

**SA Explorers
Conference 2018**



METALS

Andromeda Metals
A New Direction in Industrial Minerals

ASX:ADN

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The information in this presentation that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information provided by Minotaur Exploration and compiled by Rhoderick Grivas, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Grivas is Chairman of Andromeda Metals. Mr Grivas has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Grivas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Outline

1. The Andromeda transformation
2. The Poochera Project
3. Geology, drilling and defined resource
4. Kaolin and halloysite mineral properties
5. Product and Target Markets
6. Marketing & offtake agreements
7. Bulk sampling and processing trials
8. Existing Infrastructure
9. Resource model update
10. Mine Plan
11. Processing Options
12. Summary



The Andromeda Transformation

Vision

- From a gold/copper explorer to a sustainable industrial minerals producer

Primary Project Development Focus

- Poochera Halloysite-Kaolin Project JV with Minotaur Exploration

Exploration Portfolio

- Projects covering 6,102 km²
- 22 exploration licences
- Located in SA, QLD, WA and the NT

Other Projects – minimising holding costs and maximising value

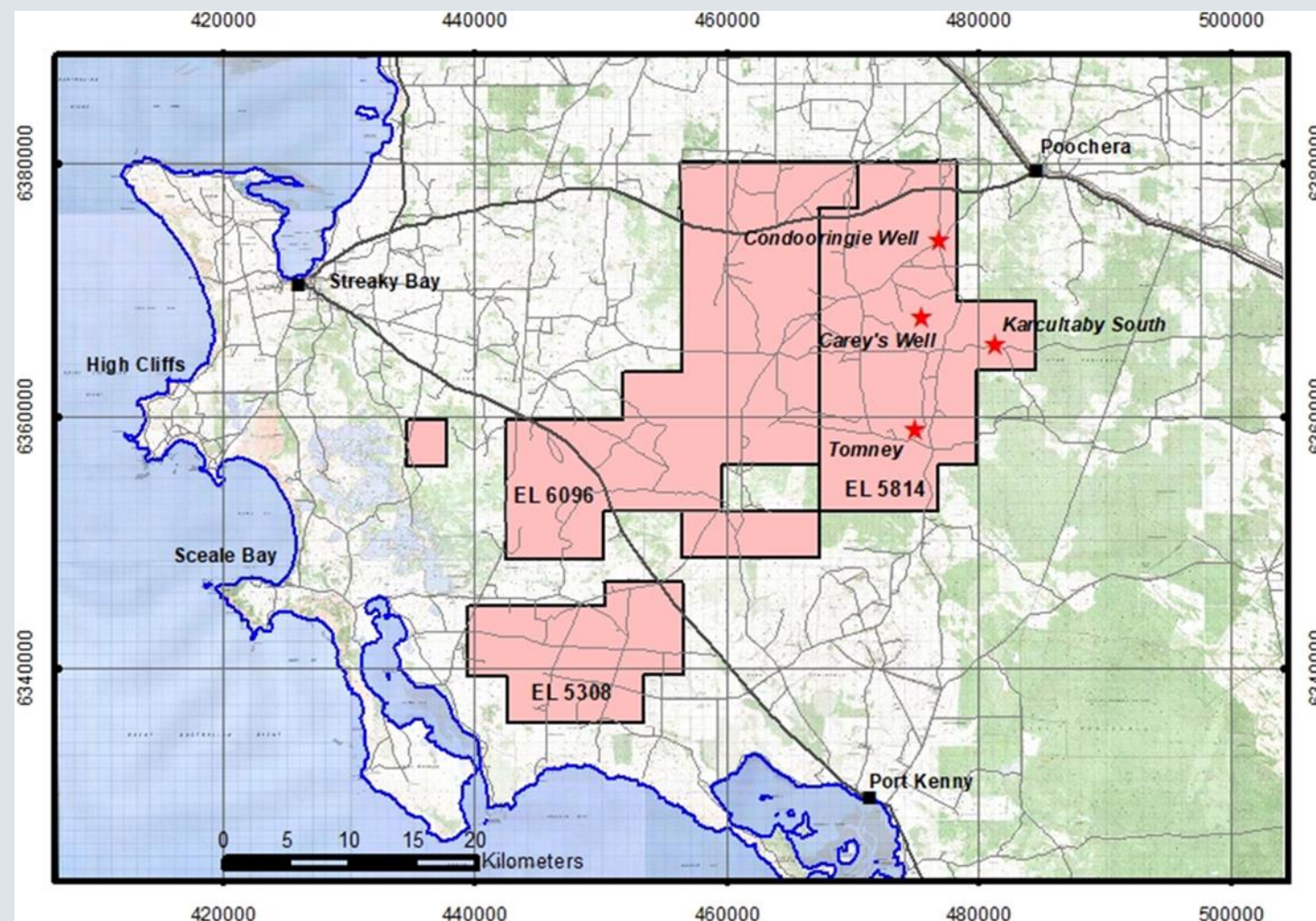
- Drummond (Gold) – JV with Evolution Mining
- Moonta (Copper) – JV negotiations at advanced stage
- Wudinna (Gold) – JV with Lady Alice Mines
- Rover (Gold) – Seeking JV
- Pilbara (Gold) – Native Title agreements being negotiated



