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Andromeda Metals Limited
ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash: $1.687 million
(at 31 December 2017)

Issued Capital:
896,028,227 ordinary shares
486,280,451 ADNOB options
2,476,507 unlisted options

Directors:

Rhod Grivas
Non-Executive Chairman

Chris Drown
Managing Director

Nick Harding
Executive Director and Company Secretary

Andrew Shearer
Non-Executive Director

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Andromeda METALS

ASX announcement

19 April 2018

Final Bunyip RC drill results – Drummond Epithermal Gold Project, North Queensland

- **Drilling program totalling 23 reverse circulation drillholes for 1906 metres completed at the Bunyip epithermal gold prospect.**
- **Promising gold intersections achieved in early program holes previously reported on 23 March 2018. Several later program holes have recorded lower grades of gold.**
- **The epithermal style of mineralisation discovered is the same as the nearby Pajingo (>3Moz) and Wirralie (1.1Moz) gold deposits.**
- **20 of 23 holes drilled intersected significant quartz veining, while all 23 holes drilled encountered hydrothermally altered and sulphide-bearing host rocks indicating the presence at Bunyip of a large epithermal system.**
- **The most significant results were returned from an area to the southeast of the summit of Mont Bunyip, the hill that defines the prospect. Mineralised zones in this area are interpreted to be open at depth, giving an area of focus for future follow-up work.**

Summary

On 23 March 2018 Andromeda Metals reported promising initial results from the first seven program holes at the Bunyip gold prospect on the Drummond Epithermal Gold Project in North Queensland, with intersections including:

- 2 metres at 4.36g/t gold from 8 metres in BUNRC001,
- 2 metres at 1.66g/t gold from 13 metres in BUNRC002,
- 1 metre at 2.32g/t gold from 61 metres in BUNRC004, and
- 4 metres at 5.15g/t gold from 7 metres in BUNRC005

The drill program, which totalled 23 reverse circulation drillholes for 1906 metres, is now complete and the Company is pleased to report final results. Further gold mineralisation was intersected in a number of the later program holes, however intersection grades were below those achieved in the initial holes.

Taken in its entirety, the drilling program confirmed the presence of potentially significant epithermal gold mineralisation at Bunyip, with the better results all achieved in holes testing a specific part of the prospect, presenting a geographic focus for follow-up exploration.

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Introduction

The Company's Drummond Epithermal Gold Project comprises four wholly owned, granted Exploration Permits for Minerals (EPM's) that secure a total area of 523km^2 in the gold prospective Drummond Basin in north Queensland.

The Drummond Basin hosts a number of gold deposits of epithermal style including Pajingo (>3.0Moz), Wirralie (1.1Moz), Yandan (0.5Moz), Mt Coolan (0.5Moz) and Twin Hills (0.33Moz). The Bunyip prospect is located on EPM 25660 which captures part of a prospective area the Company has named the Glenroy Field (Figure 1).

On 23 March 2018 the Company announced positive early assay results from the first seven reverse circulation holes drilled to test the Bunyip gold prospect, located on EPM 25660. Results reported on 23 March included:

- 2 metres at 4.36g/t gold from 8 metres in BUNRC001,
- 2 metres at 1.66g/t gold from 13 metres in BUNRC002,
- 1 metre at 2.32g/t gold from 61 metres in BUNRC004, and
- 4 metres at 5.15g/t gold from 7 metres in BUNRC005

The completed drill program comprised 23 holes for a total of 1906 metres, with assay results for samples from all holes now finalised.

