

Andromeda Metals Limited
 ABN: 75 061 503 375

Quarterly Report

Period ending 30 June 2019

Corporate Details

ASX Code:
 ADN (ordinary shares)
 ADNOB (listed options)

Cash at 30 June 2019:
 \$1.669 million

Issued Capital:
 1,355,499,211 ordinary shares
 704,588,163 ADNOB options
 20,000,000 unlisted options

Directors

Rhod Grivas
 Non-executive Chairman

James Marsh
 Managing Director

Nick Harding
 Executive Director and
 Company Secretary

Andrew Shearer
 Non-executive Director

Contact Details

69 King William Road,
 Unley, South Australia 5061

PO Box 1210
 Unley BC SA 5061

Tel: +61 8 8271 0600
 Fax: +61 8 8271 0033

admin@andromet.com.au
 www.andromet.com.au

Summary of the Company's activities for the past quarter:

Poochera Halloysite-Kaolin JV (right to earn up to 75% interest)

- 3,265 metre aircore drilling program successfully undertaken at Carey's Well and a number of other prospects at Poochera. Kaolin observed at Carey's Well has extended the deposit to the north-east and south with an updated Mineral Resource to be determined later in the year on receipt of final assays.
- Visits to China by ADN representatives in April and June have confirmed strong demand for halloysite-kaolin direct shipping ore (DSO) and dry-processed products. Support for this was demonstrated subsequent to the end of the quarter where by a number of dry-processing non-binding Letters of Intent (LOI) have been signed by potential Chinese customers.
- A leading Chinese kaolin processing and supply company visited the Poochera Halloysite-Kaolin Project and regional port facilities in May which resulted in them signing a LOI for dry-processed product.
- Further testing of dry-process product occurred in China and the USA with results to be used in plant design configurations.
- Trials and testing for DSO business are still in progress.
- A 50/50 joint venture formed with Minotaur Exploration (ASX: MEP) to undertake research and hold title to intellectual property developed in relation to new technology innovations created for halloysite applications and uses along with commercialisation of potential opportunities.
- The Scoping Study is on track for release prior to the end of September.

Drummond Epithermal Gold Joint Venture

- Diamond drilling program by Joint Venture partner Evolution Mining (ASX:EVN) at Bunyip and South West Limey Dam prospects totalling 3,706m to the end of June. Best intercept to date of 3m at 3.42g/t Au from 7m at Bunyip with South West Limey Dam assays pending.

Moonta Copper ISR Joint Venture

- A Mineral Resource is currently being determined covering a number of copper ISR prospects across the northern part of the Moonta tenement.

Eyre Peninsula Gold Joint Venture

- An increased JORC 2012 Mineral Resource covering the Barns, Baggy Green and White Tank deposits determined by Joint Venture partner Cobra Resources based on a new geological interpretation.

Pilbara Gold Project

- Native title heritage agreements executed with respective indigenous groups resulting in tenement applications now being granted.



James Marsh
 31 July 2019



The Board and management of Andromeda Metals Limited (ASX: ADN, Andromeda, the Company) are pleased to provide a summary of its activities for the quarter ended 30 June 2019 and an update on the Company's progress.

Poochera Halloysite-Kaolin Project

- **Aircore drilling program completed at Carey's Well and other prospects**
- **China visits by Andromeda representatives confirm demand for halloysite-kaolin**
- **Dry-processing trials**
- **Advanced nanomaterials joint venture**
- **Scoping Study progress**

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

The Poochera Halloysite-Kaolin Project is an earn-in joint venture between Andromeda and Minotaur Exploration where Andromeda can earn up to 75% beneficial interest through expenditure of \$6 million over 5 years from April 2018. Andromeda is manager and operator of the joint venture.