Poochera Project

Overview

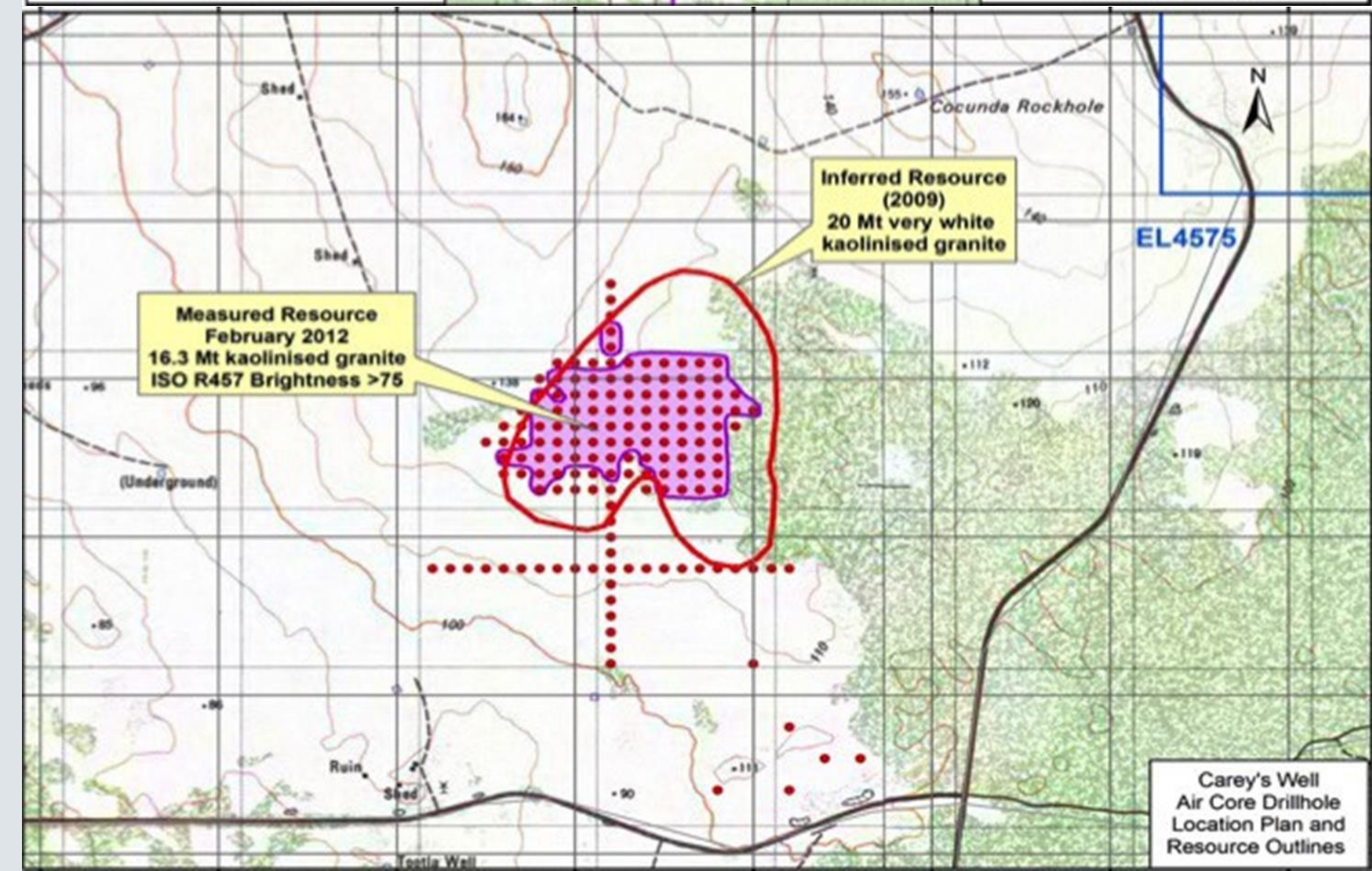
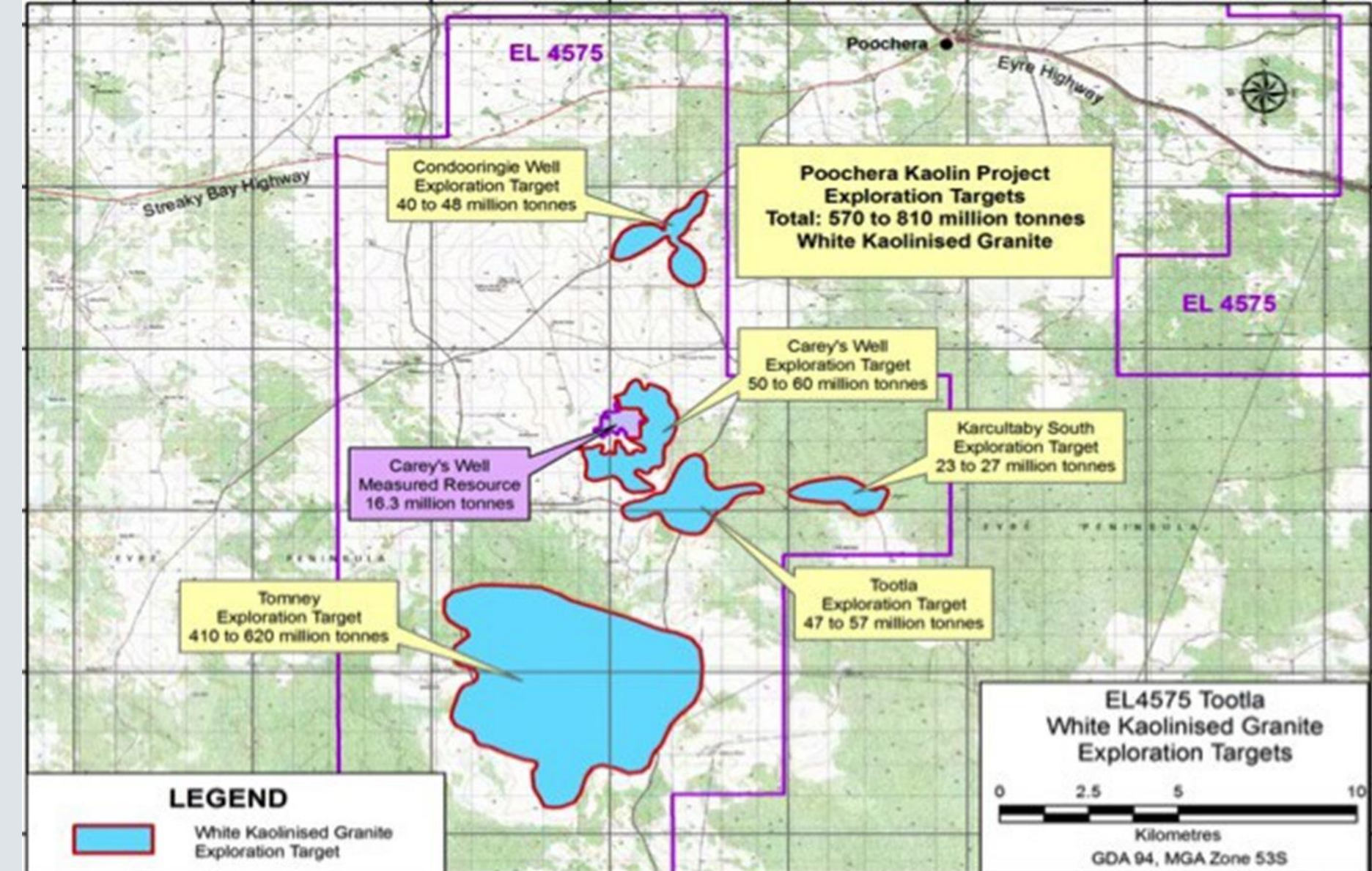
- World class halloysite-kaolin deposit
- Estimated short timeframe to production
- Long mine life
- Indicative off-take agreements with Chinese companies (>200,000 tpa processed product)
- Commercial scale approval trials planned for direct shipping ore
- Testwork proved a 99.99% (4N) High Purity Alumina (HPA) feedstock
- Opportunities in emerging for halloysite nanotechnology applications



Defined Resource

- JORC 2012 Resource estimate for Carey's Well
- Total 23.9Mt of “bright white” kaolinised granite
- ISO Brightness R457 cut-off of 75 (< 45 micron product)

