



# Andromeda

## METALS

### NON-RENOUNCEABLE RIGHTS ISSUE PROSPECTUS

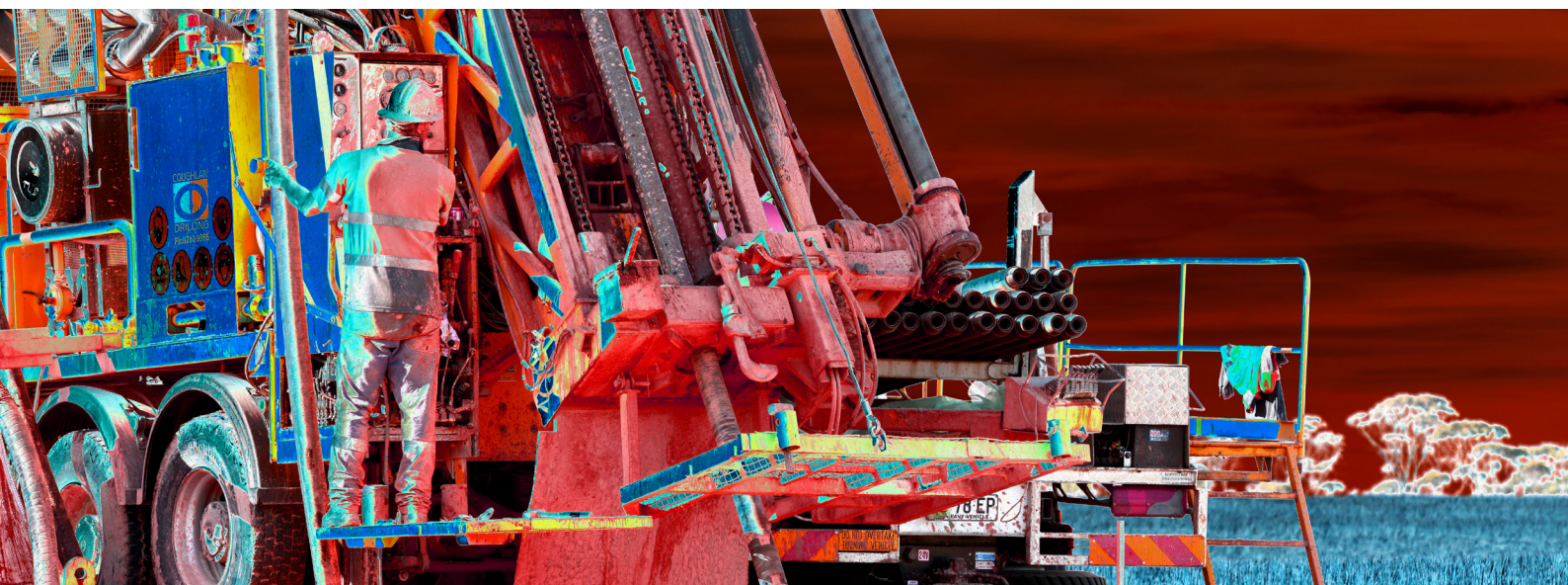
For a non-renounceable pro rata entitlement issue to Eligible Shareholders of up to approximately 202.8 million New Shares at an issue price of \$0.008 per Share on the basis of 1 New Share for every 2 Shares held and 1 attaching Primary Option for every 2 New Shares subscribed to raise approximately \$1.623 million before expenses. If a Primary Option is exercised before its expiry on 31 March 2018 the Option holder is entitled to receive 1 Share and a further Secondary Option.

This offer closes at 5pm ACST on Tuesday 16 May 2017.  
Valid acceptances must be received before that date.

#### IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents, or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser.

The Shares and Options offered by this Prospectus should be considered speculative.



# Corporate Directory

## DIRECTORS

Colin G Jackson	Non-Executive Chairman
Chris Drown	Managing Director
Nick Harding	Executive Director and Company Secretary
Jonathan Buckley	Non-Executive Director

## REGISTERED AND PRINCIPAL OFFICE

69 King William Road  
Unley, South Australia 5061

Telephone: +61 8 8271 0600  
Facsimile: +61 8 8271 0033

## WEBSITE

[www.andromet.com.au](http://www.andromet.com.au)

## ASX CODE

ADN

## AUDITORS\*

Deloitte Touche Tohmatsu  
11 Waymouth Street  
Adelaide, South Australia 5000

## SHARE REGISTRY

Computershare Investor Services Pty Ltd  
Level 5, 115 Grenfell Street  
Adelaide, South Australia 5000

## ABN/ACN

75 061 503 375 / 061 503 375

\* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

# Important Information

This Prospectus is dated 13 April 2017 and was lodged with ASIC on that date. Neither ASIC or the ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares or New Options (New Securities) will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus (other than the issue of shares arising from the exercise of Options). Shares and Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) to Eligible Shareholders and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisors to whom investors may consult.

The Company will apply to the ASX for Official Quotation of the New Securities offered pursuant to this Prospectus.

Eligible Shareholders should read this Prospectus in its entirety and seek professional advice where necessary. The New Securities the subject of this Prospectus should be considered speculative.

An application for New Securities by Eligible Shareholders will only be accepted by following the instructions on the Entitlement and Acceptance Form accompanying this Prospectus as described in section 2.7 of this Prospectus. An application for Additional Shares and Options will only be accepted by completing the relevant section of the Entitlement and Acceptance Form or by making payment of the Application Monies via BPAY as described in section 2.7 of this Prospectus.

No person is authorised to give any information or make any representation in connection with the Offer described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

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## Foreign Shareholders

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation.

## New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## Competent Person and JORC 2012 Compliance Statements

### EXPLORATION RESULTS

The information in this Prospectus 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 Prospectus of the matters based on his information in the form and context in which it appears.

### WUDINNA GOLD CAMP MINERAL RESOURCE ESTIMATES

The information in this Prospectus relating to the Mineral Resource Estimates for the Barns, Baggy Green and White Tank gold deposits is extracted from reports entitled "Maiden 107,000 ounce gold resource estimated for Barns deposit." created on 19 July 2016; and "Wudinna Gold Camp Mineral Resource jumps to 200,000 ounces of gold." created on 23 January 2017. Both reports are available to view on [www.andromet.com.au](http://www.andromet.com.au). 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 assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

### BARNs METALLURGICAL TESTWORK

The information in this Prospectus relating to metallurgical testwork conducted on the Barns gold deposit is extracted from a report entitled "Barns metallurgy results deliver 97% plus gold recovery with conventional flowsheet." created on 16 January 2017. The report is available to view on [www.andromet.com.au](http://www.andromet.com.au). 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 assumptions 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.

# Chairman's Letter

13 April 2017

Dear Shareholder,

Andromeda Metals has launched a non-renounceable Rights Issue to move the Company toward becoming a gold producer at its 100% owned Wudinna Gold Camp project on the Eyre Peninsula in South Australia.

The Issue will be on the basis of one share and half a Primary Option for every two shares held on 20 April 2017 at a price of 0.8 cents per share. The Primary option has an exercise price of 1.2 cents and expires on 31 March 2018. For every Primary Option exercised before the expiry date, the holder will receive a Secondary Option which has an exercise price of 1.5 cents and expires on 31 March 2019. Shareholders may apply for more than their entitlement, subject to sufficient Shortfall shares being available at the conclusion of the Issue.

The Offer price of 0.8 cents represents a 20% discount to the Company's closing share price on 10 April 2017 and a 28% discount to the volume weighted average price of the Company's shares over the preceding 30 days. If the valuation of the attaching Primary Option is also taken into account these discounts increase to 40% and 45% respectively.

The issue is not underwritten. Any shares not subscribed for by shareholders may be placed to institutional and sophisticated investors at the same price up to three months after the Issue closes.

The proceeds of the Issue (net of legal, ASX, printing and postage costs associated with the issue) will be predominantly directed to progressing the Wudinna Gold Camp towards mine development, with modest funding also directed to conducting maiden drill tests of drill-ready epithermal gold targets on the 100% owned Drummond Basin tenements in North Queensland.

The Wudinna Gold Camp represents an excellent opportunity for Andromeda Metals to advance to gold producer status. The Inferred Mineral Resource, calculated under the JORC 2012 guidelines, is now 200,000 ounces. High gold recovery (97% plus using a conventional gravity and leach flowsheet); ground topography; infrastructure logistics, including local accommodation, workshops and town facilities and hospital; and a supportive land owner, represent an encouraging economic opportunity. The precise work programme, which would include in-fill drilling, step-out drilling, metallurgical test work and preliminary feasibility studies, will be determined by the success of the Issue and any subsequent Shortfall placement.

As noted in recent Company announcements, including the Annual Report, the Chairman's address at the Annual General Meeting of shareholders and the Activities Report issued mid-January 2017, the focus of the Board and management has been directed exclusively to rationalising the business to channel scarce shareholder funds to the best perceived properties.