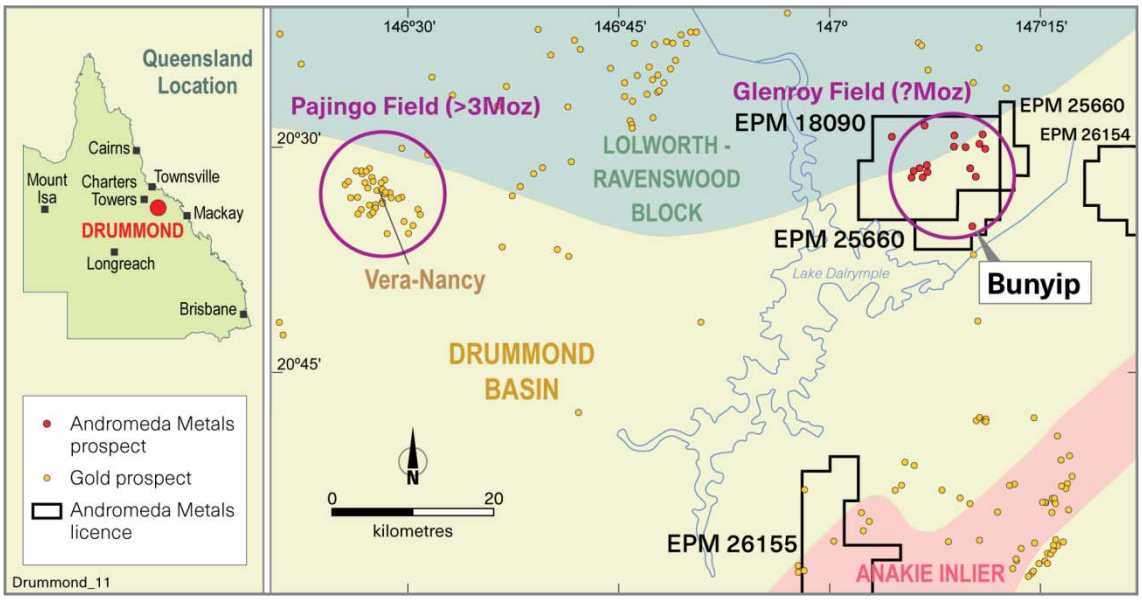

Figure 1: Plan of Drummond Epithermal Gold tenements and Bunyip Prospect.

Bunyip drilling program

The Bunyip Prospect is effectively a large hill (Mont Bunyip) that rises about 140 metres above the surrounding plain. Numerous quartz veins displaying textures typically observed in epithermal systems outcrop on the hill. Epithermal pathfinder metals, including arsenic and molybdenum, are at anomalous levels in soils, while commonly observed iron oxide staining of the volcanic host rocks at surface is interpreted to have formed through the oxidation of sulphide minerals introduced as part of the epithermal event.

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The quartz veins at Bunyip occur in two main orientations, a north-south trending set, and a northwest-southeast trending set. Drill holes were designed to give first-pass tests of veins of both orientations (Figure 2).

Drill holes were inclined at angles ranging between 50 and 90 degrees from the horizontal, with hole depths ranging between 30 and 162 metres. Downhole surveys were read for each hole and confirmed that all holes maintained relatively straight paths.