Figure 1 Project location plan

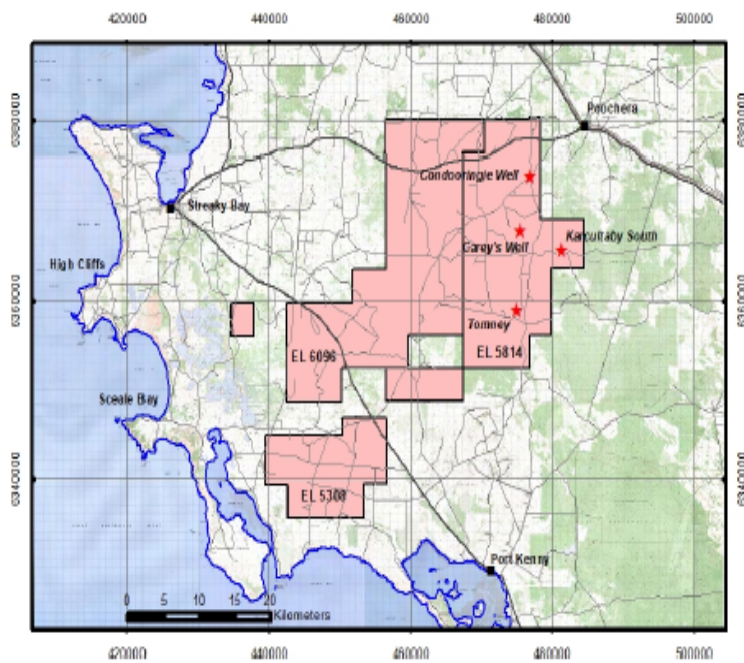


Figure 2 Poochera tenements and key kaolin-halloysite deposits

The ports of Thevenard at Ceduna and at Lucky Bay Port potentially offer bulk export facilities suitable for early DSO handling. High quality halloysite-kaolin occurrences exist extensively across the Poochera Project area (Figure 2) making this a region of global significance for the mineral and capable of supporting a considerable long-life mining operation, should final feasibility studies determine the project to be positively commercial.

Aircore Drilling Program

An aircore drilling program was undertaken during the quarter predominantly at Carey's Well with the key objective of defining the resource boundaries of the current Mineral Resource which is currently open to the north-east and south. Drill testing at a number of surrounding prospects to Carey's Well, where historical drilling has reported grades of up to 85% halloysite, was also scheduled to occur.

The final drilling program amounted to 109 holes for a total of 3,265 metres of which 95 holes (including 3 water monitoring holes) for 2,736 metres were drilled at Carey's Well. Another 5 holes totalling 234 metres were drilled at

nearby Condooringie Well (4 kms north of Carey's Well), and a further 3 holes for 152 metres at Tomney East and 6 holes for 143 metres at Tomney West prospects (both located approximately 10 kms to the south of Carey's Well).

Based on initial observations of white kaolin in drillholes from this program, and subject to confirmation of assay results yet to be finalised, the kaolinised mineralisation would appear to have extended beyond the current boundary by up to 200-300 metres to the north-east, 100 metres to the south and 200 metres to the east before poor continuity was observed (refer to ADN ASX announcement dated 30 May 2019 "Drilling at Carey's Well extends halloysite-kaolin mineralised zone").

Closer spaced infill drilling within the current 100 metre spaced drill pattern at the Carey's Well Mineral Resource was also undertaken to gain a better understanding of the lithology and mineralisation environment to assist with mine design planning and scheduling as well as for future feasibility study work.