Again, as advised to shareholders, the Company has continued to pursue the partial or full sale of the 100% owned Moonta copper project with the intention of directing the proceeds largely to the Wudinna Gold Camp endeavours. However, a party with whom the Company had been negotiating a Heads of Agreement for some time has failed to meet various deadlines for reasons not related to the project and discussions with this party have now been discontinued.

Accordingly, with treasury funds limited, the Company has significantly reduced overheads again. To help resolve the Company's financial position, and despite additional duties and expectations, executive directors have taken a second 30% salary cut and non-executive directors have deferred all fees.

The Wudinna Gold Camp is a stand-out project with a reasonable expectation of progressing to gold producer status. Our future work programme is sharply focussed on achieving a mine development and building on our solid existing resource position.

Success in the Drummond Basin could be transformational for Andromeda Metals. The prize is a high grade gold deposit like the nearby Pajingo mine. We have discovered targets that are confirmed to be gold-bearing systems of similar geological style to Pajingo that are ready for drill testing.

On behalf of the Board I encourage you to subscribe to the Rights Issue. The Directors of the Company would like to thank all shareholders for their continued support of Andromeda Metals in its endeavour to transition from explorer to a gold producer.

Yours Faithfully,



**Colin G Jackson**  
Non-Executive Chairman

# Timetable of Important Dates

Lodgement of Prospectus with ASIC	Thursday	13 April 2017
Announcement of Issue (and lodge Appendix 3B)	Thursday	13 April 2017
Notice to Shareholders containing Appendix 3B information and timetable	Tuesday	18 April 2017
Shares commence trading on an ex rights basis	Wednesday	19 April 2017
Record Date of the Offer	Thursday	20 April 2017
Prospectus and Entitlement and Acceptance Form despatched to Shareholders	Wednesday	26 April 2017
Opening Date of the Offer	Wednesday	26 April 2017
Closing Date of the Offer	Tuesday	16 May 2017
New Shares and Primary Options quoted on a deferred settlement basis	Wednesday	17 May 2017
Advise ASX of any Shortfall	Friday	19 May 2017
Issue Date of New Shares and Primary Options (deferred settlement trading ends)	Tuesday	23 May 2017
New Shares and Primary Options commence trading on a normal T+2 basis	Wednesday	24 May 2017

These dates are indicative only and subject to change without notice. The Company may extend the period of the Offer or bring forward the Closing Date at their discretion. This may have a consequential effect on the other dates.



# 1. Investment Summary

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of the Prospectus.

## 1.1 The Offer

This Prospectus invites Eligible Shareholders to participate in a pro-rata non-renounceable entitlement issue of approximately 202,883,532 New Shares at an issue price of \$0.008 per New Share, on the basis of 1 New Share for every 2 Shares held as at the Record Date of 20 April 2017. For every 2 New Shares subscribed for, Shareholders will receive 1 attaching Primary Option which has an exercise price of \$0.012 and an expiry date of 31 March 2018. If a Primary Option is exercised before the expiry date, the Option holder will receive a Secondary Option which has an exercise price of \$0.015 and an expiry date 31 March 2019.

The Offer is not underwritten and there is no minimum subscription to the Offer.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares and New Options to be granted Official Quotation on the ASX. Official quotation of the New Securities is expected to occur on 17 May 2017.

The Directors may at any time decide to withdraw this Prospectus and the Offer of New Securities made under this Prospectus, in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of such withdrawal.

## 1.2 New Share Terms

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights and liabilities attaching to the New Shares is set out in section 5.1.

## 1.3 New Option Terms

A summary of the rights attaching to the New Options is set out in section 5.2.

## 1.4 Acceptance of Entitlement to New Shares

The number of New Securities to which an Eligible Shareholder is entitled and the total amount an Eligible Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Securities is shown on the Entitlement and Acceptance Form accompanying this Prospectus. This Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Securities. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Securities can be accepted in full, in part or in excess of your Entitlement by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus together with your cheque or bank draft for the total amount payable or making payment of Acceptance Monies by BPAY in accordance with the instructions set out in section 2.7 and on the Entitlement and Acceptance Form. Acceptance Monies should be rounded up to the nearest cent.

Application Monies for the New Securities must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

## 1.5 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer to:

Exploration and evaluation including further drilling	\$1,010,000
Working Capital	\$523,000
Costs of the Offer	\$90,000
<b>Total</b>	<b>\$1,623,000</b>

In the event that the Offer is not fully subscribed, the proportion of the proceeds applied to exploration and evaluation will be scaled back so that the total amount raised will be applied first to the costs of the Offer, then to working capital and the balance to exploration and evaluation.

## 1.6 Investment Highlights

### 1.6.1 EYRE PENINSULA GOLD PROJECT (INCLUDING THE WUDINNA GOLD CAMP)

Andromeda Metals holds a significant 100% owned ground position on the Eyre Peninsula of South Australia. Included within the project tenements is the Wudinna Gold Camp, a cluster of gold prospects located about 20km north of the town of Wudinna.

The Wudinna Gold Camp includes the Barns, Baggy Green and White Tank deposits where consolidated Mineral Resources totalling 200,300 ounces of gold (calculated within JORC 2012 guidelines) have recently been announced. Each of the Barns, Baggy Green and White Tank Resources remain open and, together with other gold prospects in the Wudinna Gold Camp, present excellent opportunities to further expand the local gold resource inventory.

Metallurgical testwork on Barns mineralisation, also recently completed, confirms exceptional gold recoveries can be achieved using conventional methods, and a clear pathway to mine development is emerging for the Wudinna Gold Camp.

### 1.6.2 DRUMMOND EPITHERMAL GOLD PROJECT

The Company holds four, wholly owned tenements in the Drummond Basin in Queensland which are prospective for epithermal gold deposits analogous to the nearby plus 3-million ounce high grade Pajingo goldfield.

Programmes of surface prospecting, rock chip sampling and soil geochemistry completed by Andromeda Metals on two of the project tenements have discovered the Bunyip, Roo Tail, Poppi's and East Central Limey prospects. Each of the four targets are confirmed to be gold-bearing epithermal systems, none of which have previously been drilled. All approvals to test these targets are in place.

Two other project tenements, each containing historical prospects reportedly of epithermal character, have recently been granted. The areas are amenable to programmes of low cost exploration similar to the work that delineated the drill targets like Bunyip.

### 1.6.3 ROVER COPPER GOLD PROJECT

The Tennant Creek district of the Northern Territory has produced over 5.5 million ounces of gold and over 480,000 tonnes of copper. The Rover Field is located south west of Tennant Creek and also hosts Tennant Creek style mineral deposits.

The Company's Rover Project captures the majority of the Rover Field and includes the wholly owned Rover 4 deposit and part of the Rover 1 deposit. In November 2016 the Company announced it had entered into the Rover Farm-in

and Joint Venture Agreement with Tennant Creek explorer Emmerson Resources Limited and is the subject of an area of interest agreement with Evolution Mining Limited. The advent of this agreement will see a renewed exploration effort on this highly prospective project.

### 1.6.4 MOONTA COPPER GOLD PROJECT

The Moonta Copper Gold Project falls near the southern end of the world class Olympic Copper-Gold Province in South Australia, a belt that contains approximately 75% of Australia's known copper resources. Andromeda Metals' tenement secures the famous "Copper Triangle" mining district on the Yorke Peninsula.

The Company's exploration at Moonta has discovered a number of copper-dominant deposits including Alford West, Willamulka, Paskeville and Wombat, while other significant prospects are also known from historical records.

Andromeda Metals is seeking to either divest or joint venture its Moonta tenement, with its inventory of pre-resource deposits, and exceptional prospectivity, strong attributes.

### 1.6.5 USE OF FUNDS

Funds raised through the Offer will be directed to:

- Wudinna Gold Camp drilling to both expand the resource position and convert Inferred Resources to Indicated Resources;
- complete further metallurgical studies to confirm Baggy Green gold recoveries and optimise Barns crushing and grinding parameters;
- undertake economic modelling for the Wudinna Gold Camp deposits incorporating revised resource estimates, deposit models, gold recoveries and likely metallurgical flowsheet;
- at Drummond, maiden drill testing at Bunyip and one or more of Roo Tail, Poppi's and East Central Limey;
- low cost programmes of surface prospecting, rock chip sampling and soil geochemistry on the two recently granted Drummond tenements;
- Continue to seek monetisation of the Moonta copper gold project; and
- Meet on-going fixed exploration tenement and reporting costs, working capital costs, and costs associated with the Offer.

A more detailed breakdown of the application of funds is set out in section 2.2.

## 1.7 Risk Factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, are dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Securities, you should first seek advice from your stockbroker, accountant, financial or other professional advisor.