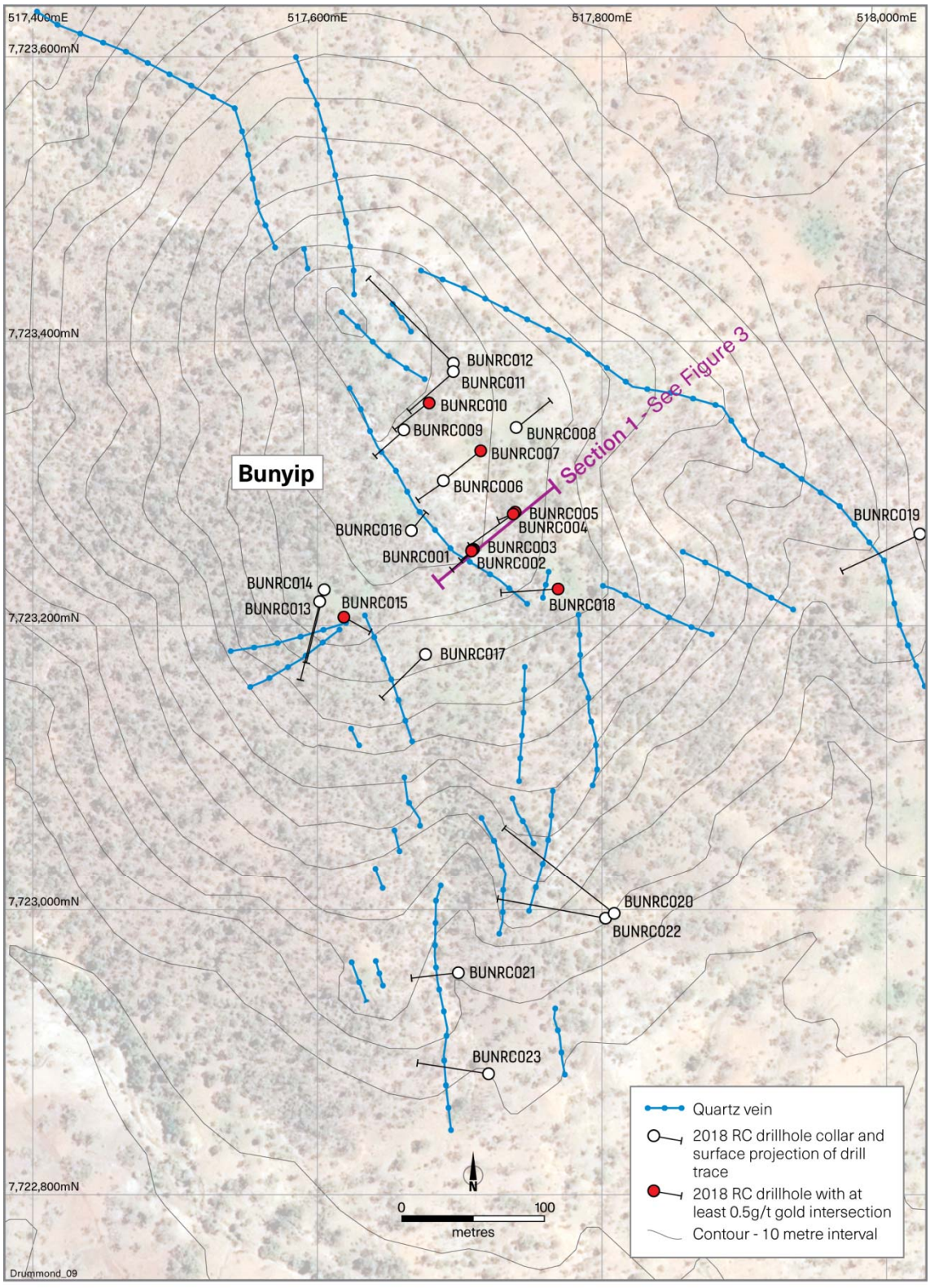

Figure 2: Plan of Bunyip recent drilling.

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Drill samples were collected at 1-metre intervals or as 4-metre composites, and all holes were geologically logged by the on-site geologist. Drilling conditions were very good with only minor ground water encountered, allowing high quality representative sub-samples to be split and collected for assay.

Gold was determined using standard fire assay methods on 50gm charge weights at a commercial laboratory in Townsville. Assessment of Company and laboratory introduced QAQC samples (blanks, duplicates and standards) confirm the analyses to be of high accuracy and precision.

Minor work is required to complete the drill program. Several of the 4-metre composite samples returned anomalous gold and these will be resampled by submitting the original 1-metre splits. Drill collars will also be surveyed using DGPS to increase survey accuracy and deliver accurate collar RL surveys, and drill site rehabilitation will be undertaken.