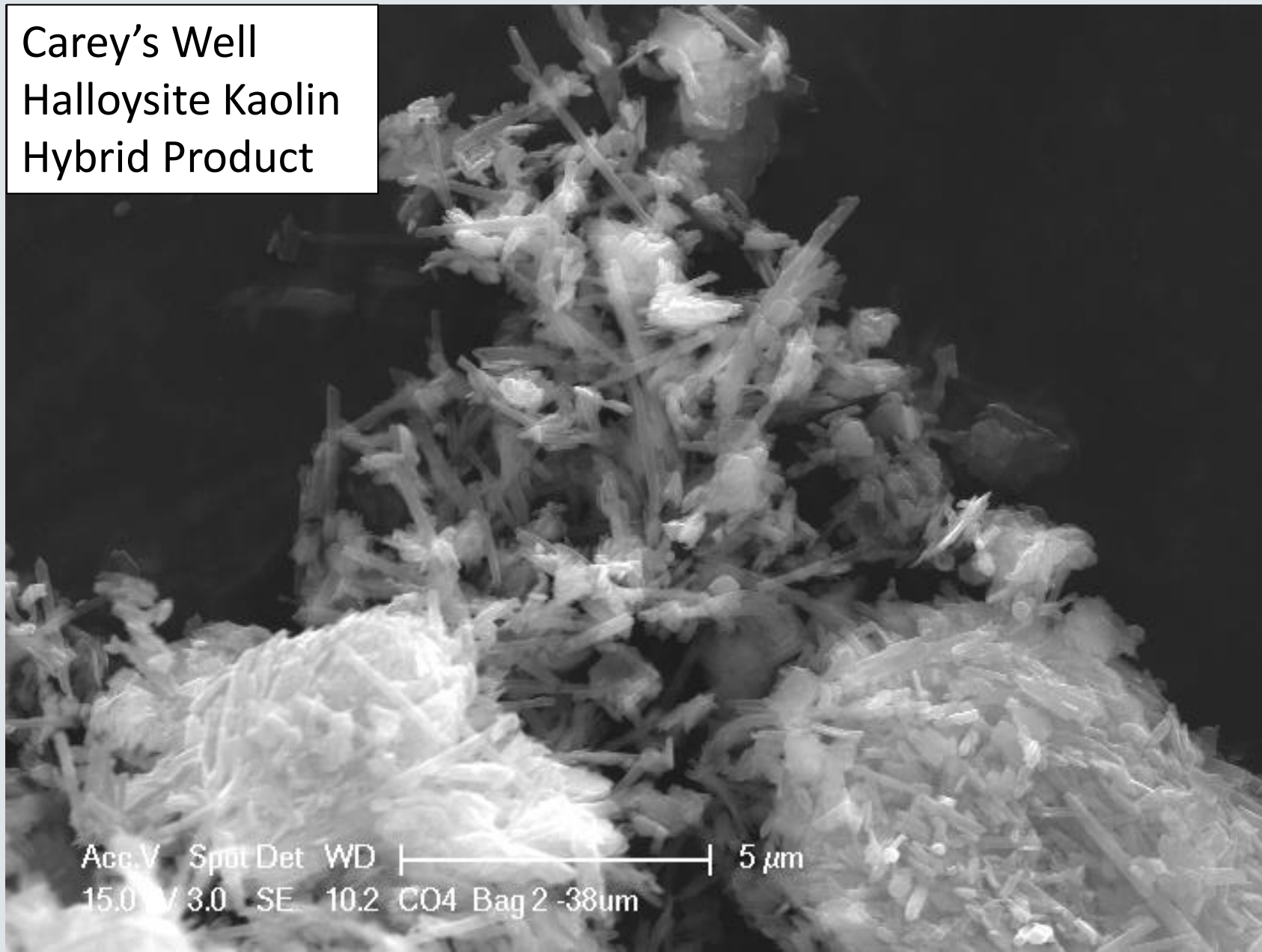
The Carey's Well material is a naturally occurring hybrid blend of halloysite and kaolin