Risk	Details
Exploration and production	Tenements in which the Company has an interest are at various stages of exploration. There can be no assurance that exploration of the project areas will result in the discovery of an economic reserve.
Access to land	The Company will experience delays and cost overruns in the event it is unable to access the land required for its operations. This may be as a result of weather, environmental restraints, native title, harvesting, landholder's activities or other factors.
Environmental	Mining and exploration activities are strictly regulated by environmental legislation and government authorities. There is a risk that environmental regulation may prevent or impede the Company's activities.
Native Title and Aboriginal Heritage	Native Title claims and Aboriginal heritage issues may have a material adverse impact on the Company's activities and may hinder or prevent its exploration and future mining activities or increase the cost of those activities.
Mineral resource and reserve estimates	Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate.
Metal prices	International factors including inflation, exchange rates, supply and demand impact on metal prices. If the price of metals seriously declines in the future, this will materially impact on the Company's ability to continue with its projects.
Competition	Other companies may have competitive advantages such as superior resources, new technology, new production processes, or access to key infrastructure. The Company may be unable to successfully compete against such other companies.
Future capital requirements	The available funds of the Company may not be sufficient to cover expenditure that may be required to execute its planned operations. There is no assurance that the Company will be able to obtain additional financing when required and hence as to whether it can continue as a going concern in the future.
Regulatory and legislative	Any changes in the laws and regulations under which the Company operates may adversely impact the Company.

The New Securities offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on the ASX. The past performance of the Company should not necessarily be considered a guide to its future performance.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

Further details regarding risks which may affect the Company in the future are contained in section 6.



## 1.8 Directors Intentions in Respect of Entitlements

As at the date of this Prospectus, some of the Directors of the Company have both a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director based on their current total holding.

Director	Current Shares	Entitlement
C G Jackson	Nil	Nil
C G Drown	8,498,737 <sup>1</sup>	2,255,618 <sup>2</sup>
N J Harding	3,390,330 <sup>1</sup>	482,665 <sup>2</sup>
J P Buckley	650,000	325,000

<sup>1</sup> includes shares held on behalf of the Directors by the trustee of the ADN Loan Funded Employee Share Plan

<sup>2</sup> excludes shares held on behalf of the Director by the trustee of the ADN Loan Funded Employee Share Plan

All Directors who are Eligible Shareholders intend to participate in the Offer.

## 1.9 Applying for Additional Shares and Options

Entitlements not taken up may become available as Additional Shares and Options. Eligible Shareholders may, in addition to their Entitlements, apply for New Securities over and above their Entitlement at the Offer Price (**Additional Shares and Options**) regardless of the size of their present holding.

It is an express term of the Offer that applicants for Additional Shares and Options may be bound to accept a lesser number of Additional Shares and Options allocated to them than applied for. If a lesser number is allocated to them, excess Application Monies will be refunded without interest. The Company reserves the right to scale back any applications for Additional Shares and Options in their absolute discretion.

The Directors also reserve the right to issue any New Securities not allocated under the Offer within 3 months following the Closing Date at a price equal to the Offer Price.

## 1.10 Shortfall and Dilution of Shareholder's Interests

The Offer is not underwritten.

In addition to the process outlined in section 2.7, the Company intends to actively seek to place any Shortfall of New Securities not subscribed for by Eligible Shareholders.

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company to other parties in which case their interest in the Company may be significantly diluted. Further the Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 50% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 20%, subject to a number of exemptions.

## 2. Details of the Offer

### 2.1 Offer to Eligible Shareholders

This Prospectus invites Eligible Shareholders to participate in a pro-rata non-renounceable entitlement issue of up to approximately 202,883,532 New Shares at an issue price of \$0.008 per New Share, on the basis of 1 New Share for every 2 Shares held on the Record Date of 20 April 2017 to raise up to approximately \$1.623 million before expenses. For every 2 New Shares subscribed for, Shareholders will receive 1 attaching Primary Option which has an exercise price of \$0.012 and an expiry date of 31 March 2018. If a Primary Option is exercised before the expiry date, the Option holder will receive a Secondary Option which has an exercise price of \$0.015 and an expiry date of 31 March 2019. Only those Shareholders shown on the share register at 6.30pm ACST (Adelaide time) on the Record Date with a registered address in Australia and New Zealand will be entitled to participate in the Offer.

As at the date of this Prospectus, the Company has 405,767,063 Shares on issue.

All the New Shares offered under this Prospectus will rank equally with the Shares on issue as at the date of this Prospectus. Please refer to section 5.1 of this Prospectus for further information regarding the rights and liabilities attaching to the New Shares. Please refer to section 5.2 of this Prospectus for further information regarding the rights and liabilities attaching to the New Options.

The Company has applied to the ASX for the New Shares and Primary Options to be granted Official Quotation on the ASX, which is expected to occur on or about 17 May 2017. Participants (as defined in the ASX Settlement Operating Rules) cannot deal in the New Shares and Primary Options either as principal or agent until Official Quotation is granted.

## 2.2 Purpose of the Offer

This purpose of the Offer is to raise up to \$1.623 million.

It is anticipated that the funds raised from the Offer will be applied as follows:

### USE OF FUNDS BASED ON FULL SUBSCRIPTION OF \$1.623 million.

Project	Prospect	Proposed Work	Program Goal/Deliverable	Budget
Eyre Peninsula Gold (Wudinna Gold Camp)	Baggy Green	Programme of 2,000 metres of reverse circulation exploration drilling	The current Baggy Green resource remains open at depth and along strike, and step-out exploratory drilling is expected to define further resources.	\$260,000
	Barns	Programme of 2,000 metres of reverse circulation exploration and infill drilling	The Barns Mineral Resource is dominantly in the Inferred category. Infill drilling will allow reclassification to Indicated resources, following which ore reserves can be estimated.	\$260,000
	Barns & Baggy Green	Revision of estimated Mineral Resources	Update of the Wudinna Gold Camp Mineral Resource estimate following the RC drilling programmes listed above.	\$30,000
	Barns	Programme of 300 metres of diamond drilling	The programme delivers core samples required to conduct metallurgical crush and grinding testwork.	\$90,000
	Barns & Baggy Green	Metallurgical testwork	First pass testing of Baggy Green mineralisation to establish gold recoveries. Metallurgical testing at Barns to establish crushing and optimum economic grind-recovery combination.	\$30,000
	Wudinna Gold Camp	Economic Scoping Study	Study into project economics incorporating revised Mineral Resource and Whittle pit optimisations for Barns and Baggy Green, metallurgical recoveries and potential flow sheet.	\$50,000
Drummond Epithermal Gold Project	Bunyip, Roo Tail, Poppi's, East Central Limey	Programme of 1,200 metres of reverse circulation drilling	Goal is to complete first ever drill tests of the Bunyip prospect and possibly one or more of the Roo Tail, Poppi's and East Central Limey prospects. All four targets are confirmed to be auriferous epithermal mineral systems.	\$160,000
	Sandalwood Creek and Mount Wyatt	Programs of up surface prospecting, rock chip sampling and FPXRF soil geochemistry	Bunyip and the other drill targets were delineated using low cost programmes of surface prospecting and geochemistry. Goal is to complete similar programmes on the recently granted Sandalwood Creek and Mount Wyatt tenements.	\$40,000
Moonta Copper Gold Project	Moonta-Wallaroo	Work directed at securing 3rd party involvement	Goal is to consummate 3rd party funding deal.	\$20,000
Fixed Exploration	Fixed exploration includes the costs of meeting annual tenement rentals and other statutory charges; tenement administration; annual aboriginal agreement costs; exploration software licencing fees; sample storage costs etc.			\$70,000
Exploration Sub-Total				\$1,010,000
Working Capital				\$523,000
Costs of the Offer				\$90,000
TOTAL				\$1,623,000

The preceding table is a statement of current intentions as at the date of this Prospectus. It is anticipated that these funds will be applied over the next 12 months.

The proposed use of funds is subject to ongoing review and evaluation by the Company. As with any budget, the actual use of funds raised under the Offer may change depending on the outcome of the programmes as they proceed. The Board reserves the right to alter the way in which funds are applied on this basis.

To the extent that funds raised pursuant to this Prospectus are insufficient to meet the Company's proposed use of funds as described, funds raised will be applied in the following order of priority:

- Expenses of the Offer
- Working capital and fixed exploration costs
- Exploration and evaluation costs

The Company does not seek to raise a minimum amount under the Offer. In the event that insufficient funds are raised to meet the expenses of the Offer, the Company intends to use its existing working capital to meet the expenses of the Offer.

## 2.3 Important Dates

Lodgement of Prospectus with ASIC	Thursday	13 April 2017
Announcement of Issue (and lodge Appendix 3B)	Thursday	13 April 2017
Notice to Shareholders containing Appendix 3B information and timetable	Tuesday	18 April 2017
Shares commence trading on an ex rights basis	Wednesday	19 April 2017
Record Date of the Offer	Thursday	20 April 2017
Prospectus and Entitlement and Acceptance Form despatched to Shareholders	Wednesday	26 April 2017
Opening Date of the Offer	Wednesday	26 April 2017
Closing Date of the Offer	Tuesday	16 May 2017
New Shares and Primary Options quoted on a deferred settlement basis	Wednesday	17 May 2017
Advise ASX of any Shortfall	Friday	19 May 2017
Issue Date of New Shares and Primary Options (deferred settlement trading ends)	Tuesday	23 May 2017
New Shares and Primary Options commence trading on a normal T+2 basis	Wednesday	24 May 2017

## 2.4 Minimum Subscription

There is no minimum subscription in respect of the Offer.