Assay results, prospect geology and interpretation

Gold intersections from holes BUNRC001 to BUNRC007 were reported on 23 March 2018 and included:

- 2 metres at 4.36g/t gold from 8 metres in BUNRC001,
- 2 metres at 1.66g/t gold from 13 metres in BUNRC002,
- 1 metre at 2.32g/t gold from 61 metres in BUNRC004, and
- 4 metres at 5.15g/t gold from 7 metres in BUNRC005

Results from holes BUNRC008 to BUNRC023 include 2 metres at 0.95g/t gold from 46 metres downhole in BUNRC010, including 1 metre at 1.20g/t gold. Along with BUNRC010, holes BUNRC015 and BUNRC018 also recorded 1 metre intervals grading in excess of 0.5g/t gold. A table of all drill intersections recorded in the program, calculated using a 0.5g/t gold cut-off grade, is included as Table 1 of this report.

All 23 holes encountered intervals of hydrothermally altered, sulphide-bearing volcanic host rock, while 20 of the 23 holes intersected one or more quartz veins. Quartz veins with downhole widths in excess of 5 metres were encountered in 11 of the holes.

The host rocks at Bunyip are interpreted as a sequence of volcanic lavas and associated sediments of andesitic to rhyolitic composition. Several holes intersected narrow fine grained rocks which are interpreted to be volcanic dykes intruding into the volcanic pile.

The program holes which recorded better gold intersections and had the widest downhole widths of quartz veining are all located in an area southeast of the hill summit (Figure 2), presenting a geographic focus for follow-up exploration.

The gold intersections achieved southeast of the summit were at relatively shallow depths, and vein textures in these holes are interpreted to indicate a position in the upper levels of the Bunyip epithermal system. The mineralised zones are interpreted to remain open at depth (Figure 3), presenting deeper targets potentially closer to the “boiling zone” where bonanza grades of gold are to be found in epithermal deposits.

Next steps

Andromeda Metals will complete a thorough review of the results before planning a follow-up drilling program. The initial results combined with the extent and width of the quartz veins together with the alteration and quartz vein textures suggest that additional drilling is warranted at depth.

