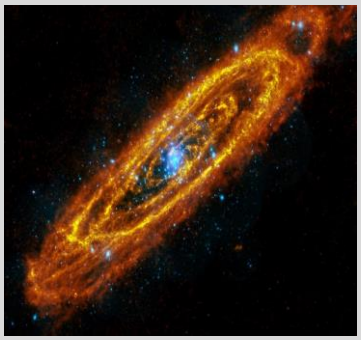

Andromeda Metals Limited
ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash (31 Dec 2019): $4.37million

Issued Capital (20 Apr 2020):
1,472,154,645 ordinary shares
673,382,095 ADNOB options
99,000,000 unlisted options

Directors:

Rhod Grivas
Non-Executive Chairman
James Marsh
Managing Director
Nick Harding
Executive Director and Company Secretary
Andrew Shearer
Non-Executive Director
Joe Ranford
Non-Executive Director

Contact details:

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Unley, South Australia 5061

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Andromeda METALS

ASX Announcement

20 April 2020

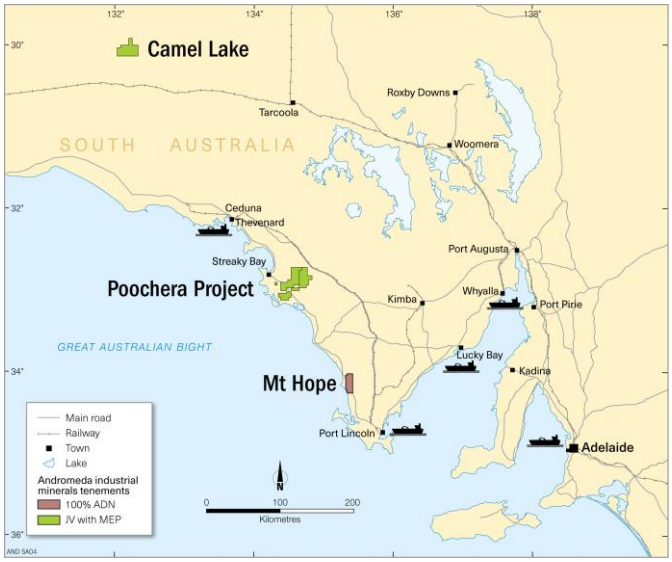
Significant Kaolin intersected at Mount Hope Halloysite-Kaolin Project

Summary

- **Significant intersections of greater than 20 metres thickness of white kaolin intercepted during recent drilling at ADN's 100% owned Mount Hope Halloysite-Kaolin Project in South Australia.**
- **An aircore drilling program comprising 40 holes for 1,383 metres was completed with the compelling intersections located within the southern zone of the drill target area which remains open to the south.**
- **Drilling was undertaken to follow up on the historic Mount Hope kaolin resource of 12.26Mt originally identified in 1973. This mineral resource estimate was not reported in accordance with the JORC 2012 Code and investors are cautioned that the Company has not yet completed the work to verify the historical resource estimate[1].**
- **Technical work conducted by the South Australia Department of Mines and Energy recognised the existence of high value halloysite-kaolin material similar to that found at the Poochera Project.**
- **ADN anticipates reporting a new Mineral Resource that is compliant with the 2012 JORC Code following receipt of final assay results expected within the next two months.**
- **In addition, planning is now underway to undertake further drilling at the Condooringie Prospect (Poochera JV) to follow up on the high-grade halloysite zone identified and announced by the Company in March (*refer ADN ASX announcement 16 March 2020 "High-Grade Halloysite Zone identified at Condooringie"*).**
- **Work is continuing on the Poochera Project Pre-Feasibility Study which is planned for release in May.**

Discussion

Andromeda Metals Limited (ASX: ADN, Andromeda, the Company) is pleased to announce that encouraging observations were made from aircore drilling undertaken at the Company's 100% owned Mount Hope Halloysite-Kaolin Project (EL 6286) which is located approximately 80 kilometres northwest of Port Lincoln and 160 kilometres southeast of the Carey's Well Halloysite-Kaolin deposit in South Australia.