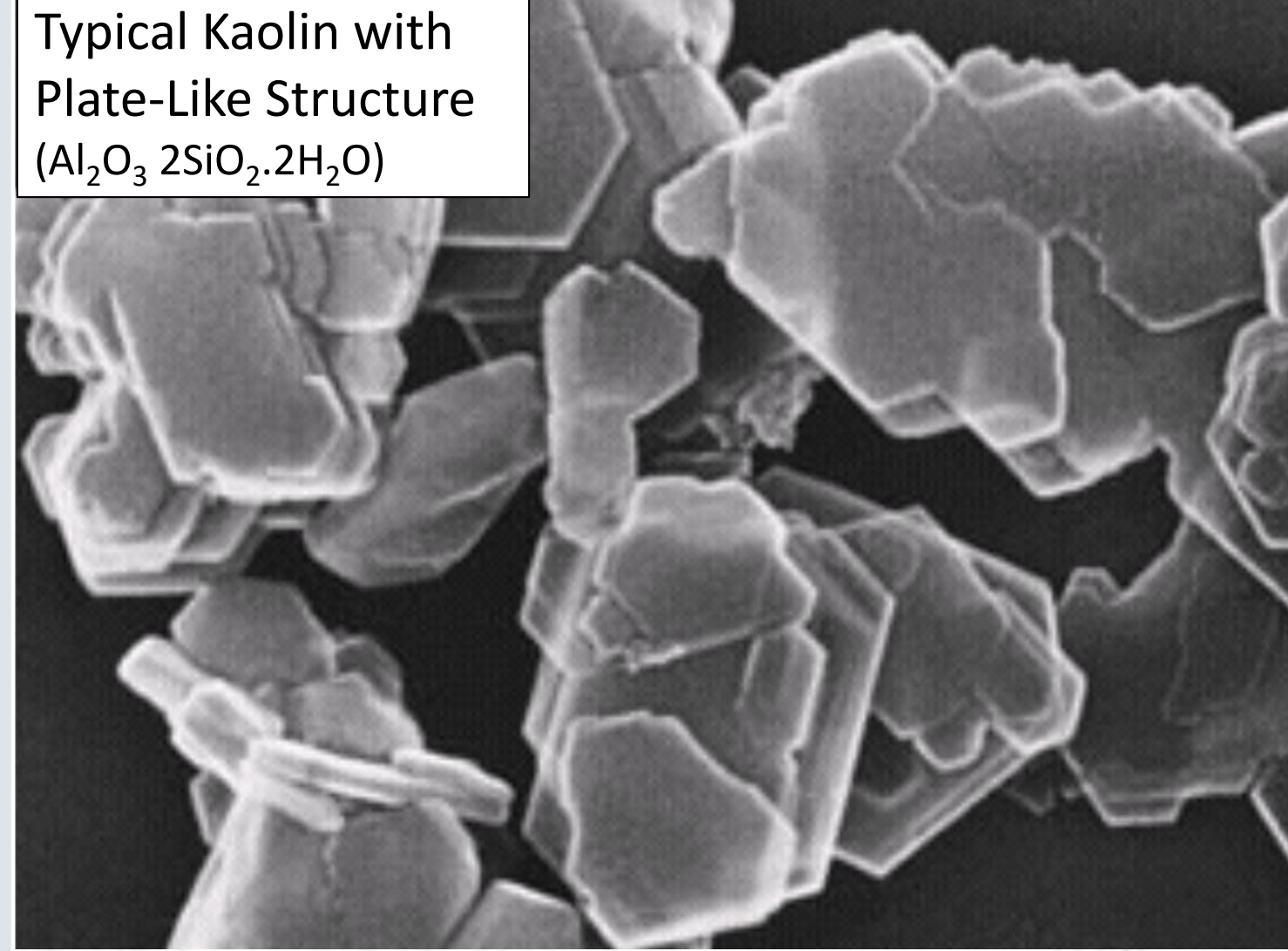
Mineral Properties

| | |
|--------------------------|----------------------------|
| Main Constituent: | Kaolinite/Halloysite Blend |
| Minor: | Mica, Quartz, Feldspar |
| Aspect Ratio: | 8/1 - 100/1 |
| Specific Gravity: | 2.6 |
| Refractive Index: | 1.56 |
| MOH Hardness: | 2.5 |

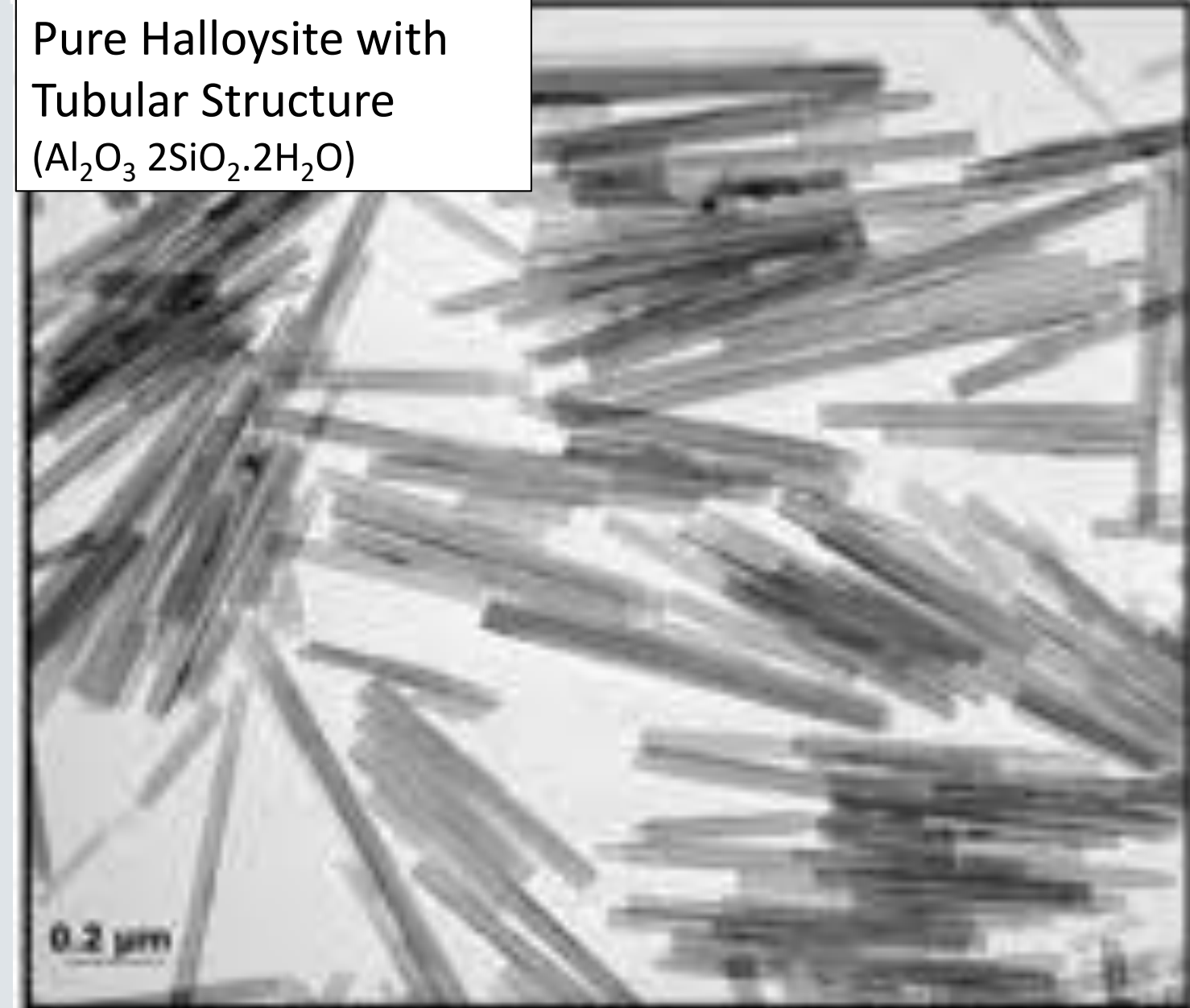
Carey's Well
Halloysite Kaolin
Hybrid Product



Typical Kaolin with
Plate-Like Structure
($\text{Al}_2\text{O}_3 \cdot 2\text{SiO}_2 \cdot 2\text{H}_2\text{O}$)



Pure Halloysite with
Tubular Structure
($\text{Al}_2\text{O}_3 \cdot 2\text{SiO}_2 \cdot 2\text{H}_2\text{O}$)