## 2.5 No Trading of Entitlements

Entitlements to Shares pursuant to the Offer are non-renounceable and accordingly Eligible Shareholders may not dispose of or trade any part of their Entitlement.

## 2.6 Opening and Closing Dates

The Offer will open for receipt of acceptances at 9.00am ACST on Wednesday 26 April 2017 and will close at 5.00pm ACST on Tuesday 16 May 2017, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to Closing Date.

## 2.7 Entitlements and Acceptance

Eligible Shareholders may accept their Entitlement either in whole, in part or in excess of their Entitlement. The number of New Securities to which you are entitled (**Entitlement**) is shown in the Entitlement and Acceptance Form which accompanies this Prospectus.

In determining Entitlements, any fractional entitlement will be rounded up to the nearest whole number.

You may participate in the Entitlement Offer as follows:

### a) Take up your Entitlement in full and apply for Additional Shares and Options

If you are an Eligible Shareholder and wish to take up all of your Entitlement and apply for Additional Shares and Options in excess of your Entitlement, please:

- complete the Entitlement and Acceptance Form which accompanies this Prospectus by inserting the number of New Securities for which you wish to accept the Entitlement Offer under this Prospectus plus the number of Additional Shares and Options (being more than your Entitlement as specified on the Entitlement and Acceptance Form); and
- forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable (including the amount payable for the Additional Shares and Options) in the reply paid envelope to reach the Company's Share Registry, so that it is received by no later than 5.00pm ACST on the Closing Date or such later date as the Directors determine.

**b) Take up your Entitlement in full**

If you are an Eligible Shareholder and wish to take up all of your Entitlement, please:

- complete the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions set out on the form; and
- forward the completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your Entitlement and Acceptance Form in the reply paid envelope to reach the Company's Share Registry, so that it is received by no later than 5.00pm ACST on the Closing Date or such later date as the Directors determine.

**c) Take up some of your Entitlement**

If you are an Eligible Shareholder and wish to take up only some of your Entitlement, please:

- complete the Entitlement and Acceptance Form which accompanies this Prospectus by inserting the number of New Securities for which you wish to accept the Entitlement Offer under this Prospectus (being less than your Entitlement as specified on the Entitlement and Acceptance Form); and
- forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable in the reply paid envelope to reach the Company's Share Registry, so that it is received by no later than 5.00pm ACST on the Closing Date or such later date as the Directors determine.

**d) Payment**

Cheques and bank drafts, in Australian currency, should be made payable to "Andromeda Metals Limited" and crossed "not negotiable". You should ensure that sufficient funds are held in the relevant account(s) to cover the Acceptance Monies. If the amount of your cheque for Acceptance Monies is insufficient to pay in full for the number of whole New Securities for which you have applied in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Securities which equates to your cleared Acceptance Monies (and to have that number of New Securities on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and BPAY payments must be drawn on an Australian bank.

**e) BPAY**

If you intend to pay for the New Securities by BPAY, there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5.00pm ACST on the Closing Date or such latter date as the Directors determine). If you elect to make payment using BPAY, you must contact your bank, credit union or building society to make payment of the Acceptance Monies from your cheque or savings account. Refer to the Entitlement and Acceptance Form for the Biller Code and Customer Reference Number. Eligible Shareholders who have multiple holdings will have multiple Customer Reference Numbers.

**f) Do nothing**

You may do nothing, in which case your Entitlement will lapse. However, if you are an Eligible Shareholder and you do nothing, then New Securities representing your Entitlement may be allocated to an Eligible Shareholder who applies for Additional Shares and Options or to other third parties procured by the Directors in exercising their discretion in placing any Shortfall.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will decrease.

**g) General**

If you have any queries concerning your Entitlement, please contact the Company on 08 8271 0600 or contact your stockbroker or professional advisor.

Entitlement and Acceptance Forms accompanying cheques or bank draft may be lodged at any time before the Closing Date. Applications received after the Closing Date may not be accepted. Eligible Shareholders who intend to forward their Form by post should be aware of the lengthened delivery time for mail sent with Australia Post. The Company will not be responsible for postal or delivery delays.

The Offer Price of \$0.008 for each New Share is payable in full on acceptance of part or all of your Entitlement. No consideration is payable for the attaching New Options.

Completed Entitlement and Acceptance Forms and accompanying cheques should be forwarded to the following address:

Computershare Investor Services Pty Ltd  
GPO Box 2987  
Adelaide, SA 5001



The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Monies will be held in trust in a subscription account until allotment of the New Securities. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Monies will be retained by the Company irrespective of whether allotment takes place. No stamp duty, brokerage or handling fees are payable by the Applicant for the New Securities offered by this Prospectus.

Eligible Shareholders should obtain independent advice on the taxation implications arising out of their participation in the Offer.

## 2.8 Additional Shares and Options

Eligible Shareholders who have subscribed for their Entitlement in full may apply for Shares and Options in addition to their Entitlement. Please refer to section 2.7(a) of this Prospectus for further information as to how to apply for Additional Shares and Options above your Entitlement.

It is possible that there will be few or no Additional Shares and Options available, depending on the level of acceptance of Entitlements by Eligible Shareholders. There is therefore no guarantee that in the event that Additional Shares and Options are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

In the event all Entitlements are not taken up, the Directors reserve the right to allocate any Additional Shares and Options at their absolute discretion. The Company may issue to an Applicant a lesser number of Additional Shares and Options or not proceed with the issuing of all or part of the Additional Shares and Options. If the number of Additional Shares and Options is less than the number applied for, surplus Application Monies will be refunded without interest.

## 2.9 Shortfall

Any Entitlements not taken up by Eligible Shareholders may become available as Shortfall which may be placed by the Company. The offer of any Shortfall is a separate offer made pursuant to the Prospectus (**Shortfall Offer**).

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place any Shortfall at their discretion within 3 months after the close of the Offer. Shares offered pursuant to the Shortfall Offer will be issued at the same issue price as the Shares offered to Eligible Shareholders under the Offer.

Any issue of Shares and Options to Directors under the Shortfall will be subject to the receipt of Shareholder approval.

## 2.10 Allotment of Shares and Options

The New Securities and Additional Shares and Options are expected to be allotted by no later than 23 May 2017. New Securities allotted pursuant to the placement of the Shortfall under section 2.9 may be allotted within 3 months after the Closing Date. Until the issue and allotment of the New Securities under this Prospectus has occurred, the Application Monies will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the Application Monies will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Securities takes place.

## 2.11 Application for Official Quotation

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares and Primary Options to be issued pursuant to this Prospectus to be listed for Official Quotation by the ASX. If granted, quotation of the New Shares and Primary Options will commence as soon as practicable after the allotment of the New Securities to Applicants.

If the ASX does not grant Official Quotation of the New Shares and Primary Options offered pursuant to this Prospectus within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not allot any New Securities and will repay all Application Monies for the New Securities within the time period prescribed under the Corporations Act, without interest.

A decision by the ASX to grant Official Quotation of the New Shares and Primary Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or of the New Shares and Primary Options now offered for subscription.

## 2.12 Underwriting

The Offer is not underwritten.

## 2.13 Overseas Shareholders

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia and New Zealand in which the Company's Shareholders reside.

The distribution of this Prospectus in places outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions may violate applicable securities laws.

The Company has decided that it is unreasonable to make offers under this Prospectus to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Securities they would be offered and the legal and regulatory requirements in those places and costs of complying with those requirements. Based on the Share Register of the Company as at 31 March 2017, the number of New Shares that Shareholders with registered addresses outside Australia and New Zealand would be entitled to subscribe for if they were Eligible Shareholders would be approximately 337,941 New Shares (representing less than 0.17% of the Offer).

Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale, and no New Securities will be issued, to Shareholders having a registered address outside Australia and New Zealand (**Excluded Shareholders**).

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance of the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

All rights that would have been offered to Excluded Shareholders will be allowed to lapse and will form part of the Shortfall.

## 3. Information on Andromeda Metals' Projects

### 3.1 Introduction

- Andromeda Metals Limited (formerly Adelaide Resources Limited) is a well-established exploration company which has maintained an active exploration programme leading to the discovery of metals in a range of geological settings.
- The Company principally explores for gold deposits, with copper forming an important secondary target on a number of its projects. It will also pursue other commodities when opportunities present.
- The Company has a highly experienced Board of Directors with complimentary technical, financial and corporate skills, and a small and dedicated exploration team.
- Its main projects are wholly owned and occur in pedigreed Australian geological terrains.
- Its mineral assets include prospects with defined mineral resources that show potential for mine development, prospects where exploration has confirmed the presence of significant in-ground metal, and earlier stage prospects and targets where exploration success is considered likely to catalyse market revaluation of the Company.
- The Company is an industry leader in the adoption and innovative use of new exploration technologies.
- Funding is now sought to enable Andromeda Metals to pursue a programme of work to advance its assets for the benefit of its shareholders.