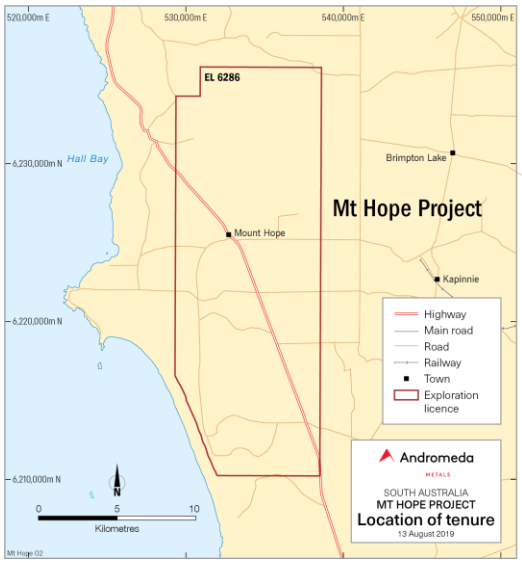


Figure 1 – ADN Halloysite-Kaolin interests ***Figure 2 – Mount Hope tenement EL 6286***

Significant intersections of greater than 20 metres in thickness of white kaolin were intercepted in the southern zone of the historic 12.26Mt kaolin resource previously determined by Abaleen Minerals in 1973. (*refer ADN ASX announcement dated 24 October 2018 titled "Exploration Licence Application for Mount Hope Halloysite Kaolin"*). Mineralogical analysis by the South Australian Department of Mines and Energy in 1989 showed the presence of a significant amount of halloysite-kaolin, which was not suitable for use in paper applications and why the project was abandoned by the previous title holders. It was the significant levels of halloysite identified that attracted ADN to acquire the vacant ground.

The objective of the now completed aircore drilling program was to obtain new material to undertake testwork in order to determine the suitability of the clay for various applications and to verify the central portion of the historic kaolin resource in order to estimate a revised Mineral Resource compliant with the JORC 2012 Code.

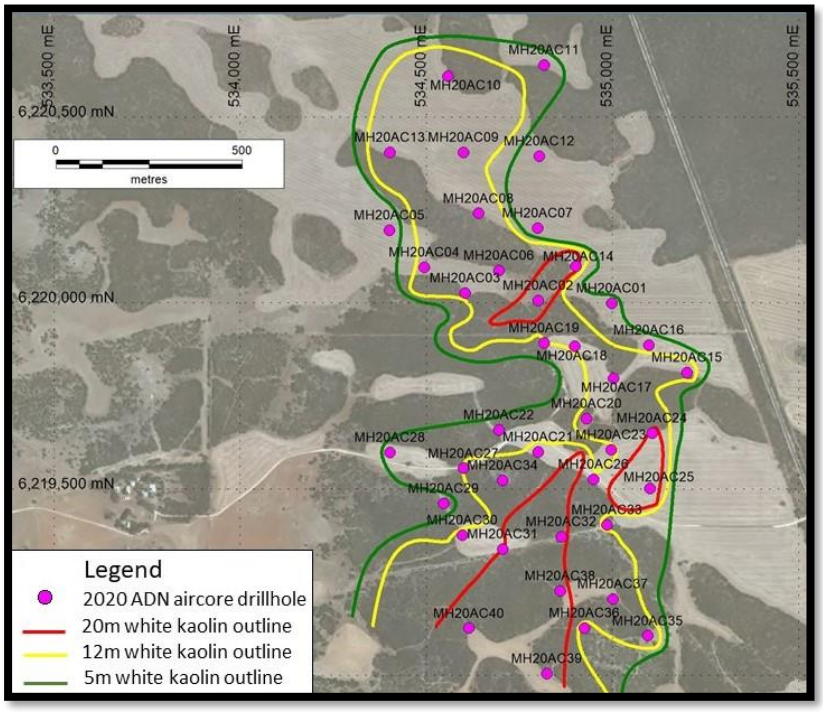


Figure 3 – Recent drilling showing white kaolin thickness contours (MGA 94 Zone 53)

A total of 40 aircore holes for 1,383 metres were drilled across the previously defined resource with 174 composite samples collected for XRF and XRD analysis and reflectance testing in order to determine both kaolinite and halloysite content. Given the complexity in undertaking this analytical work, results will take up to two months to complete. The compelling visual observations from the drilling undertaken suggest that the kaolin mineralised zone remains open to the south and will warrant follow up drilling. Drillhole collar and sample intervals are listed in Appendix A.