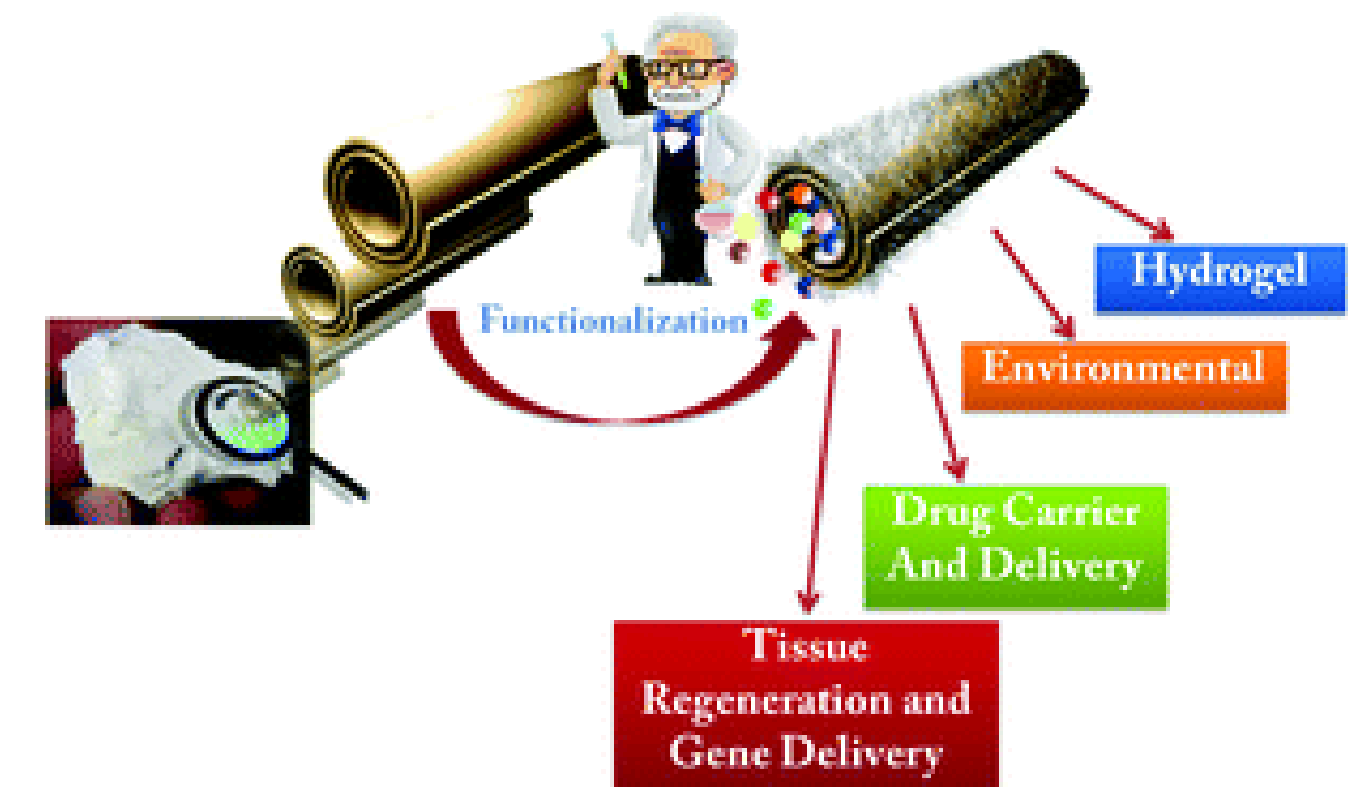
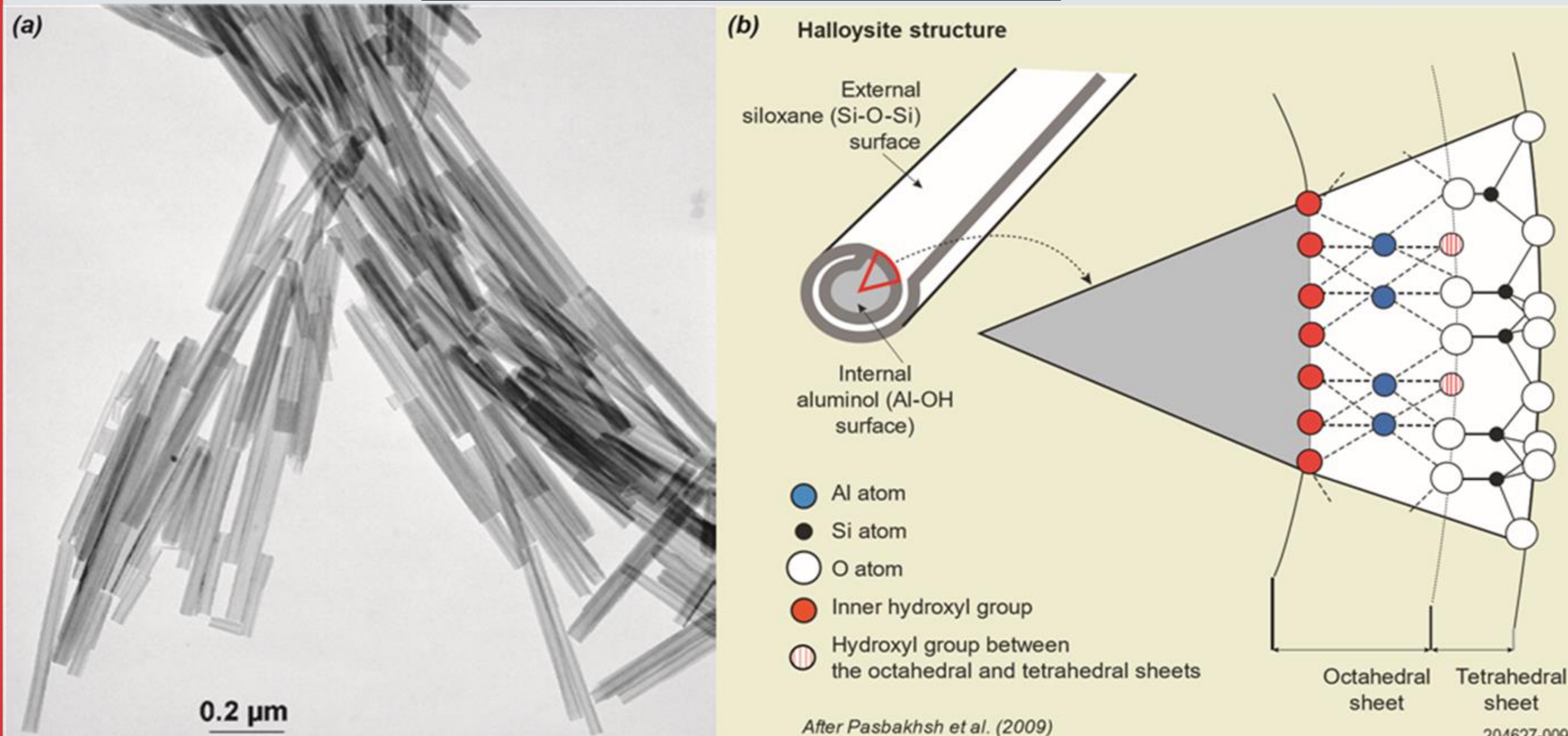
Halloysite

Halloysite is a rare 'tubular shaped' derivative of kaolin that has a wide variety of industrial uses

