

**Andromeda Metals Limited**

ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash: \$0.13 million
(at 31 March 2017)

Issued Capital:

453,104,875 ordinary shares
23,668,938 listed options

Directors:**Colin G Jackson**

Non-Executive Chairman

Chris Drown

Managing Director

Nick Harding

Executive Director and
Company Secretary

Jonathan Buckley

Non-Executive Director

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Fact:

Along with its precious and base metal prospectivity, the Eyre Peninsula of South Australia has emerged as one of the World's premier graphite provinces. Graphite deposits occur in a belt that extends from near Port Lincoln on the southern tip of the peninsula, to the Gawler Ranges in the north, a distance of 250km.



METALS

ASX announcement

10 July 2017

Thurlga Joint Venture (25% interest), South Australia

High grade graphite discovered

Summary

The Thurlga Joint Venture (TJV) manager has today released results from a recently completed aircore drill programme.

Andromeda Metals present a summary of these results below.

- A potentially significant graphite discovery has been made.
- Five holes at the Ironstone prospect encountered substantial graphite, with intersections grading up to 16.5% total graphitic carbon (TGC) in 3-metre composite samples. Four of these holes ended in graphite mineralisation.
- One hole intersected 30 metres at 10% TGC, a grade comparable to that of established graphite mineral resources on the Eyre Peninsula and elsewhere in the world.
- Together with historical electromagnetic and drilling data, the results indicate the graphitic units are shallow, up to 500 metres wide, and fall on EM conductors that aggregate 25km in strike length, indicating very substantial resource potential.
- Anomalous silver and base metals were also intersected.
- Joint venturer Investigator Resources Limited has met its obligation to spend \$750,000 and has now earned 75% equity in the Thurlga Joint Venture, which will be formalised.

Andromeda Metals remains focused on advancing its Wudinna Gold Project into production, but welcomes the positive results achieved to date by the TJV. The Company's 25% equity in the graphite discovery potentially represents a valuable additional mineral asset.

Chris Drown
Managing Director

Direct enquiries to Chris Drown. Ph (08) 8271 0600 or 0427 770 653.

Introduction

Investigator Resources Limited (ASX: IVR), manager of the Thurlga Joint Venture (TJV), has today announced the results of a recent aircore drilling programme on the TJV tenement to the ASX ⁽¹⁾.

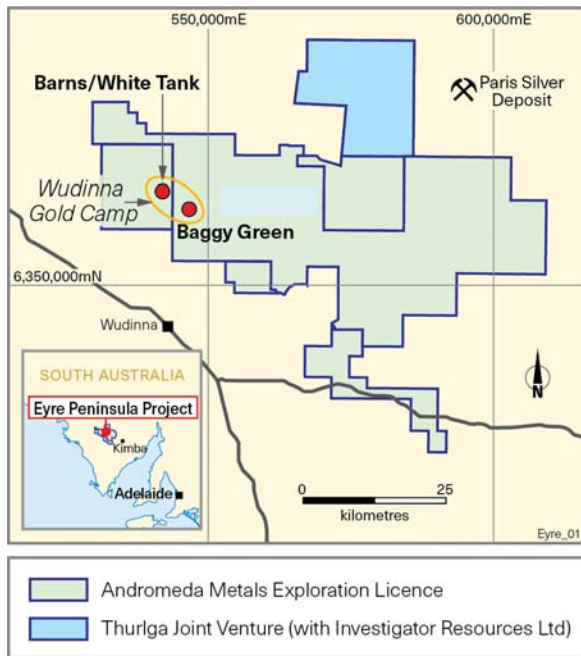


Figure 1: Eyre Peninsula project location plan.

IVR's announcement can be viewed on the ASX and IVR websites. Andromeda Metals is pleased to present a summary of the TJV's results herein.

The Thurlga Joint Venture with Investigator Resources Limited was formed in August 2014, and is exploring EL 5419, one of seven tenements that form Andromeda Metals' Eyre Peninsula project (Figure 1).

Geochemical soil sampling completed by the TJV in 2016 defined a number of silver and base metal anomalous features on the tenement. Five of these targets have been tested in a recent program of scout aircore drilling totalling 20 holes for 1,076 metres.