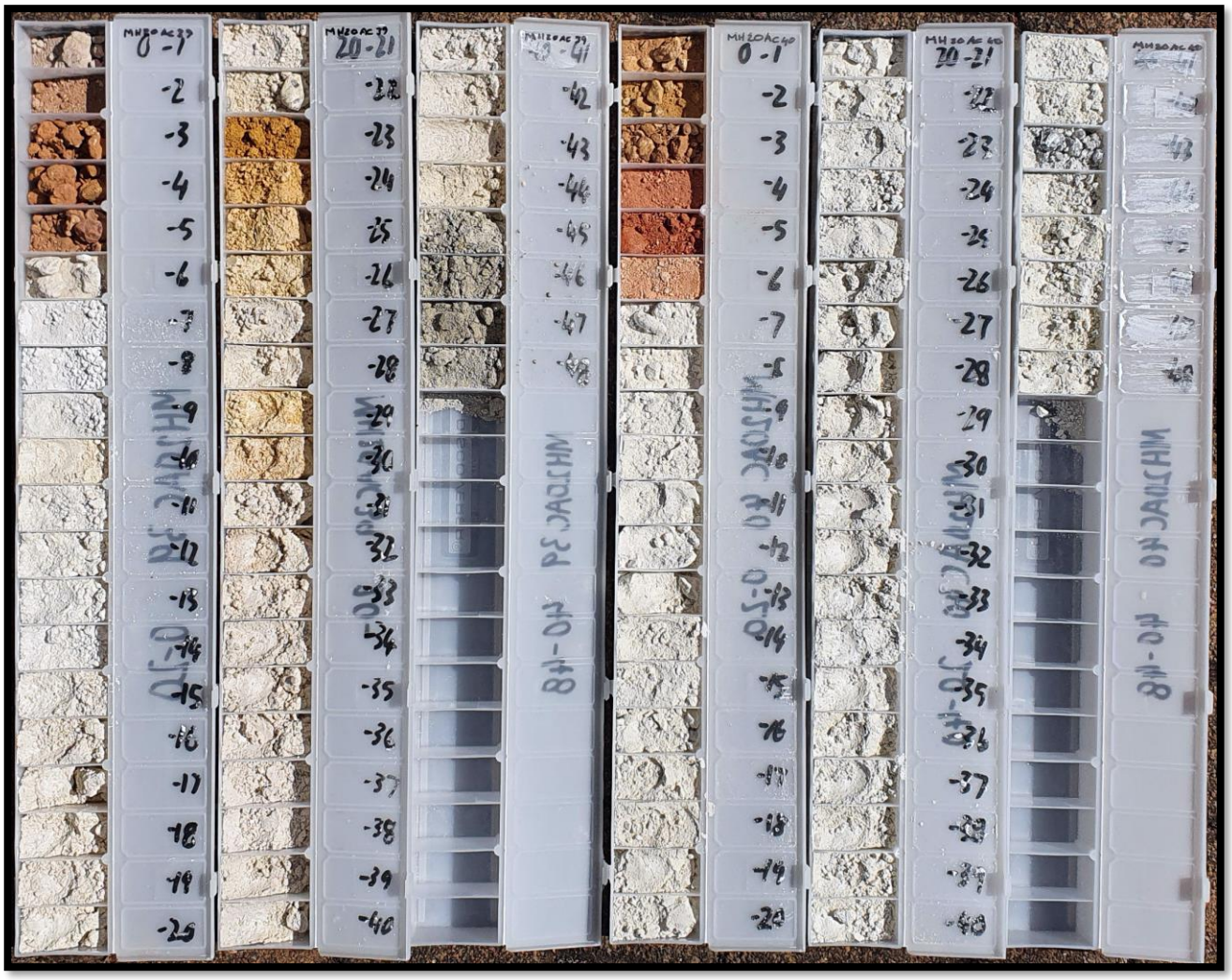


Figure 4 – Chip samples from drillholes MH20AC039 (0-48m) and MH20AC040 (0-48m)

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Competent Persons Statement

Information in this announcement has been assessed and compiled by Mr James Marsh, a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). 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.

The data in this announcement that relates to the Exploration Results for the Mt Hope Halloysite-Kaolin Project is based on information evaluated by Mr Eric Whittaker who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Whittaker is the Chief Geologist of Andromeda Metals Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 (the "JORC Code"). Mr Whittaker consents to inclusion in this document of the information in the form and context in which it appears.

