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21 November 2022

Good afternoon, Ladies and Gentlemen,

2022 financial year was pivotal for Andromeda as we transition from explorer to developer of Halloysite-Kaolin. This is marked by the strong economics of the Definitive Feasibility Study which underpins the value of the Great White Project development. Further, progress has been made on the research into new products from our Halloysite-Kaolin resource, some of which in time we hope will become commercial and add substantially to the value of your Company.

As you are aware this is my first Annual General Meeting as Chair, after being appointed to the Board in April this year. Upon my joining the Board, the immediate tasks were to focus on a strong governance approach and enable a path forward to development of the Great White Project to get us into production and cash flow.

On Governance we have taken the following steps

- Renewal of the Board with the skill set required to become a producer. In particular, I would like to welcome Austen Perrin to the Board. Austen brings a wealth of experience in finance and logistics for the mining industry. I would also like to acknowledge the significant contribution that Joe Ranford has made to the Board over the past few years. Joe will be stepping down from the Board following this meeting to focus on the important role of COO and help us ensure we deliver the Great White Project as planned.
- Revisiting remuneration policies and structures for the Board and Executive management that align with the Company strategy, and
- Improving other corporate policies and systems in line with contemporary mining producers.

Despite ongoing disruptions due to the COVID-19 pandemic, significant progress has been made on the development of our flagship Great White Halloysite-Kaolin Project. Since the DFS was completed in April this year, we continued moving towards a final investment decision, de-risking the Project and evaluating funding arrangements that best suit the long-term interests of the Company and you, our shareholders. This was particularly important given the significant risks associated with covid related global supply chain disruptions, rapidly rising inflation and evolving geopolitical issues.

The progressive steps we have taken are part of the invigorated long-term strategy to bring our halloysite-kaolin products to the broader global market and entrench the premium positioning of the Great White brand.

Accordingly, a refinement of the staged, scalable approach to developing the Great White Project was deemed prudent, through the initial construction of a processing plant with a capacity of 50ktpa which closely aligns production in the first year to signed offtake volumes currently in

place and being negotiated. Once in production the intention is to quickly expand the process plant to match production volumes in the DFS of 150ktpa. In addition to aligning our processing capacity with offtake commitments, this plan has the benefit of reducing the initial capital requirement to \$50-60 million, prior to achieving first production and cash flow.

Importantly, it remains the firm intention of Andromeda's Board and Management to deliver the Project's full production and financial outcomes, as outlined in the DFS. We remain very confident in the significant value that can be generated for shareholders through developing the Great White Project safely, responsibly and efficiently, and the significant benefits for the South Australian economy and community of the Eyre Peninsular.

The Company continues progressing towards a Final Investment Decision, otherwise known as FID, which of course is dependent on:

- the approval of the Program for Environment Protection and Rehabilitation (currently lodged with the South Australian Government)
- Further binding offtake agreements for the remaining 'uncommitted' volume of planned production, and
- Finalisation of the funding structures.

In addition to progressing the Great White Project, we continue to pursue a range of other potential new product and nanotechnology opportunities. The strategic objective for these is to create new products and markets using our unique Halloysite-Kaolin resources to increase the weighted average margins of our products.

The first of these is the exciting new product for the concrete industry in Australasia, which we are planning to include in the initial process plant design. Pleasingly the offtake for these was recently signed as announced today. Apart from the higher margin expected from this product compared to our more traditional Kaolin products, this product is expected to significantly reduce the carbon footprint of standard concrete primarily by reducing its cement content.

Not included in the current development plans for the Great White Project, is High Purity Alumina, which is now designated as a critical mineral otherwise known as HPA, and widely used in modern technology devices such as batteries, tablets and phones. Our studies are progressing on the production of HPA from our high quality Halloysite-Kaolin in a more efficient and environmentally safe manner than current methods. If these studies prove successful, we hope to move into pilot testing of the flowsheet in the near term.

Further, through our collaboration with the University of Newcastle, we continue to research the use of Halloysite-Kaolin to develop new products in the form of nanotechnologies for carbon dioxide capture and conversion, water treatment to remove micro-plastics, anti-microbial paint, and soil improvement for large scale agriculture.

What provides the foundations for all the aspects of our business model is the size and quality of our Halloysite-Kaolin resource here in South Australia. We continue to expand these resources through exploration to further secure our long-term position and create a new significant industry for the State.

We also acknowledge the importance of committing to sustainable extraction and supply of superior quality industrial minerals. As the Company moves towards production, our aspiration is to adopt, monitor and report on relevant frameworks and metrics that emerge from the developing

consensus and convergence of Environmental, Social and Governance (or ESG) frameworks and standards.

In summary, the Board believes Andromeda is well-positioned for the future, with globally significant, high-quality resources, and the right team in place to progress development of our flagship Great White Project and the other significant new product and nanotechnology opportunities.

I would like to thank my fellow Directors and talented and hard-working Andromeda team. We remain focused and committed to delivering on the full potential we have before us, which in turn will deliver long-term value for you, our shareholders. I would also like to thank you, and all our Shareholders for your continued loyalty and support of Andromeda.

A handwritten signature in black ink, appearing to read 'Mick Wilkes', with a large, stylized initial 'M'.

Mick Wilkes  
Chair, Andromeda Metals Ltd

*Authorised for release by the Board of Directors of Andromeda*