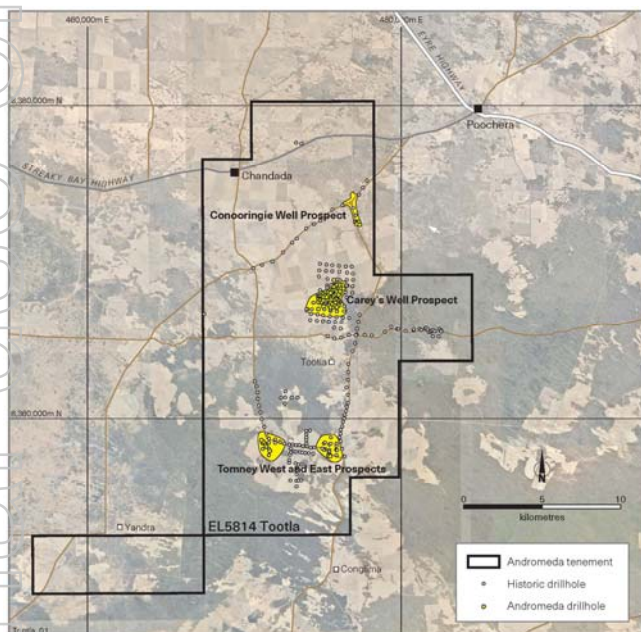


Fig 3 – Halloysite-Kaolin prospects across EL 5814

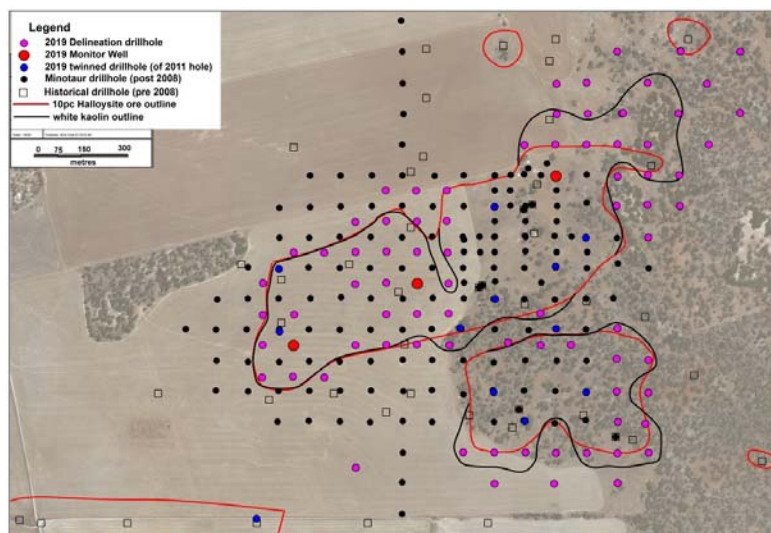


Fig-4 Carey's Well current Mineral Resource (red line) and indicative extension (black line)

Three hydrogeological wells were also installed at Carey's Well during the aircore program in order to collect hydrogeological data required for the future Mining Lease application process.

China Visits by Andromeda Representatives Confirm Demand for Halloysite-Kaolin

During April and June, Andromeda representatives visited China to hold meetings with identified potential customers for DSO and dry-processed product from Carey's Well. The discussions have confirmed a significant level of demand for both halloysite-kaolin ore, and dry-processed product by a number of Chinese and Japanese customers. It is clear that the closure of numerous mines by the Chinese Government due to anti-pollution measures and competing land use has resulted in limited global availability of high quality halloysite-kaolin, leading Chinese kaolin processors and end application porcelain producers concerned for supply security to seek alternative sources. They view Australia as a supplier of high-quality minerals and are keen to lock in long-term reliable quality assured supply of halloysite-kaolin.

Samples of dry-processed material produced following commercial trials undertaken earlier in the year by WA Kaolin were provided to a number of Chinese ceramic producers for application testing. One leading Chinese kaolin processing and supply company visited the Poochera site and regional port facilities in May following the April visit to see first-hand the opportunities the project presented for supply of halloysite-kaolin material.

As a result of the visits and subsequent to the end of the quarter, offtake Letters of Intent (LOI's) have now been signed for over 300,000tpa of dry-processed product in addition to previous LOI's already obtained for over 200,000tpa of wet-processed product.

Testing of DSO material is still in progress at a number of Chinese plants, as well as potential customers in Japan and India. Once this is completed it will provide full commercial scale assessment of all three potential product types.

Dry-Processing Trials

In addition to the work already done with WA Kaolin, commercial scale dry-processing trials have been completed with two leading Chinese equipment manufacturers, and one in the USA. Five more tonnes of ore have also been sent to another American equipment supplier for the final processing trials. Andromeda executives have been present at all trials to date, with all necessary data and costings being supplied to our process design engineers, CPC Project Design in Perth.

Advanced Nanomaterials Joint Venture

A new 50/50 joint venture in the form of an incorporated entity named Natural Nanotech Pty Ltd, has been formed with Minotaur Exploration to undertake research and hold title to any intellectual property developed in relation to new technology innovations created for halloysite applications and uses along with the commercialisation of potential opportunities.

The Global Innovative Centre for Advanced Nanomaterials (GICAN) located at the University of Newcastle (NSW) is currently producing some exciting research results using Carey's Well halloysite in battery technology development, water purification and carbon capture and storage. Each of these applications has the potential to present exciting global development opportunities. As part of the arrangement with GICAN, all of this intellectual property developed will reside within Natural Nanotech.

Andromeda will contribute a total of \$350,000 towards research and development by June 2020, which includes the current funding currently being provided to GICAN, and which will match an equal contribution made by MEP, to earn a 50% equity in Natural Nanotech and which is also conditional upon the Company achieving its 51% equity in the Poochera Halloysite-Kaolin Joint Venture.

Scoping Study Progress

Significant progress is being made with the Scoping Study where the focus is now being directed towards consideration of both DSO and dry-processing product options for the proposed mining operation.

Experienced project manager Paul Griffin has been engaged to manage the finalisation of the Scoping Study and subsequent Feasibility Study process. A process engineering consultancy firm has recently commenced to assist with plant design configurations and costings taking into account dry-processing trials undertaken in China and the USA in addition to the determination of utilities required for the site. Refinements have been made to the mine design and production schedules taking into consideration ground conditions experienced during the recent aircore drilling program. A high-level logistics study has been prepared to evaluate port options for both DSO and dry-processed product and transport to port from site. Positive discussions with the landowners at Poochera are continuing in addition to communications with the broader community at Streaky Bay. Preparations are being made for the commencement of environmental baseline studies required for the Mining Lease application process. A financial model has also been developed to evaluate the respective options and determine the project economics.