1. Cautionary statement:

The historical estimate of Mineral Resources is not reported in accordance with the JORC 2012 Code. A Competent Person has not done sufficient work to classify the estimate of Mineral Resources in accordance with the JORC 2012 Code. It is possible that following evaluation and/or further exploration work the currently reported historical estimate may materially change and hence will need to be reported afresh under and in accordance with the JORC 2012 Code. ADN's current drilling is being undertaken to validate the historical estimate and therefore is not to be regarded as reporting, adopting or endorsing the historical estimate

APPENDIX 1 – MOUNT HOPE PROJECT 2020 AIRCORE DRILL COLLAR AND SAMPLE INFORMATION

Hole ID	Easting (MGA94)	Northing (MGA94)	Collar RL (m)	Hole inclination (°)	Hole azimuth (°)	Final depth (m)	Sampled Start depth (m)	Sampled End depth (m)	Sampled Start depth (m)	Sampled End depth (m)	Sampled Start depth (m)	Sampled End depth (m)	Interval sampled (m)
2020 MT HOPE AIRCORE DRILLHOLES													
MH20AC01	534997	6219998	84.0	-90	0	47	7	17	29	33			14
MH20AC02	534799	6220005	88.0	-90	0	31.9	7	27					20
MH20AC03	534604	6220025	91.0	-90	0	33	7	19					12
MH20AC04	534494	6220095	91.0	-90	0	36.0	5	23					18
MH20AC05	534400	6220194	91.0	-90	0	32	8	10					2
MH20AC06	534695	6220085	90.0	-90	0	26.0	8	24					16
MH20AC07	534798	6220200	86.0	-90	0	28	Hole not sampled						0
MH20AC08	534639	6220239	89.0	-90	0	24.0	7	19					12
MH20AC09	534599	6220402	88.0	-90	0	27	7	24					17
MH20AC10	534557	6220608	89.0	-90	0	22.0	8	20					12
MH20AC11	534815	6220638	83.0	-90	0	24	8	21					13
MH20AC12	534802	6220393	85.0	-90	0	28.0	8	10	13	15			4
MH20AC13	534401	6220403	93.0	-90	0	45	6	9	15	17	40	45	10
MH20AC14	534900	6220097	84.0	-90	0	34.0	6	33					27
MH20AC15	535199	6219812	84.0	-90	0	30	6	24					18
MH20AC16	535096	6219885	84.0	-90	0	18.0	7	15					8
MH20AC17	535001	6219795	87.0	-90	0	48	7	23	34	45			27
MH20AC18	534897	6219882	88.0	-90	0	28.0	8	23					15
MH20AC19	534815	6219891	90.0	-90	0	27	8	19					11
MH20AC20	534929	6219687	89.0	-90	0	48.0	8	26	39	47			26
MH20AC21	534799	6219598	93.0	-90	0	25	10	24					14
MH20AC22	534695	6219657	99.0	-90	0	28.0	19	25					6
MH20AC23	534996	6219603	87.0	-90	0	34	8	20					12
MH20AC24	535105	6219649	85.0	-90	0	30.0	6	28					22
MH20AC25	535100	6219500	85.0	-90	0	32	5	30					25
MH20AC26	534949	6219525	88.0	-90	0	48.0	8	21	39	45			19
MH20AC27	534599	6219554	99.0	-90	0	35	13	25					12
MH20AC28	534402	6219597	90.0	-90	0	48.0	7	14					7
MH20AC29	534546	6219459	100.0	-90	0	17	Hole not sampled						0
MH20AC30	534597	6219374	92.0	-90	0	48.0	8	26					18
MH20AC31	534703	6219337	90.0	-90	0	39	8	27					19
MH20AC32	534862	6219370	90.0	-90	0	48.0	11	34	40	48			31
MH20AC33	534984	6219402	88.0	-90	0	31	11	19					8
MH20AC34	534704	6219521	109.0	-90	0	18.0	Hole not sampled						0
MH20AC35	535094	6219104	82.0	-90	0	39	10	26					16
MH20AC36	534923	6219125	83.0	-90	0	34.0	8	14					6
MH20AC37	534999	6219202	86.0	-90	0	48	13	42					29
MH20AC38	534858	6219224	84.0	-90	0	48.0	9	43					34
MH20AC39	534822	6219002	78.0	-90	0	48	7	21	26	28	30	43	29
MH20AC40	534614	6219124	84.0	-90	0	48.0	7	48					41