Graphite discovery

Five aircore holes drilled at the Ironstone prospect (Figure 2) intersected substantial graphite mineralisation, with grades up to 16.5% TGC (total graphitic carbon) recorded in 3-metre composite samples.

Hole TH17AC037B recorded 30 metres at 10.0% TGC from 57 metres downhole, while TH17AC034 recorded 10 metres at 8.3% TGC from 35 metres.

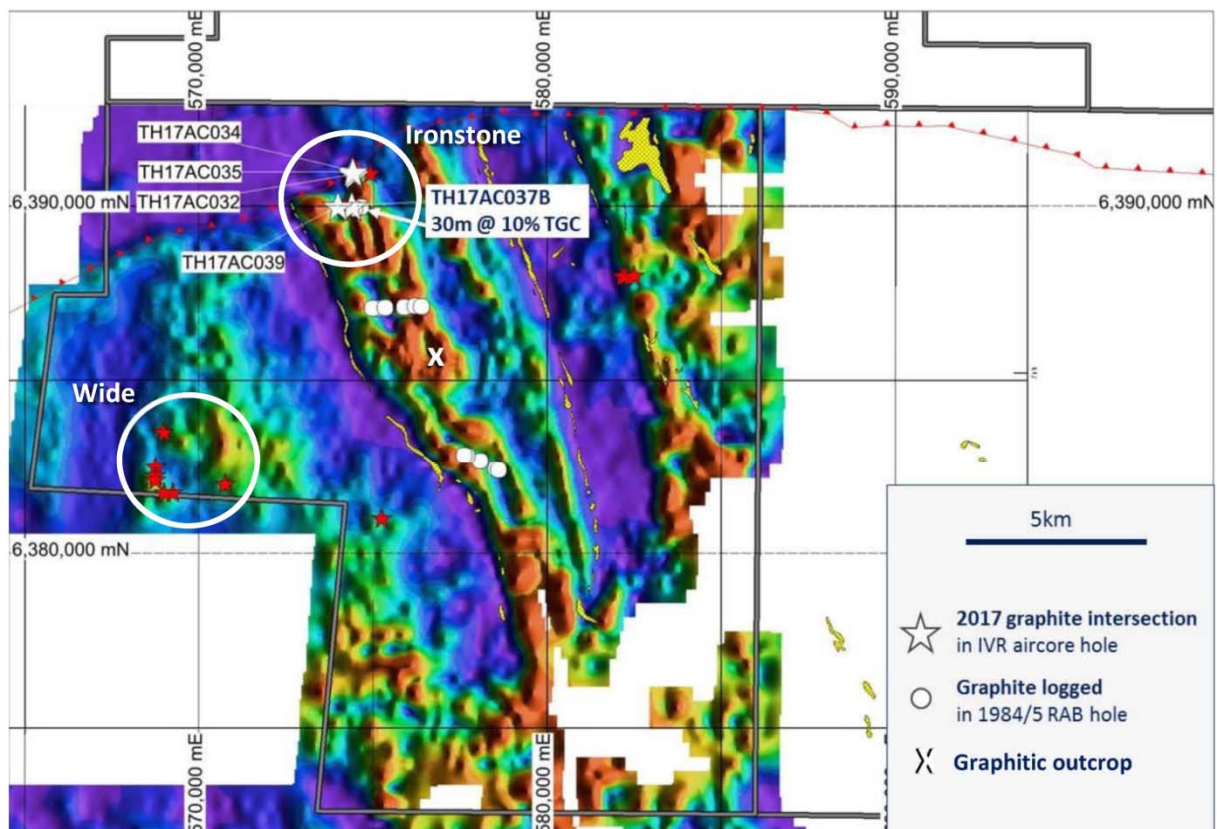


Figure 2: Conductivity image (-80m depth-slice) from 2010 airborne RepTEM survey. Graphite occurrences in drilling and outcrop are coincident with conductive trends in the RepTEM survey.

These graphite grades are considered significant. For reference, the Mineral Resource for Renascor Resources' Siviour graphite deposit on the southern Eyre Peninsula is 80.6Mt at 7.9% TGC, and Lincoln Minerals' Kookaburra Gully Mineral Resource, also on the Eyre Peninsula, is 2.2Mt at 15.1% TGC.