### 3.2 Summary

Andromeda Metals is an active exploration company with projects located in some of the most prospective geological terrains in Australia (Figure 1). The Company has an established track record of mineral discovery and has found deposits covering a range of commodities including gold, copper-gold, mineral sands and iron ore during its history.

Andromeda Metals' main assets include the Eyre Peninsula gold project in the Central Gawler Gold Province in South Australia, and the Drummond Epithermal gold project in Queensland, with the principal prospects on both projects wholly owned.

In accordance with its strategy of considering all options to realise the best value from any of its exploration assets, the Company holds discussions and negotiations with third parties interested in dealing into its projects from time to time. The Company has recently put in place a third party funding solution for the next stage of exploration on its Rover copper-gold project in the Tennant Creek district, and is working to achieve a similar outcome for its Moonta copper-gold tenement in the Olympic Copper Gold Province of South Australia. It also has an active joint venture over one tenement on the Eyre Peninsula and will consider other third party opportunities if and when they arise.

The Company is an innovative explorer with a willingness to adopt new technologies and thinking in its bid to discover economic resources. Exemplary of this approach is the application of Field Portable X-Ray Fluorescence geochemistry, an exploration method that is delivering a new suite of drill targets in an extremely cost efficient manner.

While the Company's main goal remains the generation of Shareholder value through the discovery, delineation and development of economic resources, it also seeks to deliver value through transactions where appropriate. The Company recognised the potential for magnetite deposits on the Eyre Peninsula and in 2008 vended the project to Iron Road Limited in exchange for a significant shareholding in that company. These shares were distributed to Adelaide Resources' Shareholders, succeeding in the creation and distribution of significant tax-effective value into the hands of the Company's owners.

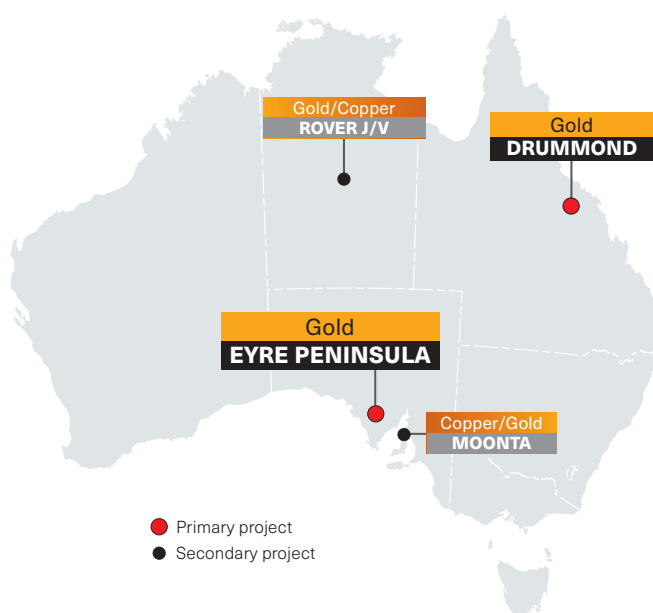


Figure 1: Project locations

## 3.3 Eyre Peninsula Gold Project – South Australia

### 3.3.1 LAND POSITION

Andromeda Metals holds 100% equity in seven tenements securing an area of 2,384 km<sup>2</sup> on the northern Eyre Peninsula in the Central Gawler Gold Province (Figure 2).

The main Eyre Peninsula focus is to progress the “Wudinna Gold Camp” into production. The Wudinna Gold Camp is a cluster of wholly owned gold prospects that includes the Barns, Baggy Green and White Tank deposits, along with a number of other targets.

The Thurlga Joint Venture with Investigator Resources Limited (IVR) is exploring one of the Eyre Peninsula tenements. IVR can earn 75% equity in the 332 km<sup>2</sup> tenement by spending \$750,000 by 30 June 2017.

Newcrest Mining holds a 1.5% NSR royalty over a number of the project tenements.

### 3.3.2 GEOLOGICAL SETTING – THE CENTRAL GAWLER GOLD PROVINCE

The Eyre Peninsula Gold Project falls largely in the Central Gawler Gold Province, a 450 kilometre long arcuate belt which contains numerous mineral deposits and prospects which formed around 1,590 million years ago. The mineralisation is related to the extensive Hiltaba/Gawler Range Volcanic tectonothermal event.

Andromeda Metals’ main Eyre Peninsula assets include the 100% owned Barns, Baggy Green and White Tank gold deposits (Figure 3). These three deposits fall close to each other in the Wudinna Gold Camp where the Company has announced a consolidated resource of 200,300 ounces. Numerous other gold prospects, and the Empire base metal prospect, are also present on the Company’s tenements.

Gold deposits in the broader Central Gawler Gold Province include Tunkillia (558,000 ounce resource) and Tarcoola (98,000 ounce resource now in production) which are owned by a third party. Silver and base metal deposits also formed during the 1,590Ma event. The 33 million ounce Paris Silver Deposit, owned by Investigator Resources Limited, is situated on a licence adjacent to the Company’s tenements.

### 3.3.3 PROJECT STATUS

The Wudinna Gold Camp prospects, including the Barns, Baggy Green and White Tank deposits, were discovered by testing surface calcrete geochemical anomalies.

Drill intersections at the Barns gold deposit include 12 metres at 3.38g/t gold from 67 downhole, and 35.49 metres at 1.80g/t gold from 115 metres. Diamond drilling in 2015 recorded a best intersection of 16.1 metres at 3.06g/t gold commencing at a vertical depth of 26 metres below surface. The deposit includes flat lying supergene gold lodes sitting above multiple moderately dipping primary lodes (Figure 4).

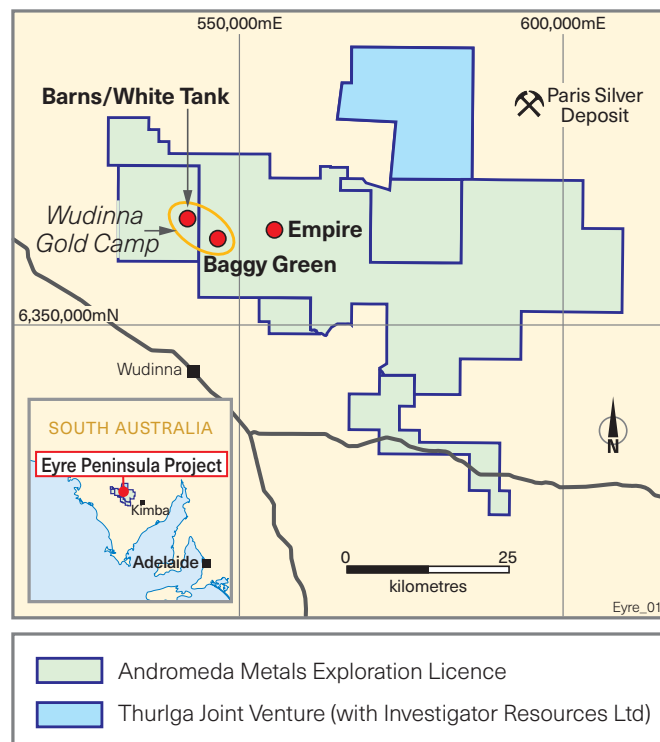


Figure 2: Eyre Peninsula Gold project.

In July 2016, with the assistance of independent consultancy group Mining Plus Pty Ltd, the Company announced a maiden Mineral Resource for the Barns deposit reported in accordance with the JORC Code 2012. The Barns Mineral Resource estimate totals 2.11 million tonnes at 1.6g/t gold for 107,000 ounces at a 0.5g/t cut-off grade. The Resource is classified into 380,000 tonnes of Indicated and 1,730,000 tonnes of Inferred Resources.

A study completed in mid-2016 by a second independent consultant, Maptek Pty Ltd, found that the Barns deposit shows potential for mine development. Maptek recommended that further work be directed towards increasing the local resource position and completing metallurgical studies to determine gold recoveries and potential treatment flow sheet design.

The Baggy Green deposit, located 5.5 kilometres southeast of Barns, has returned notable drill intersections including 8 metres at 4.79g/t gold from 34 metres, and 10 metres at 4.82g/t gold from 66 metres. In the second half of 2016 the Company selected Baggy Green as a prospect that had potential to materially build on the maiden Barns Mineral Resource, leading to a reverse circulation drill programme conducted to test around historical drill intersections.





Figure 3: Wudinna Gold Camp – resource and prospect locations.