The Scoping Study is on track for release to the market prior to the end of September.

Drummond Epithermal Gold Joint Venture

An extensive diamond drilling program commenced in May by joint venture partner Evolution Mining (ASX: EVN, Evolution) and was still in progress at the end of the quarter. To the end of June a total of 3,706 metres had been drilled, initially at Bunyip and subsequently at South West Limey Dam prospects.

A total of 5 diamond holes were drilled at Bunyip for 2,159 metres with a best intercept to date being 3 metres at 3.42g/t Au and 6.7g/t Ag from 7 metres of which included 1 metre at 9.16g/t Au and 18.1g/t Ag from 9 metres. Final

assays for the Bunyip program are still awaited. Drilling at Bunyip targeted a NNW-trending structural corridor that had been defined by geological mapping, surface geochemistry and interpreted geophysical data.

At South West Limey Dam, to the end of the quarter a total of 3 diamond holes had been drilled for a total of 1,547 metres, with drilling continuing into July. No assay results have been received to date for the South West Limey Dam drilling.

Hole ID	Hole Type	Northing MGA (m)	Easting MGA (m)	Elevation AHD (m)	Hole Length (m)	Dip	Azimuth (MGA)	From (m)	Interval (m)	ETW (m)	Au (g/t)	Ag (g/t)
BHDD_001	DD	7,722,884	517,413	124.81	399.2	-48	70		no significant intercessions			
BHDD_003	DD	7723278	517,742.00	242.9	357.6	-48	270	7	3	2.7	3.42	6.7
							including	9	1	0.8	9.16	18.1
BHDD_003	DD	7,723,278	517,742	242.9	357.6	-48	270	13	1	0.8	0.35	1.1
BHDD_003	DD	7,723,278	517,742	242.9	357.6	-48	270	45.9	1.1	0.8	0.58	1.1
BHDD_003	DD	7723278	517742	242.9	357.6	-48	270	51	1	0.8	0.2	1.1
BHDD_003	DD	7,723,278	517,742	242.9	357.6	-48	270	52	1	0.8	0.99	1
BHDD_003	DD	7723278	517,742.00	242.9	357.6	-48	270	58	0.7	0.6	0.38	0.5
BHDD_003	DD	7723278	517742	242.9	357.6	-48	270	58.7	1	0.8	0.31	0.49
BHDD_005	DD	7,722,953	517,959	131.45	423.5	-48	286		no significant intercessions			

Table 1 – Bunyip drilling information

In addition to drilling at the Drummond Gold Project, Evolution during the June quarter completed extensions of 2 IP survey lines at Bunyip and the IP survey at South West Limey Dam that was in progress at the end of the previous quarter. Extensions to the soil grid at South West Limey Dam was performed with another 182 samples taken. A ground magnetic survey over central parts of South West Limey Dam was also completed during the period. Regional soil sampling has also commenced with 100 samples collected to date by Evolution.

Evolution will conduct a full review of all drill results from the diamond drilling program undertaken at Bunyip and South West Limey Dam when final assays are received.

Moonta Copper ISR Joint Venture

Moonta ISR Joint Venture partner Environmental Metals Recovery (EMR) has commissioned work to be directed towards the calculation of a Mineral Resource estimate covering a number of copper prospects over the area of interest covered by the joint venture that are considered favourable for ISR application. The report is anticipated to be received during the September quarter.

EMR has previously determined an ISR amenable Exploration Target at Moonta of between 238Mt and 310Mt at a grade range of 0.18% to 0.23% Cu for between 428Kt and 713Kt of contained copper. Exploration Targets are conceptual in nature and there has been insufficient exploration to determine a Mineral Resource under the JORC Code and it is uncertain if further exploration will result in the determination of a Mineral Resource. Thor Mining (ASX:THR) holds a position in EMR and has reported this Exploration Target to the ASX in its release dated 6 March 2019 “Strategic Development – Australian Copper Interests”.

During the June quarter EMR has engaged consultants to perform a geophysical review of the weathering troughs at the Wombat and Bruce prospects. The results confirm that the troughs extend for considerable strike length and the geophysical review will now be extended to other prospective areas identified across the project area.

A review of trial column leach work previously performed on Wombat core has indicated copper recoveries of between 80-90% are achievable with peak head grades in line with overseas copper ISR operations. Further trials to understand buffering and high acid consumption at times across the leach curves is to be investigated along with considerations for the optimal lixiviant to be used.