Relative Commercial Values

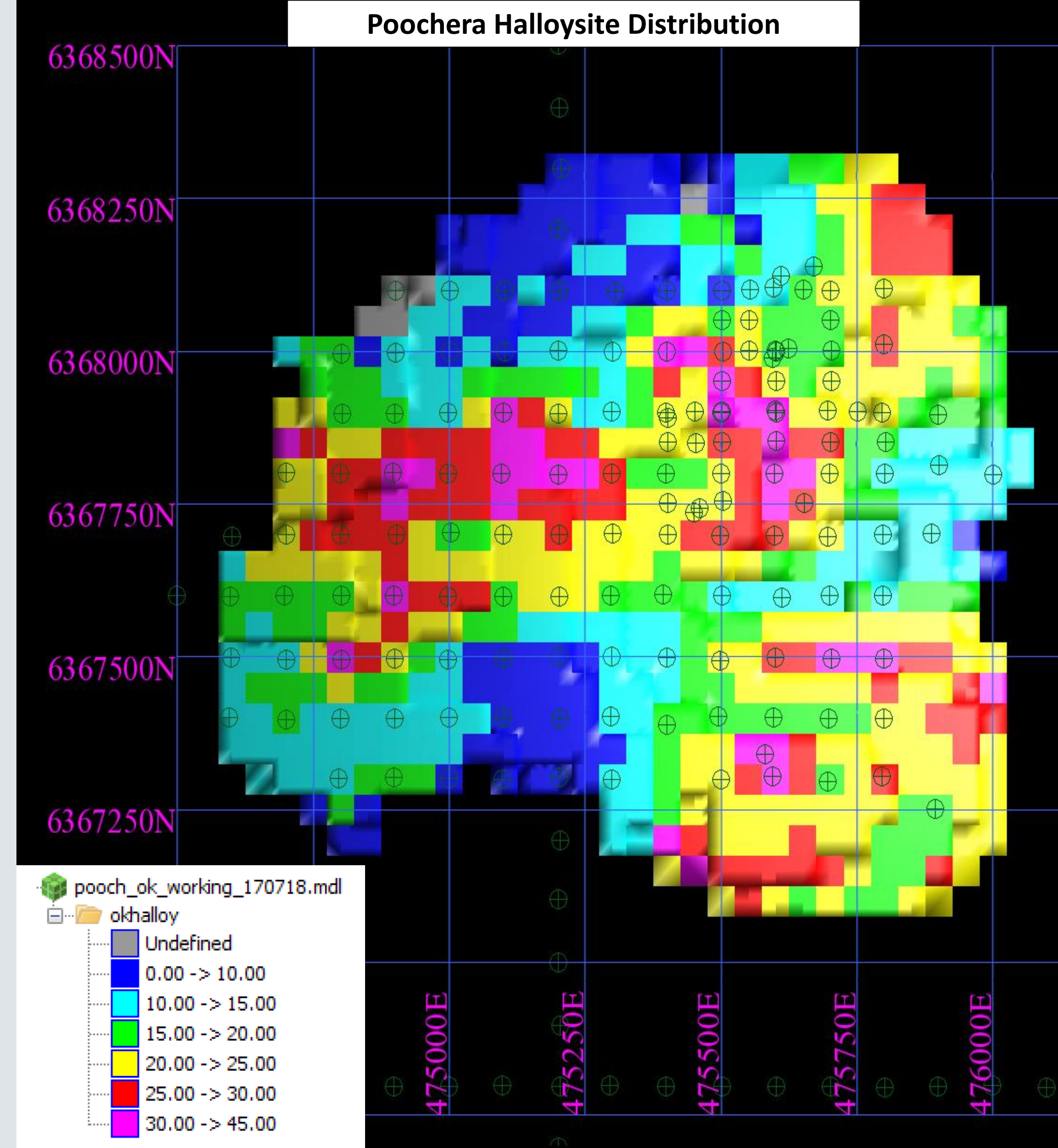
- Pure Kaolin - approx. \$200/t
- Kaolin/Halloysite Hybrid - approx. \$500 - \$1000/t
- Pure Halloysite - approx. \$3000/t upwards

Halloysite Kaolin with Tubular Structure



Resource Model

- Resource model update
- Characterise the halloysite component
- Exploration drilling of high purity halloysite regions



Product & Target Markets

for the halloysite kaolin market

Main 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

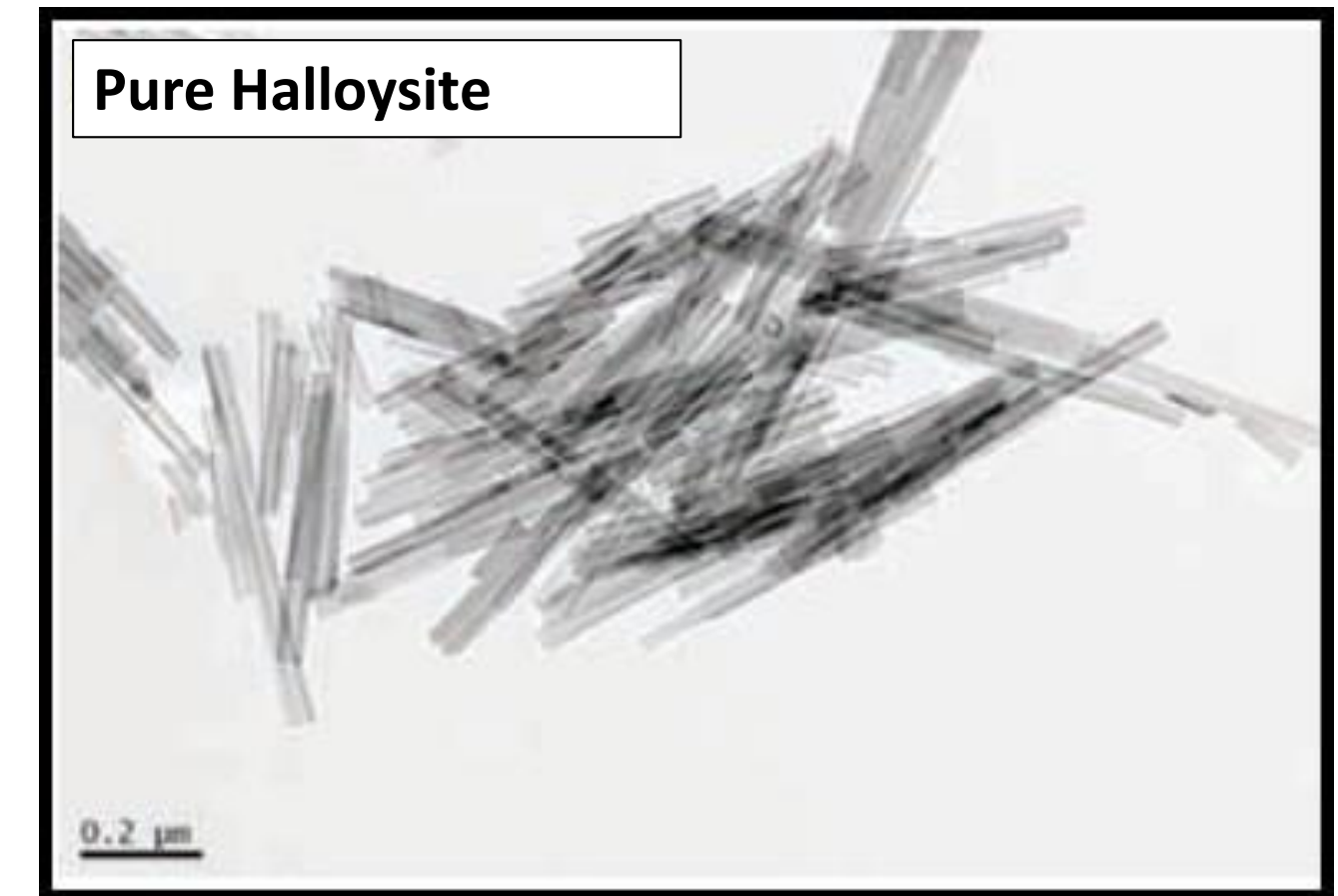


Nanotechnology Applications

The Global Innovative Center for Advanced Nanomaterials (GICAN) industry hub at the University of Newcastle is using Carey's Well pilot plant material in halloysite nanotube technology research