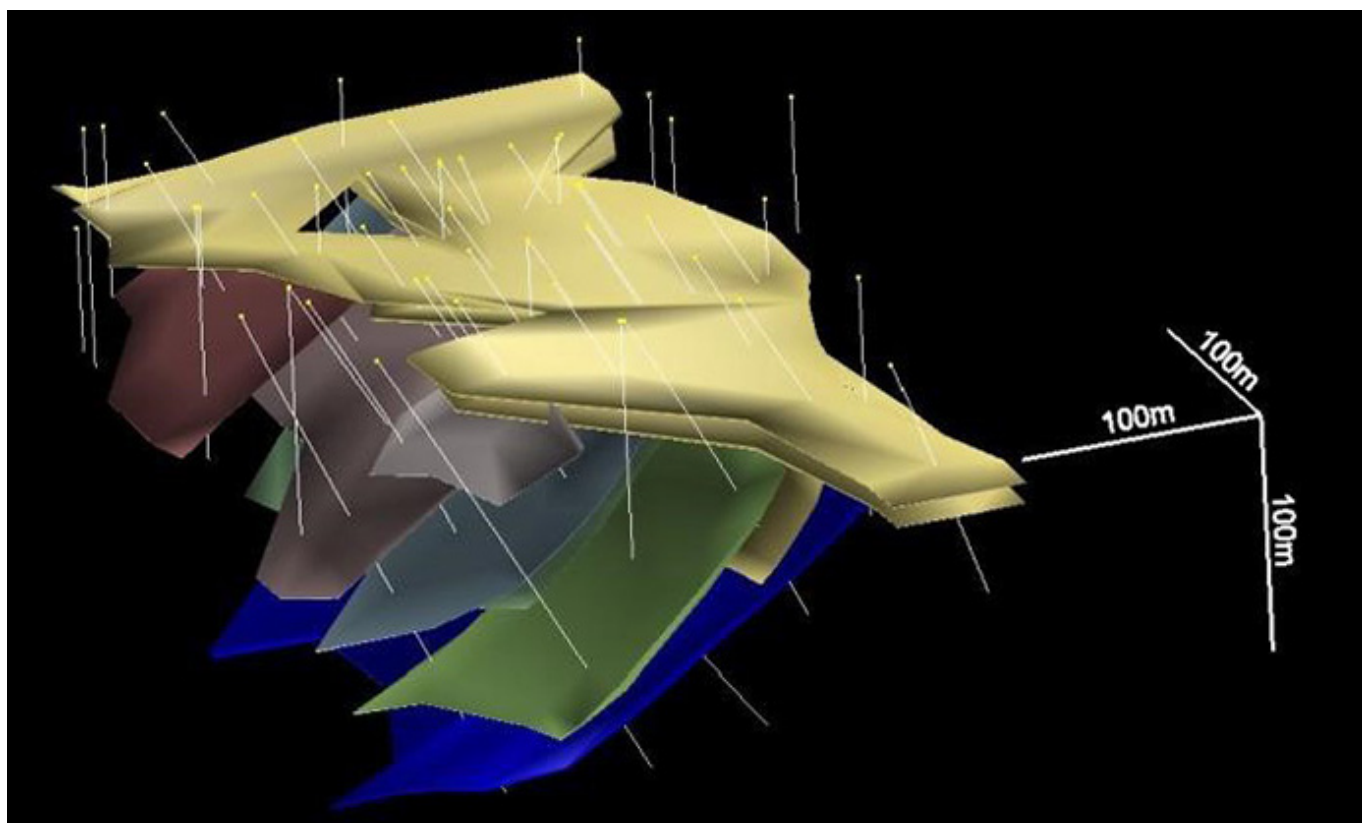


Figure 4: 3D mineralisation model at Barns.



The 2016 RC programme delivered the best gold intersections yet achieved at Baggy Green. Adjacent 50 metre spaced holes recorded 16 metres at 5.72g/t gold and 11 metres at 9.32g/t gold respectively. The Baggy Green deposit is a gently dipping, coherent zone of gold mineralisation which has been defined over 500 metres of strike, and remains open to the north, south, and at depth.

A third deposit, White Tank, is located only 1,000 metres south of Barns. Significant drill intersections from White Tank include 7 metres at 10.03g/t gold from 63 metres, and 20 metres at 3.01g/t gold from 60 metres.

In late 2016, modelling of the Baggy Green and White Tank deposits was completed leading to the announcement in January 2017 of Mineral Resource estimates for these two deposits, again completed with the assistance of Mining Plus Pty Ltd. The Baggy Green and White Tank deposits increase the total Wudinna Gold Camp Resource to 200,300 ounces. Table 1 presents a listing of the three resources and the consolidated resource as it currently stands for the Wudinna Gold Camp.

All three of the Barns, Baggy Green and White Tank deposits remain open in one or more directions, while there are also a number of earlier stage prospects in the Wudinna Gold Camp which have delivered past gold intersections (Figure 3). It is considered there is potential to further increase the resource position.

The Company has also recently completed metallurgical studies on mineralised material from the Barns deposit to determine gold recoveries, with the results announced in January 2017. The testwork confirms gold recoveries in excess of 97% can be achieved using a conventional gravity and cyanide leach flowsheet.

### 3.3.4 PROPOSED PROGRAMME AND BUDGET ALLOCATION

Recent work on the Wudinna Gold Camp deposits has seen the estimation of maiden Mineral Resources at Barns, Baggy Green and White Tank, and the completion of successful metallurgical testwork at Barns.

The Company now plans a programme of work that includes:

- Step out drilling and resource estimation, focused largely at Baggy Green to test the shallow extensions to the current Mineral Resource, to further grow the local resource base.
- Infill drilling and resource estimation programmes at Barns allowing conversion of Mineral Resources from Inferred to Indicated classification (required for the estimation of Ore Reserves).
- Metallurgical testing of Baggy Green mineralisation to confirm gold recoveries, and further metallurgical work on Barns drill core to optimize grind.
- Commencement of economic scoping/pre-feasibility studies for the Wudinna Gold Camp using the increased Mineral Resources, the new deposit models, and incorporating the positive Barns metallurgical results and indicative processing flow sheet.

A budget of \$720,000 has been prepared to complete this programme of work.

**Table 1: WUDINNA GOLD CAMP CONSOLIDATED CLASSIFIED MINERAL RESOURCE FIGURES**

Deposit	Mineralisation	Cut-off g/t Au	Indicated			Inferred			Total		
			Tonnes	g/t Au	Ounces	Tonnes	g/t Au	Ounces	Tonnes	g/t Au	Ounces
Barns	Supergene	0.5	380,000	1.40	17,000	230,000	1.30	10,000	610,000	1.40	27,000
	Primary	0.5				1,500,000	1.70	80,000	1,500,000	1.70	80,000
	Total	0.5	380,000	1.40	17,000	1,730,000	1.60	90,000	2,110,000	1.60	107,000
Baggy Green	Primary	0.5				1,563,000	1.64	82,400	1,563,000	1.64	82,400
	Total	0.5				1,563,000	1.64	82,400	1,563,000	1.64	82,400
White Tank	Supergene	0.5				43,000	1.35	1,900	43,000	1.35	1,900
	Primary	0.5				133,000	2.10	9,000	133,000	2.10	9,000
	Total	0.5				176,000	1.92	10,900	176,000	1.92	10,900
Wudinna Gold Camp	Supergene	0.5	380,000	1.40	17,000	273,000	1.36	11,900	653,000	1.38	28,900
	Primary	0.5				3,196,000	1.67	171,400	3,196,000	1.67	171,400
	Total	0.5	380,000	1.40	17,000	3,469,000	1.64	183,300	3,849,000	1.62	200,300

The preceeding statement of Mineral Resources conforms to the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 edition. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

## 3.4 Drummond Epithermal Gold Project – Queensland

### 3.4.1 LAND POSITION

Andromeda Metals holds 100% equity in four tenements covering 834 km<sup>2</sup> in the Drummond Basin region in north Queensland (Figure 5). The land position was significantly expanded in 2016 through the addition of two tenements.

### 3.4.2 GEOLOGICAL SETTING – THE DRUMMOND BASIN

The Drummond Basin in Queensland hosts a number of significant, high grade epithermal gold deposits, the most notable being the ~3 million ounce Pajingo Field.

An epithermal gold deposit is one in which gold mineralisation is deposited relatively close to the ground surface from hot volcanic fluids. These fluids can appear at the surface as hot springs and geysers. Gold is carried in solution and is deposited when the water approaches the land surface and boils.

Epithermal deposits can be both large and high grade, and consequently represent highly desirable targets. They exhibit a number of characteristic geological features including specific vein textures, alteration assemblages and the presence of associated pathfinder metals, all of which vary depending upon the vertical position in the system. A general model of an epithermal deposit is shown in Figure 6.

Using the characteristic geological features to determine the vertical position in an epithermal prospect during exploration is considered key to success, and Andromeda Metals uses the general epithermal model extensively in its exploration.

### 3.4.3 PROJECT STATUS

Previous explorers located gold mineralisation on all tenements now held by Andromeda Metals, with the historical prospects reported to be of epithermal style.