Eyre Peninsula Gold Joint Venture

Based on a new geological reinterpretation performed by new joint venture partner Cobra Resources, an increased Mineral Resource for the Wudinna Gold Project of 4.43 million tonnes at 1.5g/t Au for 211,000 ounces of gold was reported during the June quarter (refer to ADN ASX announcement dated 8 May 2019 “Increased ounces in updated Wudinna Gold Project Mineral Resource”). The new Mineral Resource comprises 4.02 million tonnes at 1.5g/t Au for 193,000 ounces of Inferred Resource and 0.41 million tonnes at 1.4g/t Au for 18,000 ounces of Indicated Resource.

The revised Mineral Resource covering the Barns, Baggy Green and White Tank deposits represents an increase of 5% in total contained gold and 15% in resource tonnes over the previous Mineral Resource estimate.

Cobra is currently completing a capital raising following which funds will be allocated towards an extensive exploration program across the Wudinna Gold Project to further drill test areas open at Baggy Green and other prospects identified within the project area.

Pilbara Gold Project

Following a substantial period of negotiation, native title heritage agreements have now been executed by the Company with respective indigenous groups who hold native title claims to the ground in the Pilbara Region of Western Australia that cover the three tenement applications owned by ADN. Consequently, the Company has now been granted title by the WA Mines Department to the 3 tenements in the Pilbara that are considered prospective for gold conglomerates.

Andromeda is now considering how best to move the project forward now that access to the tenements has been received.

Rover Copper Gold Project

The Company is in discussions with a number of third parties who have shown interest in the Rover Copper Gold Project with geological data provided for their review under confidentiality agreements executed.

Finance and Corporate

A General Meeting of Shareholders was held on 17 April 2019 to ratify the shares issued to professional and sophisticated investors under the share placement conducted during February 2019 as part of the Company's issue capacity under Listing Rule 7.1. The terms of the share placement also included the issue of three (3) attaching ADNOB listed options for every four (4) new shares subscribed and required shareholder approval to be obtained as the Company's issue capacity had been fully utilised with the associated shares issued. In addition, 15 million options were to be provided to PAC Partners Securities Pty Ltd as part of their fee in arranging the fundraising, also requiring shareholder approval to be obtained. Approval was subsequently received from shareholders at the General Meeting for all resolutions put forward.

As a consequence of the security issues described above, Andromeda Metals currently has on issue 1,355,499,211 ordinary shares, 704,588,163 listed options and 20,000,000 unlisted options.

The Company's available cash position stood at \$1.669 million at 30 June 2019.

Competent Persons Statements

Information in this announcement has been assessed and compiled from previous ADN ASX releases by Mr James Marsh and Mr Rhoderick Grivas, both members of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Marsh and Mr Grivas are employees of the Andromeda Metals Limited and have sufficient experience, which is relevant to the style of mineralisation, type of deposits and their ore recovery under consideration and to the activity being undertaken to qualify as a Competent Persons under the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). This includes Mr Marsh attaining over 30 years of experience in kaolin processing and applications. Mr Marsh and Mr Grivas consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Exploration Results for the Drummond Gold Project is based on information compiled by Rex Brommecker, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Brommecker is employed by Evolution Mining Limited on a full time basis. Mr Brommecker 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 Brommecker consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Exploration Target for the Moonta ISR Copper Gold Project is based on information compiled by Leon Faulkner, who holds a BSc in geology and who is a Member of The Australasian Institute of Geoscientists. Mr Faulkner is an employee of Environmental Metals Recovery Pty Ltd. He has sufficient experience which 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 Faulkner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this announcement that relates to the Estimation and Reporting of Mineral Resources for the Wudinna Gold Project has been compiled by Mrs Christine Standing BSc Hons (Geology), MSc (Min Econs), MAusIMM, MAIG. Mrs Standing is a full-time employee of Optiro and has acted as an independent consultant on the Mineral Resource estimates for the Barns, White Tank and Baggy Green deposits. Mrs Standing is a Member of the Australian Institute of Geoscientists and the Australian Institute of Mining and Metallurgy and has sufficient experience with the style of mineralisation, deposit type under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mrs Standing consents to the inclusion in this report of the contained technical information relating to the Mineral Resource estimations in the form and context in which it appears.