Emerging Applications

- Micro-containers for delivery of drugs, biocides and pesticides
- Manufacture of carbon nanostructures - batteries, superconductors, water purification
- Coatings - flame retardants and nucleating agents
- Carbon dioxide capture, storage and conversion to fuel



Marketing Strategy

Opportunities

- Significant and increasing demand for:
 - Direct Shipping Ore
 - Beneficiated ore
- Market to petrochemical industry - catalytic cracking
- Premium HPA feedstock

Technical Approval

- High quality ceramic customers



Bulk Sampling & Processing Trials

Bulk Sampling

- 210t bulk sample taken in October 2018

Commercial Processing Trials

- Full scale dry processing – December 2018
- Full scale wet processing – Q1 2019
- Full-scale commercial application trials – ceramics

Commercial Agreements

- Legally binding agreements following outcomes of processing trials

Analysis of Samples

- Preliminary XRF testing has shown the bulk sample material to be of truly world class purity

Bulk Sampling
at Carey's Well



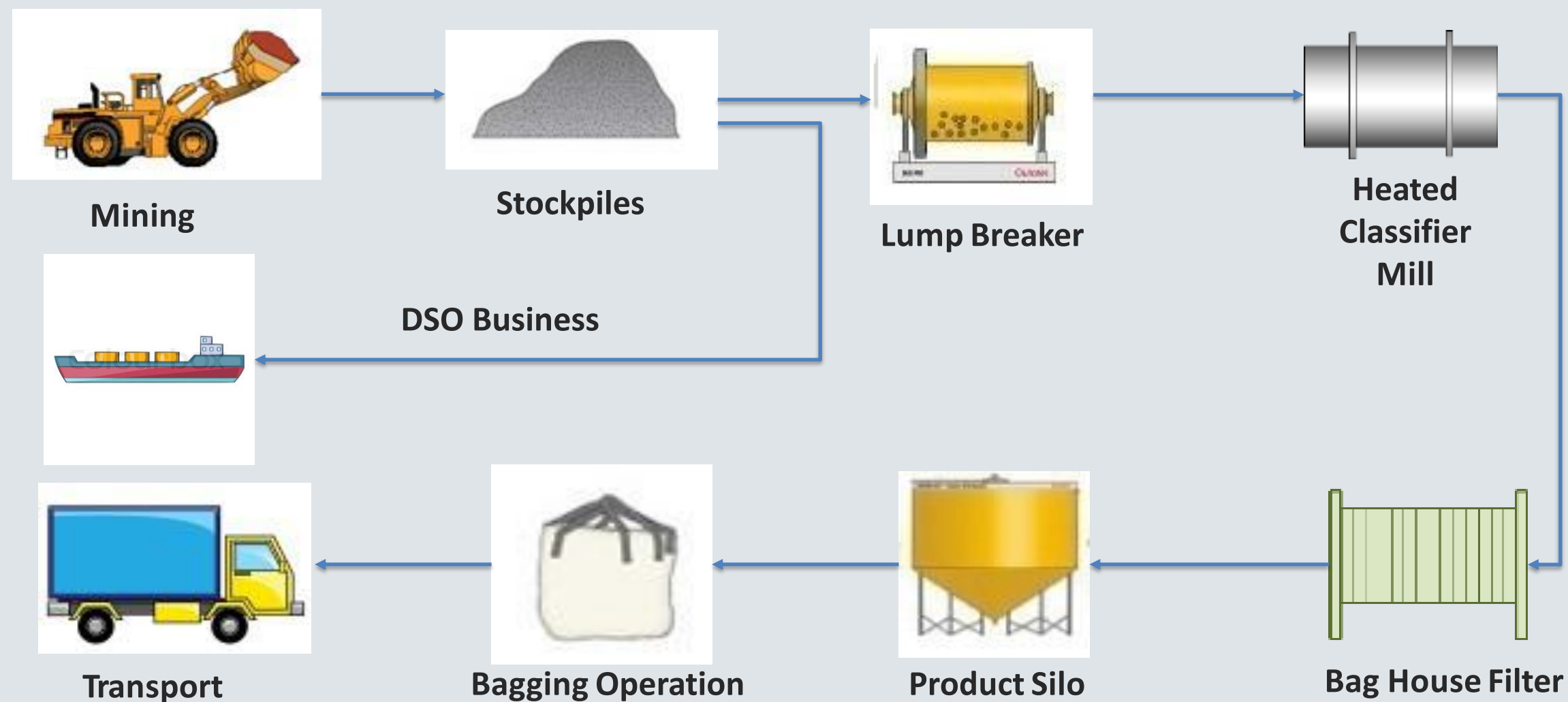
Mine Plan

- Open cut quarry
- Low stripping ratio
- Campaign mining using contractors
- Stockpile at site and/or near port facility
- Pit backfill and progressive mine rehabilitation



Processing Options

- Commence direct shipping ore business
- Second stage production plan to remove 50% waste (sand)
- Transport cost reduced by half
- Potential to give a market ready product with much higher value
- Contract toll production of fully refined product for export business