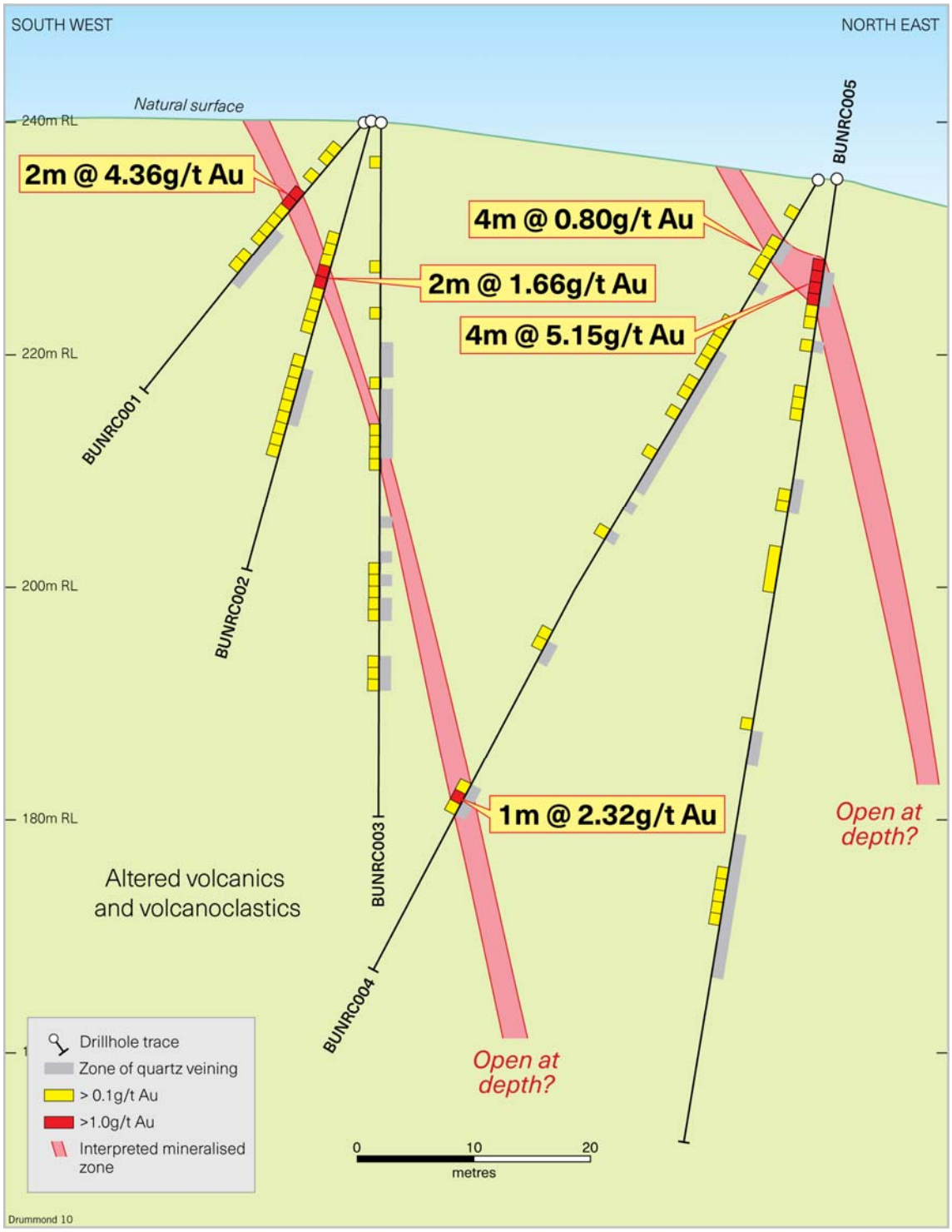

Figure 3: Bunyip Prospect Section 1 looking northwest.

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Table 1: Bunyip Prospect – 2018 RC hole collar information and gold intersections over 0.5g/t.

Hole Name	Easting (MGA94Z55)	Northing (MGA94Z55)	RL (m)	Hole Dip	Hole Azimuth	Final Depth	From (m)	To (m)	Interval (m)	Gold (g/t)
BUNRC001	517709	7723253	240	-50	231	30	4	5	1	0.63
							8	10	2	4.36
							15	16	1	0.69
BUNRC002	517710	7723253	240	-75	231	40	13	15	2	1.66
							17	18	1	0.80
							26	27	1	0.57
BUNRC003	517710	7723254	240	-90	231	60	3	4	1	0.63
							39	40	1	0.81
BUNRC004	517738	7723279	235	-60	231	78	6	10	4	0.80
							20	21	1	0.76
							61	63	2	1.42
						including	61	62	1	2.32
BUNRC005	517739	7723280	235	-82	231	84	7	11	4	5.15
						including	7	8	1	13.60
							27	28	1	0.81
BUNRC006	517689	7723302	245	-60	231	48	no significant intersection			
BUNRC007	517715	7723323	241	-60	231	72	51	52	1	0.77
BUNRC008	517740	7723339	237	-77	051	138	no significant intersection			
BUNRC009	517661	7723338	249	-50	231	42	no significant intersection			
BUNRC010	517679	7723357	249	-60	231	60	36	37	1	0.56
							46	48	2	0.95
						including	46	47	1	1.20
BUNRC011	517696	7723379	246	-60	229	90	no significant intersection			
BUNRC012	517696	7723385	246	-55	313	162	no significant intersection			
BUNRC013	517602	7723217	234	-50	188	90	no significant intersection			
BUNRC014	517605	7723226	235	-50	191	90	no significant intersection			
BUNRC015	517619	7723206	234	-60	110	60	39	40	1	0.56
BUNRC016	517666	7723267	243	-60	038	30	no significant intersection			
BUNRC017	517676	7723180	223	-60	226	84	no significant intersection			
BUNRC018	517770	7723226	226	-60	274	78	3	4	1	0.65
							46	47	1	0.52
BUNRC019	518035	7723269	157	-60	248	150	no significant intersection			
BUNRC020	517807	7722998	150	-50	312	156	no significant intersection			
BUNRC021	517700	7722955	142	-60	271	66	no significant intersection			
BUNRC022	517801	7722994	150	-50	280	120	no significant intersection			
BUNRC023	517720	7722884	130	-50	280	78	no significant intersection			