JORC CODE, 2012 EDITION – TABLE 1 INFORMATION (Supplied by Evolution Mining)

Drummond JV Section 1 Sampling Techniques and Data

Drummond JV Section 1 Sampling Techniques and Data		
Criteria	Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are material to the Public Report. • In cases where 'industry standard' work has been completed this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems, or unusual commodities/mineralisation types (e.g. submarine nodules). 	<ul style="list-style-type: none"> • Sampling of Au-Ag mineralisation at the Drummond JV was undertaken using diamond core (surface). • All drill samples were logged prior to sampling. Diamond drill core was sampled to lithological, alteration and mineralisation related contacts. Sampling was carried out according to Evolution protocols and QAQC procedures which comply with industry best practice. All drill-hole collars were surveyed using a handheld GPS. • The sampling and assaying methods are appropriate for the epithermal style mineralised system targeted and are representative for the mineralisation style. The sampling and assaying suitability was validated using Evolution's QAQC protocol and no instruments or tools requiring calibration were used as part of the sampling process. • Diamond drillcore sample intervals were based on geology to ensure a representative sample, with lengths ranging from 0.4m to 1.2m. Surface diamond drilling was half core sampled. All diamond core samples were dried, crushed and pulverised (total preparation) to produce a 50g charge for fire assay of Au. Ag and As were also assayed for in addition to Au assays using four-acid digest with ICP/AES finish. A suite of additional multi elements are determined using four-acid digest with ICP/MS and/or an ICP/AES finish for some sample intervals.
Drilling techniques	<ul style="list-style-type: none"> • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> • Diamond holes from surface were wireline NQ2 (50.5mm) or HQ (63.5mm) holes. • All diamond core from surface core was orientated using the Reflex (act II or ezi-ori) tool.
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. 	<ul style="list-style-type: none"> • All diamond core was orientated and measured during processing and the recovery recorded into the drill-hole database. The core was reconstructed into continuous runs on a cradle for orientation marking. Hole depths were checked against the driller's core blocks. • Inconsistencies between the logging and the driller's core depth

Drummond JV Section 1 Sampling Techniques and Data

Criteria	Explanation	Commentary
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<p>measurement blocks are investigated. Core recovery has been acceptable. Surface drilling recoveries were generally excellent.</p> <ul style="list-style-type: none"> Measures taken to maximise sample recovery include instructions to drillers to slow down drilling rates or reduce the coring run length in less competent ground such as veining.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography. <p>The total length and percentage of the relevant intersections logged.</p>	<ul style="list-style-type: none"> Diamond core have been geologically logged to the level of detail required for Mineral Resource estimation. All logging is both qualitative and quantitative in nature recording features such as structural data, sample recovery, lithology, mineralogy, alteration, mineralisation types, vein density, oxidation state, weathering, colour etc. All holes are photographed wet. All diamond holes were logged in entirety from collar to end of hole.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Diamond core drilled from surface was half core sampled and the remaining half was retained. Sample preparation of diamond samples was undertaken by external laboratories according to the sample preparation and assaying protocol established to maximise the representation of low-sulfidation epithermal style Au-Ag mineralisation. Laboratories performance was monitored as part of Evolution's QAQC procedure. Laboratory inspections are routinely undertaken to monitor the laboratories compliance sampling and sample preparation protocol. The sample and size (2.5kg to 4kg) relative to the particle size (>85% passing 75um) of the material sampled is a commonly utilised practice for effective sample representation for epithermal gold deposits. Quality control procedures adopted to maximise sample representation for all sub-sampling stages include the collection of field and laboratory duplicates and the insertion of certified reference material as assay standards (1 in 20) and the insertion of blank samples (1 in 20) or at the geologist's discretion. Certified blank material is routinely submitted for assay and is inserted into each mineralised zone where possible. The quality control performance was monitored as part of Evolution's QAQC procedure. The sample preparation has been conducted by commercial laboratories. All samples are oven dried (between 85°C and 105°C), jaw crushed to nominal <3mm and if required split by a riffle splitter device to a maximum sample weight of 3kg as required. The primary sample is then pulverised in a one stage process, using a LM5 pulveriser, to a particle size of >85% passing 75um. Approximately 200g of the primary sample is extracted by spatula to a numbered paper pulp bag that is used for a 50g fire assay charge. The pulp is retained and the bulk residue is disposed of after two months. Duplicate samples for diamond core are collected during the sample preparation pulverisation stage. A comparison of the duplicate sample vs. the primary sample assay result was undertaken as part of Evolution's QAQC protocol. It is considered that all sub-sampling and lab preparations are consistent with other laboratories in Australia and are satisfactory for the intended purpose. The sample sizes are considered appropriate and in line with industry standards.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments etc. the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, 	<ul style="list-style-type: none"> The sampling preparation and assaying protocol used at the Drummond JV was developed to ensure the quality and suitability of the assaying and laboratory procedures relative to the mineralisation types targeted. Fire assay is designed to measure the total gold within a sample. Fire assay has been confirmed as a suitable technique for epithermal type Au - Ag mineralisation. It has been extensively used throughout the Drummond region. The technique utilised a 50g sample charge with a lead flux, which is decomposed in a furnace with the prill being totally digested by 2 acids (HCl and HNO3) before the gold content is determined by an AAS machine. No geophysical tools or other remote sensing instruments were utilised for reporting or interpretation of gold mineralisation.