Sampling of epithermal quartz veins in the Limey Dam area of the Glenroy Field (Figure 7) by Andromeda Metals recorded results including surface rock chip samples ranging up to 55.4g/t gold, confirming the vein systems contain bonanza grade gold. Drilling at South West Limey Dam in 2015 recorded a best intersection of 0.71 metres at 9.11g/t gold, and confirmed the epithermal nature of the mineralisation.

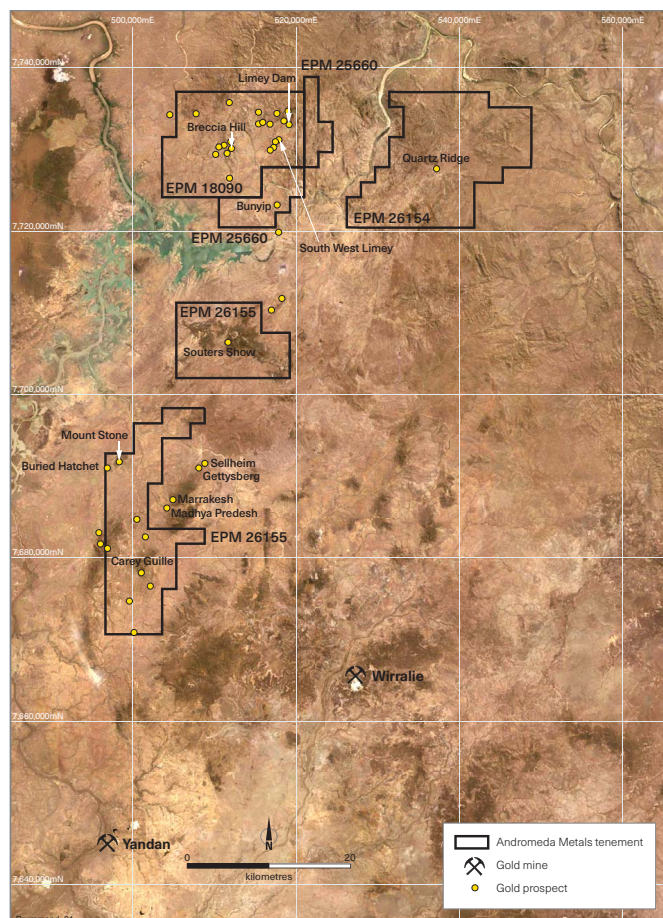


Figure 5: Drummond epithermal gold project.

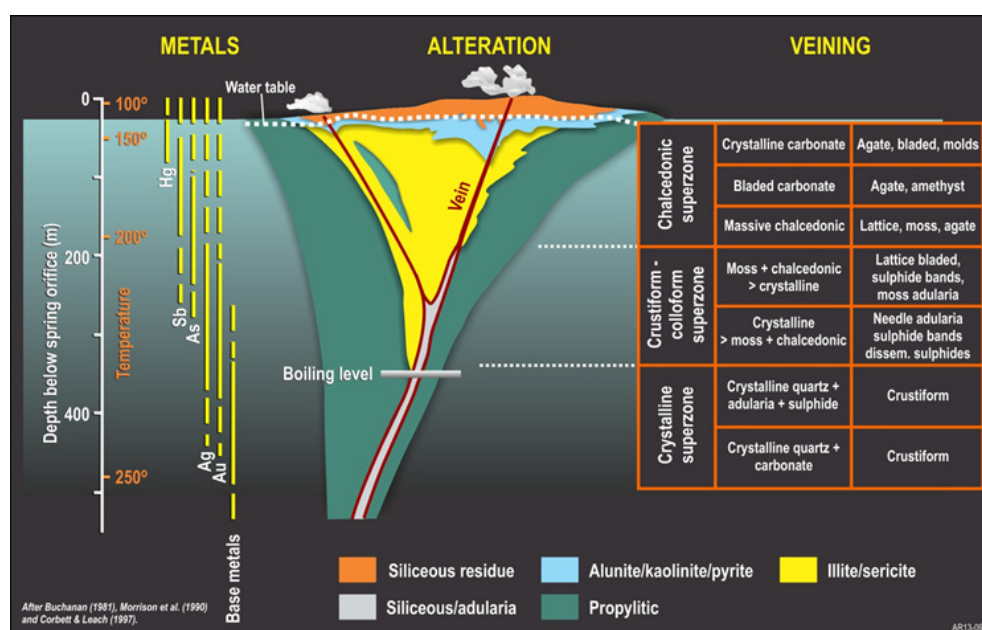


Figure 6: Geological model of an epithermal gold system.



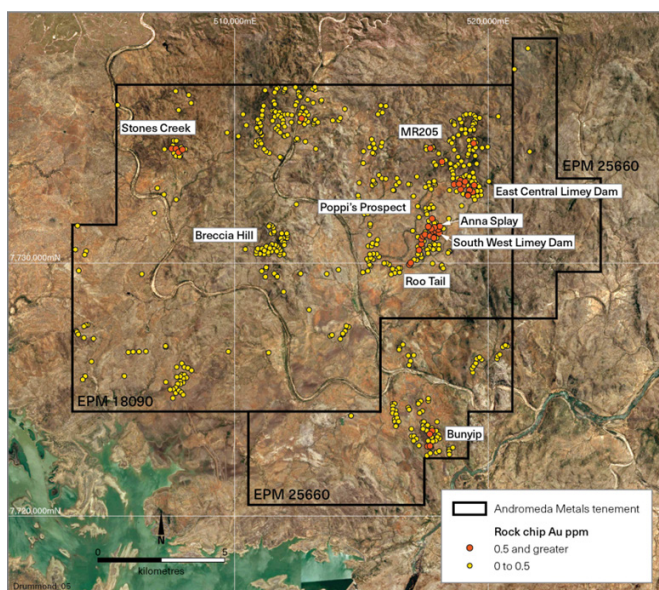


Figure 7: Glenroy field gold prospects.

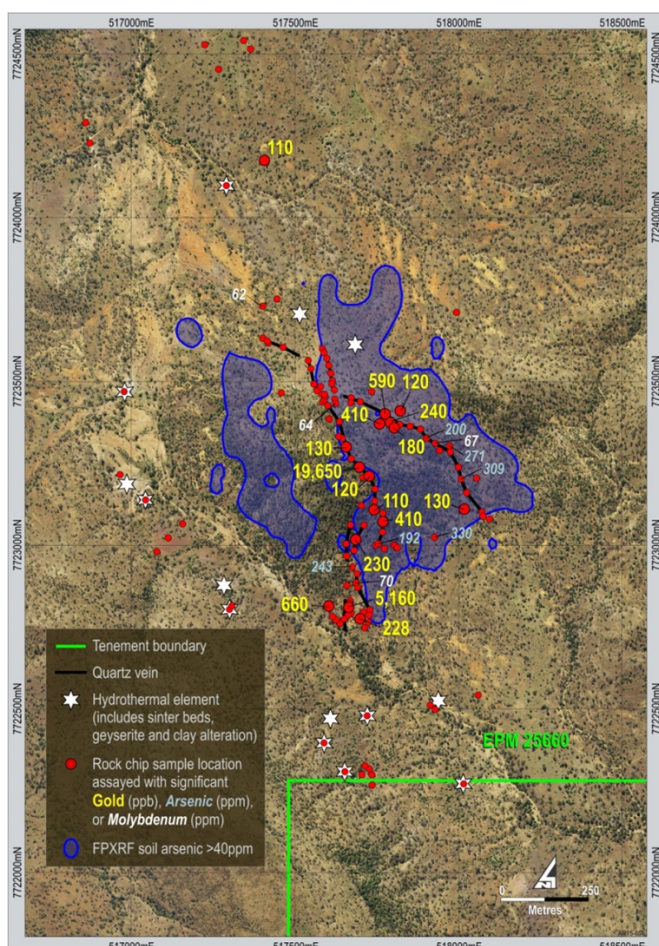


Figure 8: Bunyip summary plan.

The Bunyip prospect on adjacent EPM 25660 comprises 2,000 metres of outcropping quartz veins containing anomalous gold and high level pathfinder metals (Figure 8).

Anomalous arsenic, shallow level quartz vein textures, and the presence of sinters indicate that the Bunyip system is only eroded to shallow levels, with any gold zone potentially preserved at depth. Rock chip samples record a maximum of 19.65g/t gold confirming high grade potential. The quartz veins show good continuity, and Bunyip is regarded as a high quality drill target.

Other prospects worthy of drill testing include Poppi's prospect, Roo Tail and East Central Limey Dam (Figure 7).

At Poppi's Prospect samples taken along a 40 metre zone of colloform banded quartz veining record gold assays of 2.70g/t, 6.04g/t, 4.06g/t and 3.54g/t gold. The exploration team interprets Poppi's prospect to have been eroded down to the target gold zone which is now exposed at surface.