The graphite potential on the TJV's tenement is further revealed through the interpretation of historical exploration data.

Graphite is an excellent electrical conductor detectable in electromagnetic surveys. An airborne RepTEM survey flown over the Thurlga tenement in 2010 reveals a series of linear conductive features that extend for 25km in aggregate strike length.

The RepTEM conductors are coincident with the graphitic drill intersections achieved at Ironstone in the TJV drillholes, and also in 1984/5 RAB holes where graphite was recorded at depths as shallow as 1 metre below surface (Figure 2). Investigator's exploration team has also discovered an surface outcrop of graphitic metasediment coincident with the RepTEM conductors (Figure 3). It is therefore likely the RepTEM conductors are sourced by graphite.

The coarse drilling indicates the graphitic formations are up to 500 metres wide and, should they extend along the 25km of strike indicated by the RepTEM conductors, the resource potential is clearly very substantial.

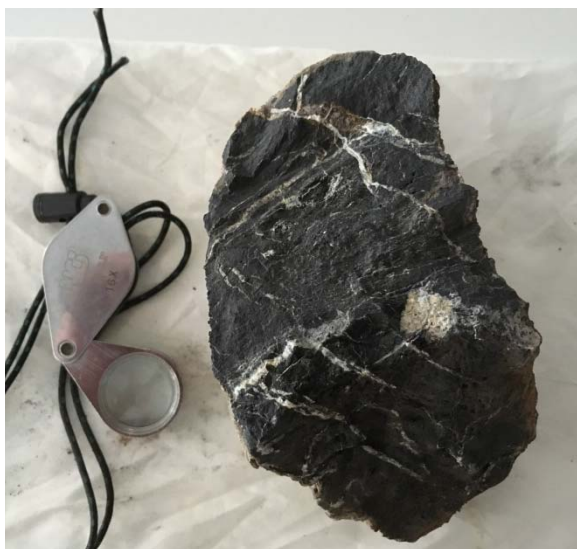


Figure 3: Strongly graphitic metasediment sample collected from outcrop locality.

Silver and Base Metals

Anomalous silver and base metals were intersected in drilling completed at the Wide and Ironstone South prospects (Figure 2).

At the Wide prospect results included 28 metres at 0.14% lead from 24 metres downhole in hole TH17AC006; and 21 metres at 0.16% zinc and 1.05g/t silver from 36 metres in TH17AC012.

Ironstone South returned anomalous silver including 3 metres at 4.77g/t silver from 33 metres downhole in TH17AC036; and 3 metres at 6.58g/t silver from 36 metres downhole in TH17AC039.

The silver and base metal intersections confirm mineralising processes have affected the host rocks, and may be geochemical dispersion halos sourced from nearby higher grade primary mineralisation.

Joint venture milestone

The terms of the Thurlga Joint Venture required Investigator to spend \$750,000 on exploration by 30 June 2017 to earn 75% equity in the Joint Venture.

Investigator has now met this obligation and so has earned a 75% legal and beneficial interest in the TJV. Transfer documents reflecting the shared ownership of the TJV tenement have been lodged with the Minerals Branch of the Department of Premier and Cabinet.

The Joint Venture will now be formalised. Investigator will continue as JV manager and will develop a program and budget for consideration by the Joint Venture Management Committee which includes representatives from Andromeda Metals.

Future Joint Venture expenditure contributions will be pro-rata, or else a non-contributing party's equity will be diluted using the standard industry dilution formula.

Comment - Andromeda Metals remains firmly focused on advancing its Wudinna Gold Project into production, but welcomes the positive results achieved by the Thurlga Joint Venture. The Company's 25% equity in the TJV graphite discovery is potentially a valuable additional mineral asset.

⁽¹⁾ See IVR's ASX release dated 10 July 2017 titled "Investigator earns 75% equity in Thurlga Joint Venture near Paris silver project" for full JORC 2012 information.

Competent Person Statement and 2012 JORC Compliance Notes

The information is extracted from the report issued by Investigator Resources Limited entitled "Investigator earns 75% equity in Thurlga Joint Venture near Paris silver project", created on 10 July 2017 and is available to view on www.investres.com.au and on normal ASX announcement websites. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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.