For personal use only

Drummond JV Section 1 Sampling Techniques and Data

Criteria	Explanation	Commentary
Verification of sampling and assaying	<p><i>duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p> <ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification and data storage (physical and electronic) protocols. • Discuss any adjustment to assay data 	<ul style="list-style-type: none"> • Quality control samples were routinely inserted into the sampling sequence and were also inserted either inside or around the expected zones of mineralisation. The intent of the procedure for reviewing the performance of certified standard reference material is to examine for any erroneous results (a result outside of the expected statistically derived tolerance limits) and to validate if required; the acceptable levels of accuracy and precision for all stages of the sampling and analytical process. Typically, batches which fail quality control checks are re-analysed. • Independent internal or external verification of significant intercepts is not routinely completed. The quality control / quality assurance (QAQC) process ensures the intercepts are representative for epithermal gold systems. Half core and sample pulps are retained at Drummond if further verification is required. • All sample and assay information is stored utilising the acQuire database software system. Data undergoes QAQC validation prior to being accepted and loaded into the database. Assay results are merged when received electronically from the laboratory. The geologist reviews the database checking for the correct merging of results and that all data has been received and entered. Any adjustments to this data are recorded permanently in the database. Historical paper records (where available) are retained in the exploration offices. • No adjustments or calibrations have been made to the final assay data reported by the laboratory.
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • All surface drill holes at Drummond have been surveyed for easting, northing and reduced level. Recent data is collected and stored in MGA 94 Zone 55. • Topographic control was generated from aerial surveys and from previous drilling data sets.
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • The nominal drill spacing for Exploration drilling is 100m x 100m or wider. This spacing includes data that has been verified from previous exploration activities on the project. • Data spacing and distribution is not considered sufficient for establishing geological continuity and grade variability appropriate for classifying a Mineral Resource. • Sample compositing was not applied due to the often-narrow mineralised zones.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • Mineralisation drilled previously in the Bunyip area is interpreted to be hosted within a number of NNW-SSE striking veins that are vertical or dipping steeply (~80 degrees) to the east. Surface drilling has been designed to intersect the mineralisation at an angle to minimise bias. Some drilling has been designed to test for multiple orientations in the veins that could occur given the early stage of exploration and understanding of the geology at depth. • Surface holes typically intersect at an angle to the mineralisation and there is no observed bias associated with drilling orientation. • The relationship between the drilling orientation and the orientation of the mineralised structures at Bunyip is not considered to have introduced a sampling bias and is not considered to be material.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Chain of custody protocols to ensure the security of samples are followed. Prior to submission samples are retained on site and access to the samples is restricted. Collected samples are dropped off at the respective commercial laboratories in Townsville. The laboratories are contained within a secured/fenced compound. Access into the laboratory is restricted and movements of personnel and the samples are tracked under supervision of the laboratory staff.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	

