



Andromeda Metals Limited
ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash: \$1.738 million

Issued Capital:

1,079,361,560 ordinary shares

486,280,451 ADNOB options

2,476,507 unlisted options

Directors:

Rhod Grivas

Non-Executive Chairman

James Marsh

Managing Director

Nick Harding

Executive Director and

Company Secretary

Andrew Shearer

Non-Executive Director

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ASX Announcement

9 October 2018

Poochera Project Bulk Sample Operation Commences at Carey's Well

Highlights

- Drilling to obtain a 200 tonne bulk sample of halloysite-kaolin to commence today at the Carey's Well deposit, South Australia
- The sample will be used in commercial scale processing trials in Australia and China with results expected later in the quarter, leading into anticipated offtake negotiations early in the New Year
- The operation is scheduled to take approximately six days with resultant material to be shipped during early November
- The bulk sample drilling is a key step forward in the development of the Carey's Well deposit and greater Poochera Project, with the results to be used in planned feasibility studies
- Negotiations for binding offtake agreements will then commence
- Testing halloysite kaolin to get a 5N (99.999% Al_2O_3) HPA feedstock is also continuing

Summary

Andromeda Metals (ASX: ADN) is pleased to announce that the bulk sampling operation has commenced today at Carey's Well, within the Poochera Kaolin-Halloysite Project. The plan is to use a large foundation drill rig to remove approximately 200 tonnes of the halloysite kaolin and load into bulka bags. These bags will be transported to Adelaide Port for containerisation and shipment to commercial kaolin processing operations in China and Western Australia. Approximately twenty holes will be drilled to a maximum depth of thirty metres and the halloysite kaolin material selected for packaging by a geologist.

Processing trials will be conducted using wet and dry processes and detailed technical reports supplied, with the results being a vital component of the Prefeasibility Study. Analysis of the trial results will identify the processing options available along with the final product specifications, operational costs and market value. The resultant final products will then be run through commercial ceramics factories for technical approvals.

Binding agreements with customers for direct shipping ore (kaolin processors) and end customers (ceramic factories) will then be negotiated.

A Geotechnical Engineer will attend the operation and collect all of the necessary data and samples required for the mine design stage and Mining Lease application.

Project Location

The Poochera Kaolin-Halloysite Project covers two main geographic areas of interest, both situated in the western province of South Australia (Fig.1). The main area of focus, the Poochera Kaolin-Halloysite Project on the Eyre Peninsula comprises three tenements and is located approximately 635kms west by road from Adelaide and 130 kms east from Ceduna (Fig.2).



Figure 1 - Project Location

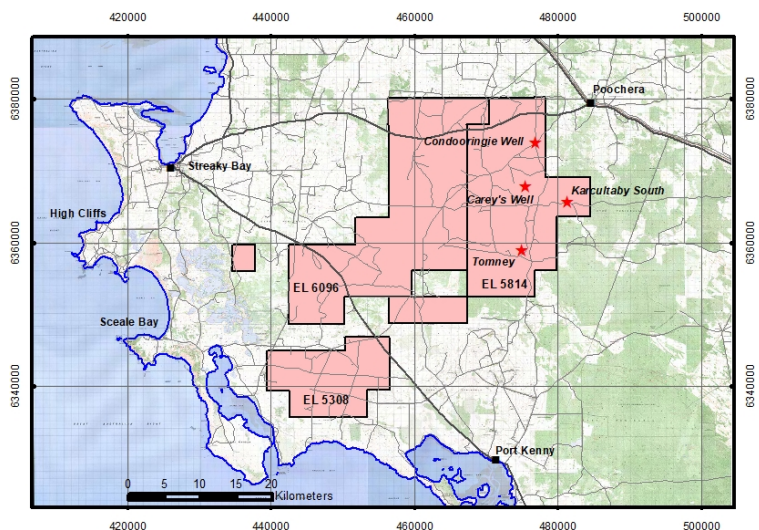


Figure 2 - Poochera Key Kaolin-Halloysite Tenements

Bulk Sample Location

The area shown below in Fig.3 was selected to extract the bulk sample following extensive analysis of samples from exploration drilling carried out by Minotaur Exploration. The analysis was done by CSIRO and Newcastle University's Global Innovative Centre for Advanced Nanomaterials to characterise the halloysite content and ensure that a representative sample of high-quality ore was obtained.

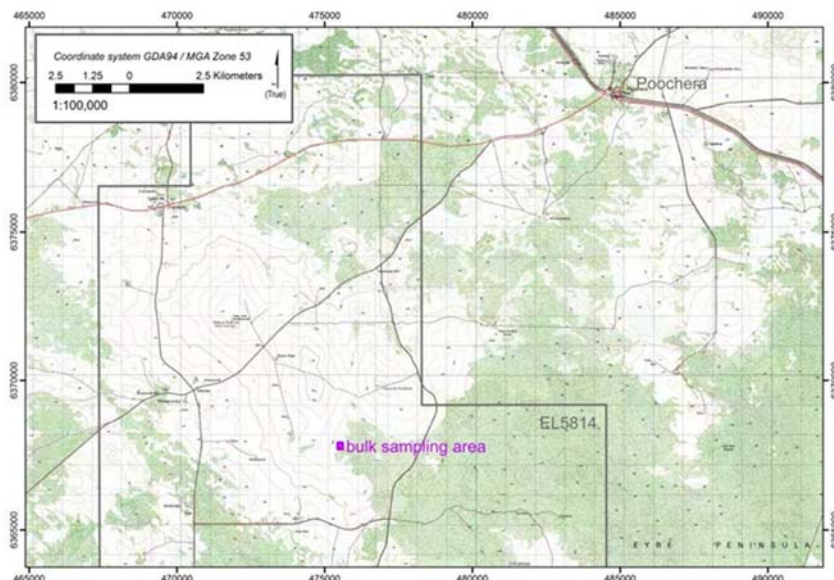


Figure 3 – Bulk Sample Location

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Competent Persons Statements

Information in this announcement has been assessed and compiled by Mr James Marsh, a member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Marsh an employee of the Andromeda Metals Limited has sufficient experience, which is relevant to metal recovery from the style of mineralisation and type of deposits under consideration and to the activity being undertaking to qualify as a Competent Persons under the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. This includes over 30 years of experience in kaolin processing and applications.