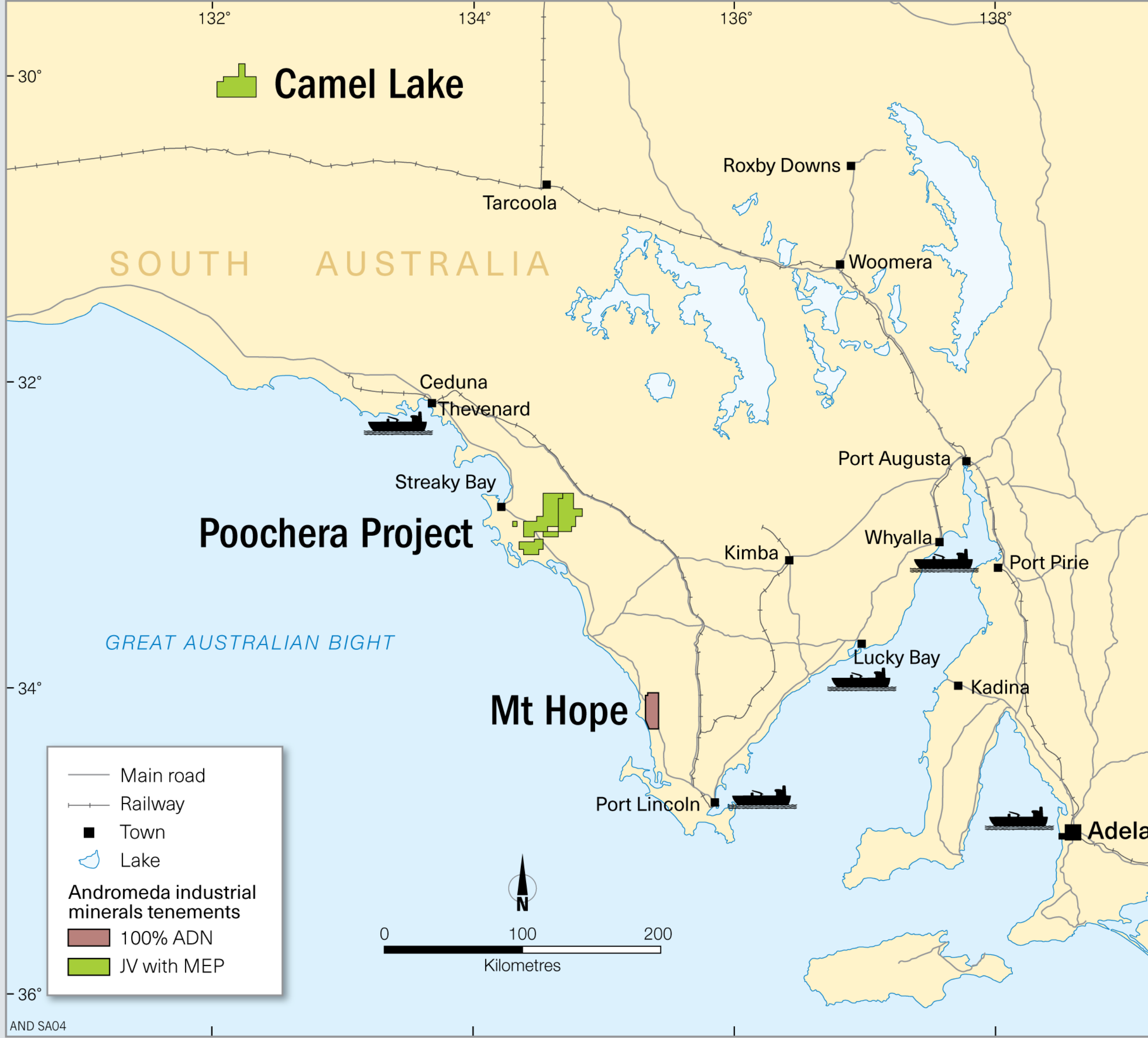


Streaky Bay Pilot Plant



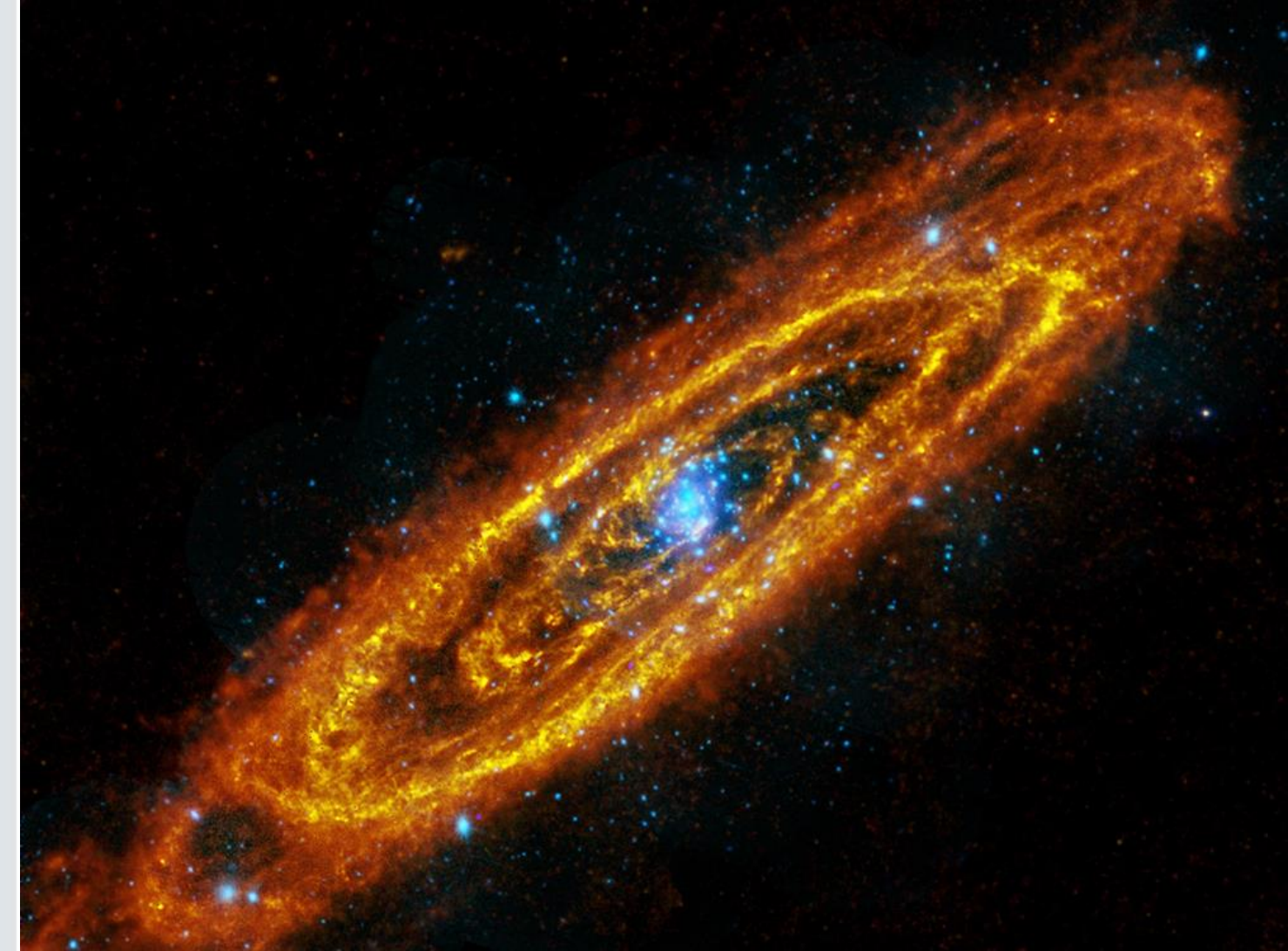
Existing Infrastructure

- Adjacent to Streaky Bay, SA
- Highway access to ports at Ceduna, Lucky Bay and Port Lincoln



Summary

- South Australia has probably the world's largest resources of halloysite kaolin
- This is a relatively high value industrial mineral
- Global demand is increasing
- Global production has decreased significantly
- Pure halloysite is an even more extreme example of that
- Andromeda is well positioned to become one the world's leading producers of these materials



Thank You