For personal use only

Drummond JV Section 2 Reporting of Exploration Results

Drummond JV Section 2 Reporting of Exploration Results		
Criteria	Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> EPM25560 (the Exploration Permit) hosts the Bunyip prospect where the drilling in this report has taken place. EPM25560 is located on the northern side of the Burdekin Falls Dam townsite, approximately 58 km south of Ravenswood and 144 km south of Townsville. This Lease is wholly owned by Adelaide Exploration Proprietary Ltd. (a wholly owned subsidiary of Andromeda Metals Ltd.) but operated by Evolution Mining Ltd. under an earn-in joint-venture agreement signed in September 2018. Evolution Mining Ltd. has all the required operational, environmental and heritage permits and approvals for the work conducted on the Exploration Permit under the joint-venture. There are not any other known significant factors or risks that may affect access, title, or the right or ability to perform further work programs on the Exploration Permit.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Exploration has been carried out by a number of parties for gold and base metals over EPM25560 areas including Hydro Mineral Development (1968-1970), Laskan Minerals Pty Ltd. (1969 – 1972), Cormepar Minerals Pty Ltd. (1973 – 1974), Carpentaria Exploration Company (1976 – 1978), CRA Exploration Pty Ltd. (1985), Hunter Resources (1986 – 1992), Millaroo Mines Pty Ltd. (1987-1988), ACM Gold Limited (1989-1990), Austmin Gold NL (1991-1992), Poseidon Gold Limited (1990-1995), China Yunnan Ltd (2006-2010) and Andromeda Metals Ltd. (2018). Previous exploration activities include stream sediment sampling, soil sampling, geological mapping and RC drilling.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Bunyip mineralisation is located within the Drummond Basin stratigraphy which is host to other low-sulfidation epithermal Au-Ag mineralisation such as the Pajingo vein field located ~60km west of the Drummond JV tenements. The local geology at Bunyip comprises the Stones Creek Volcanics, overlain by the Scartwater Formation. Mineralisation is associated with low-sulfidation epithermal quartz veins developed within the Stones Creek Volcanics in coherent and fragmental dacite. Quartz veins are interpreted to occur on extensional structures within the dacite.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: <ul style="list-style-type: none"> easting and northing of the drillhole collar elevation or RL of the drillhole collar dip and azimuth of the hole downhole length and interception depth hole length. 	<ul style="list-style-type: none"> Refer to the drill hole information table in the Appendix of this report.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Intercept length weighted average techniques, minimum grade truncations and cut-off grades have been used in this report. Composite lengths and grade as well as internal significant values are reported in Appendix. At Bunyip, composite grades > 0.2 g/t Au have been reported. No metal equivalent values are used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. 	<ul style="list-style-type: none"> There is a direct relationship between the mineralisation widths and intercept widths at Bunyip. The assay results are reported as down hole intervals however an estimate of true width is provided in Appendix.

For personal use only

Drummond JV Section 2 Reporting of Exploration Results

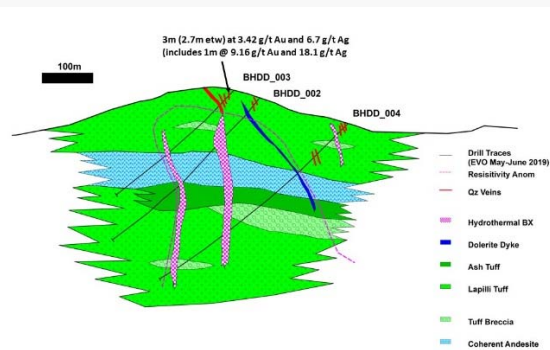
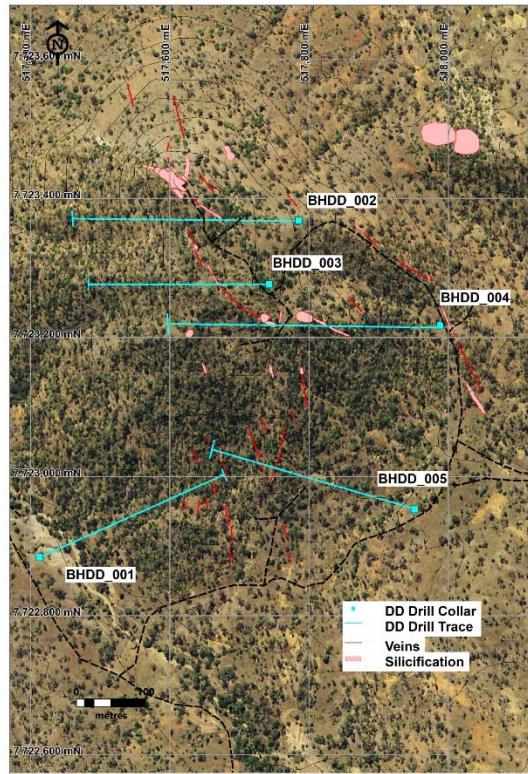
Criteria	Explanation	Commentary
----------	-------------	------------

For personal use only

Diagrams

- If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.
- If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (eg 'downhole length, true width not known')
- Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole

- Drill hole location diagrams and representative sections of reported Bunyip exploration results are provided below.



Balanced reporting

- Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results

- All Exploration results have been reported in the Drill Hole Information Summary in the Appendix of this report.

Other substantive exploration data

- Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results;

- Exploration is on-going at the Drummond JV. Other works include field mapping, soil sampling and geophysical surveys in the region.

Drummond JV Section 2 Reporting of Exploration Results

Criteria	Explanation	Commentary
	<p><i>bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	
<p><i>Further work</i></p>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or largescale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Further Exploration work on the Drummond JV tenements are planned for FY20. This work includes geological mapping, soil sampling and geophysical surveys. • There is no further drilling directly planned at the Bunyip prospect pending receipt of all drill results and final geological interpretations.

For personal use only