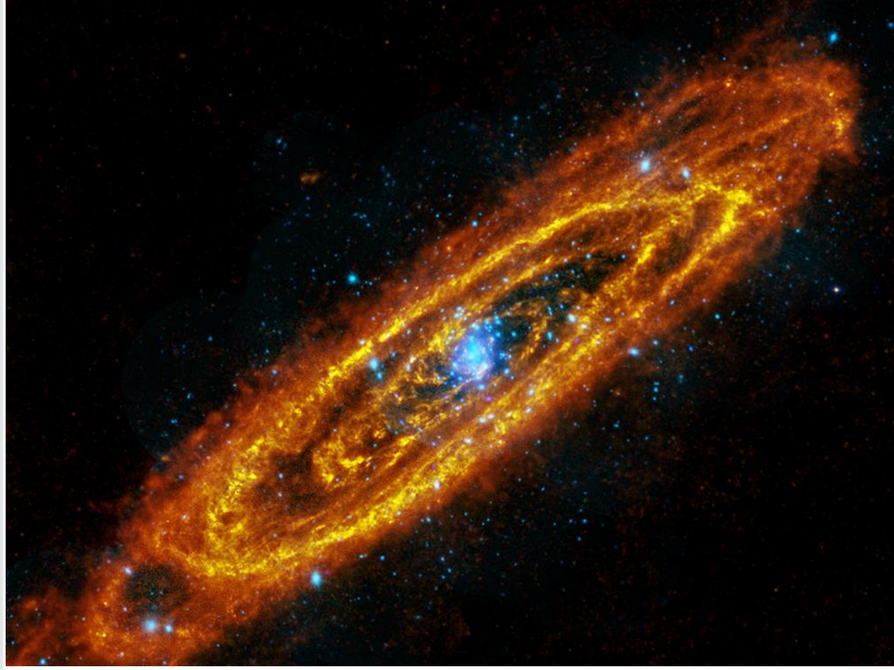


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In Summary

- South Australia has one of the world's largest resources of halloysite kaolin
- This is a relatively high value industrial mineral
- Global demand is increasing*and supply is decreasing
- Right product, at the right time, in the right place
- Andromeda is well positioned to become the world's leading producer of this mineral
- Huge blue-sky potential in HPA and nano-technology

**Global Market Insights - Growth Projections 2016 to 2024 & Zion Market Research - Global Kaolin Market*



Thank You

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

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Cautionary Statements

The Scoping Study referred to in this announcement has been undertaken to determine the potential viability of a direct shipping and dry-processing operation to produce high-quality halloysite-kaolin product at Poochera in South Australia that will provide Andromeda Metals with the confidence to undertake further and more detailed feasibility studies for the project. It is a preliminary technical and economic study of the potential viability of the Poochera Halloysite-Kaolin Project. It is based on low level technical and economic assessments that are not sufficient to support the estimation of ore reserves. Further exploration and evaluation work and appropriate studies are required before Andromeda Metals will be in a position to estimate any ore reserves or to provide any assurance of an economic development case.

The Production Target referred to in this announcement is based on Measured and Indicated Resources for the mine life. Andromeda Metals has concluded that it has reasonable grounds for disclosing a Production Target, however there is no certainty that the Production Target or preliminary economic assessment will be realised.

The Scoping Study 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 Scoping Study will be achieved.

To achieve the range of outcomes indicated in the Scoping Study, funding in the order of AUD 13 million, inclusive of working capital, will likely 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 Scoping Study.

These materials include 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 to the Study. All financial assumptions and estimates are quoted in Australian Dollars ('A$' or 'AUD') only, unless indicated otherwise.