Notes

Intersections calculated by averaging gold grade of 1 metre samples collected by riffle splitter under sample cyclone. Gold determined by fire assay with AAS finish on 50gm charge. Company and laboratory introduced QAQC samples confirm acceptable analytical quality.

Intersections quoted using cut-off grade of 0.5g/t Au with no internal dilution. Intersections are down hole lengths – true widths are unknown.

Collar easting and northing surveys are by GPS (+/- 5m). Collar RLs estimated using published 10m topographic contour data.

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Managing Director

Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Chris Drown, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Drown is employed by Drown Geological Services Pty Ltd and consults to the Company on a full time basis. Mr Drown 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 Drown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1 JORC CODE, 2012 EDITION – TABLE 1

1.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or hand held XRF instruments, etc) These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity 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 done this would be relatively simple (eg '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. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Reverse circulation drilling was used to obtain 1 metre samples from which 3 kg was pulverised to produce a 50 gram charge for fire assay. • Assay samples were collected after the drill cuttings were passed through a tiered riffle splitter sited beneath the sample cyclone to give a representative sub-sample.
Drilling Techniques	• *Drill type (air core, reverse circulation, open-hole hammer, rotary air blast , auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face sampling bit or other type, whether core is orientated and if so, by what method, etc).*	• Holes were drilled using reverse circulation methods with face sampling bits.

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Drill Sample Recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the sample.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of coarse/fine material.*	• A qualitative assessment of drill sample recovery and sample quality was made for each metre drilled. With few exceptions samples recoveries were excellent, samples were dry, and identified contamination issues were minimal. • Assay samples were split using a riffle splitter to reduce sample weights to standard laboratory submission size (<3.2kg). • It remains unknown whether any relationship exists between recovery and grade however none is anticipated.
Logging	• *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.* • *The total length and percentage of the relevant intersections logged.*	• All drill samples have been logged by an on-site geologist. • Observations on lithology, degree of weathering, mineralisation, alteration and veining are qualitative to semi-quantitative. Magnetic susceptibility has been measured for all samples and is quantitative. • 100% of the samples contributing the mineral intersections have been logged.
Sub-sampling techniques and sample preparation	• *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 representativity 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.*	• Samples were collected by riffle splitter with all samples contributing to the results reported herein being dry when split. • Sample preparation entailed drying then grinding the samples to a target of P85 at 75 microns. • The sample sizes and preparation methods are considered appropriate for epithermal gold which is present as very fine (micron sized) grains. • Company duplicate sampling and laboratory repeat assays indicate good repeatability of results.
Quality of assay data and laboratory tests	• *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*	• Drill chips were assayed in a commercial lab using standard methods. • Gold was determined by fire assay with AAS finish utilising a 50gm charge weight.

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	make and mode, reading times, calibration factors applied and their derivation, etc. • *Nature and quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Company QAQC samples including duplicates (50 pairs), blanks (52 samples) and standards (52 samples) were introduced into the sample stream at a rate of 3 QAQC samples to 22 drill samples. • Laboratory QAQC samples including duplicates and repeats (151 pairs), blanks (34 samples) and standards (68 samples) checks were also introduced. • Both Company and laboratory QAQC samples indicate excellent levels of accuracy and precision were achieved.
Verification of sampling and assaying	• *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, data storage (physical or electronic) protocols.* • *Discuss any adjustment to assay data.*	• The intersections reported have not been verified by any other personnel. • No twin holes have been completed at this stage in the exploration process. • Field data is collected during drilling and backed up onto remote storage devices at night for eventual import into the Company's database. • No assay results have been adjusted.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collars were collected using a GPS with an easting-northing accuracy of +/- 5 metres. DGPS collar surveys are planned in the coming weeks to achieve better location accuracy. • Downhole surveys presenting both inclination and azimuth readings have been made routinely for each hole drilled. • GDA94 (Zone 55) • GPS RLs of the collars have been measured but show poor accuracy so in the absence of DGPS surveys estimates of RL have been determined from published 10 metre topographic contours.
Data spacing and distribution	• *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*	• The drillhole collars are not at any specific spacing but were designed to give specific tests of targets defined by past surface

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	Mineral Resource and Ore Reserve estimation procedure(s) and classification applied. • *Whether sample compositing has been applied.*	mapping. The hilly topography also limits the locations from which holes can be drilled. • The data spacing is currently not of sufficient distribution to establish geological continuity. • No sample compositing has been applied to the reported intersections. • Composite samples have been collected and assayed, with 1-metre cyclone splits to be submitted for 11 composite samples that returned anomalous gold assays.
Orientation of data in relation to geological structure	• *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.*	• It remains uncertain if the orientation of the drilling achieves unbiased sampling.
Sample security	• *The measures taken to ensure sample security.*	• The drill chip samples were collected by Company personnel then delivered to the laboratory either by Company personnel, an exploration contractor, the drill contractor or the landowner.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	• No audits or reviews of sampling techniques have been completed.

1.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section may apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements of material issues with third parties such as joint ventures, overriding royalties, native titles 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 license to operate in the area.*	• The area the subject of this report falls within EPM 25660, which is 100% owned by Adelaide Exploration Pty Ltd, a wholly owned subsidiary of Andromeda Metals Limited. • There are no third party agreements, non govt royalties, or historical sites known. Underlying land title is Pastoral leasehold. The tenement area is covered by a

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		determined Native Title claim and an Exploration Agreement has been executed with the Native Title party. • An Aboriginal Heritage Clearance was completed in 2015 over the prospect, while Native Title party personnel monitored construction of drill access tracks and drill pads prior to commencement of drilling activities. • EPM 25660 is in good standing.
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• The general area the subject of this report has been explored in the past by ACM Minerals, and Ravenswood Resources Pty Ltd and its various joint venture partners. The Company has reviewed all past exploration data submitted to the QLD mines department generated by previous explorers.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Deposits in the general region are considered to be of low sulphidation epithermal vein style.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *Easting and northing of the drill collar* o *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill collar.* o *Dip and azimuth of the hole.* o *Down hole length and interception depth.* o *Hole length.* • *If the exclusion of this information is justified on the axis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The report includes a drill hole location plan and a tabulation of drillhole collar set-up information together with gold intersections sufficient to allow an understanding of the results reported herein.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/ or minimum grade truncations (eg 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 some detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Intersections were calculated by averaging of 1-metre assay results. • No cutting of high grades has been undertaken. • A cut-off grade of 0.5g/t Au with zero metres of internal dilution was adopted for the list of intersections reported in Table 1 of the report. • No metal equivalent values are quoted.
Relationship between mineralisati	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the*	• The geometry of mineralisation with respect drill hole angles remains

on widths and intercept lengths	*drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	unclear. • The notes to the table of intersections state that the intervals reported are downhole lengths and that true widths are unknown.
Diagrams	• *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 collar locations and appropriate sectional views.*	• Appropriate maps, sections and tables are included as Figures 1, 2 and 3 and Table 1 in the report.
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 intersections are reported and if no significant intersection was achieved this is noted in Table 1 of the 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; bulk density, ground water, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Material data including observations on host rock, mineralisation styles and alteration is described in the report.
Further work	• *The nature and scale of planned further work (eg tests of lateral extensions or depth extensions or large scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The report advises that the Company will complete minor final works, and complete a drone survey and petrological study ahead of future exploration program planning.

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