At Roo Tail epithermal quartz is present in a brecciated rhyolitic host over a strike length of about 100 metres. Rock chip results include 2.19g/t and 1.09g/t gold.

East Central Limey Dam is one of the most widespread areas of gold anomalism on the Drummond tenements. The prospect comprises numerous discontinuous epithermal veins and rock chips in the 0.1-1.0g/t gold range abound. Vein textures are often chalcedonic, indicating formation in the upper levels of the epithermal system, suggesting potential for preserved higher grade gold zones at depth.

### 3.4.4 PROPOSED PROGRAMME AND BUDGET ALLOCATION

The potential high grade and size attributes of epithermal deposits makes them exceptional targets. Each of the Bunyip, Poppi's, Roo Tail and East Central Limey Dam prospects on the Drummond epithermal gold project are confirmed to be gold-bearing epithermal vein systems that have not been previously drill tested. All four targets have been covered by aboriginal heritage surveys and are drill ready.

The low cost surface prospecting programmes of rock chip sampling and FPXRF soil sampling that led to the definition of these targets has proven successful, and similar low cost work on the two recently granted tenements can deliver further targets for the exploration pipeline.

The Company therefore plans to undertake a program of work that includes:

- RC drilling to provide the first ever drill tests at Bunyip, together with one or more of Roo Tail, Poppi's and East Central Limey Dam.
- Low cost surface rock chip sampling and FPXRF surveying on the two recently granted tenements to define new targets for future testing.

A budget of \$200,000 has been prepared to complete this programme of work.

## 3.5 Rover Copper Gold Project – Northern Territory

### 3.5.1 LAND POSITION

Andromeda Metals holds 100% equity in two tenements covering 287 km<sup>2</sup> in the Rover Field located southwest of Tennant Creek in the Northern Territory (Figure 9). Franco-Nevada retains a Royalty or alternatively, a Buy Back Right over the project. The Buy Back Right is a once only right to acquire a 70% interest in the project should a resource of at least 2 million ounces of gold be established on the project. The Buy Back Right cannot be triggered by discovery of a copper resource.

On 15 November 2016 the Company announced that it had executed a Heads of Agreement to form the Rover Farm-in and Joint Venture over the Company's tenements with Tennant Creek focused explorer Emmerson Resources Limited (which in turn, is the subject of an area of interest agreement with Evolution Mining Limited).

### 3.5.2 GEOLOGICAL SETTING – THE TENNANT CREEK DISTRICT

Gold was first mined at Tennant Creek in the 1930s with the field producing over 5.5 million ounces of gold and nearly 500,000 tonnes of copper since that time. Mineral deposits in the Rover Field are geologically identical to the Tennant Creek deposits.

At both Rover and Tennant Creek, copper-gold mineralisation is hosted in magnetite-hematite ironstones and their associated alteration haloes. Deposit grades are often exceptionally high. The White Devil deposit produced about 750,000 ounces of gold from 1.6 million tonnes of ore averaging 14.6g/t gold; while the Juno deposit produced 815,000 ounces of gold from just 450,000 tonnes of ore grading 56.1g/t gold.

The prospective rocks of the Rover Field are buried beneath 100-200 metres of barren cover sediments of the Wiso Basin, however the magnetite bearing ironstone bodies that host mineralisation source magnetic anomalies that can be detected using airborne or ground magnetic surveys.

### 3.5.3 PROJECT STATUS

Exploration of the Rover Field was initiated by Peko Mines Ltd in 1971. It discovered nine ironstone systems of Tennant Creek style and recorded several high grade gold and copper intersections at the Rover 1 prospect including 15 metres at 17.3g/t gold and 0.7% copper and 20 metres at 5.2g/t gold and 1.7% copper. The initial exploration phase at Rover ended in 1982 and the project entered a 23 year period of inactivity until the mid-2000s.

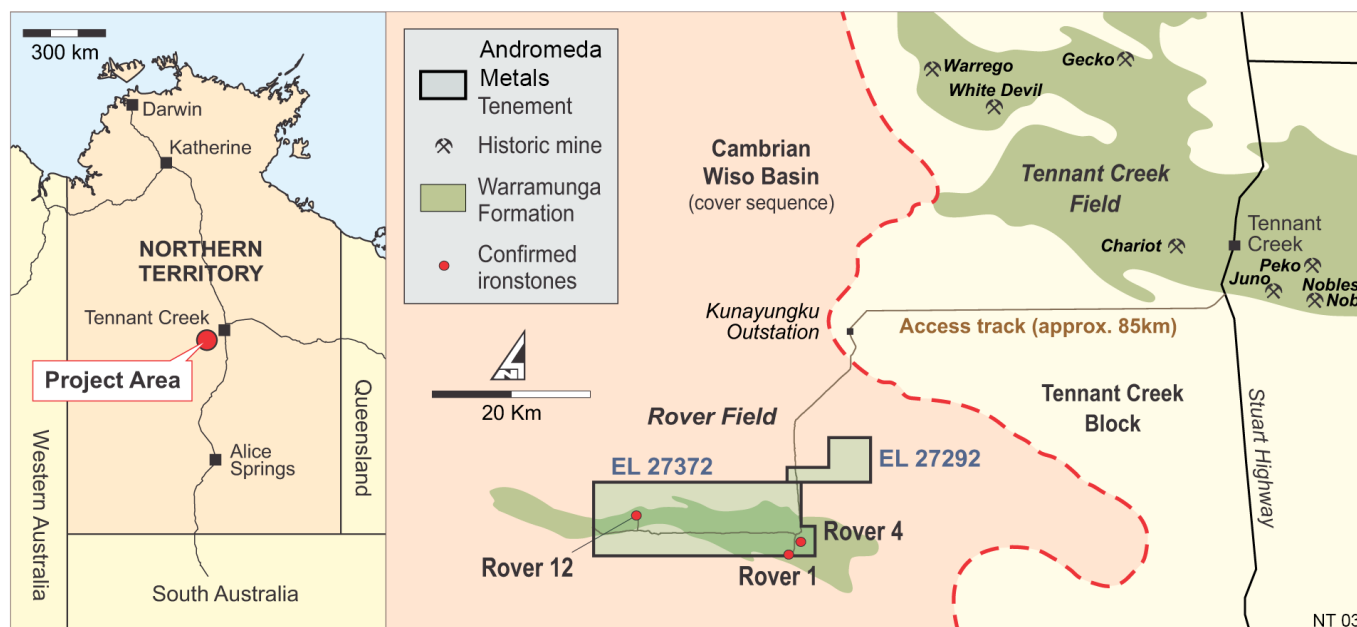


Figure 9: Rover copper gold project.

The Company acquired 100% equity in the two Rover Field tenements from Newmont Australia Limited in 2005, with the licences capturing six of the nine known Rover Field ironstone systems. Exploration has included programs of ground magnetics and gravity, airborne magnetics, and diamond drilling at a number of targets. This work discovered the Rover 4 deposit and the northern extension of the Rover 1 deposit where it crosses the tenement boundary into the Company's ground.

That part of Rover 1 located south of Andromeda Metals' tenement is owned by Westgold Resources Limited, and has an estimated Mineral Resource of 1.22 million ounces (gold equivalent).

On 15 November 2016 the Company announced that it had executed a Heads of Agreement with Tennant Creek focused explorer Emmerson Resources Limited ("ERM") to form the Rover Farm-in and Joint Venture over the Company's tenements.

Under the terms of the Agreement, ERM will sole fund \$2.0 million within 3 years of execution to earn a 51% equity position, following which it can elect to sole fund a further \$2.0 million over an additional 3 year period to increase its equity to 75%.

ERM must spend at least \$0.5 million in the first year of the farm-in, and will act as manager and operator during the farm-in and thereafter while it holds majority equity.

The deal with Emmerson will see a renewed period of exploration activity on these highly prospective copper-gold tenements.

### **3.5.4 PROPOSED PROGRAM AND BUDGET ALLOCATION**

As manager and operator of the Rover Farm-in and Joint Venture, Emmerson Resources will design, execute and fund all exploration programmes at Rover until a joint venture is formed.

Emmerson Resources holds 2,500km<sup>2</sup> of ground in the Tennant Creek Field, owns the only gold mill in the region, and holds a substantial geological database plus extensive infrastructure and equipment. Emmerson's exploration team have been exploring the Tennant Creek Field for years and have a sound understanding of the style of mineralisation sought at Rover.



## 3.6 Moonta Copper Gold Project – South Australia

### 3.6.1 LAND POSITION

The Moonta Copper Gold Project tenement, EL 4961, covers an area of 819 km<sup>2</sup> on the northern Yorke Peninsula of South Australia (Figure 10). The majority of the tenement (713 km<sup>2</sup>) is owned 100% by Andromeda Metals. The Company holds 90% equity (and holds a right to acquire 100% equity) in the 106 km<sup>2</sup> Moonta Porphyry Joint Venture with Minotaur Exploration Limited. A number of small production leases owned by third parties fall within EL 4961 and are excised from the Company's tenement.

### 3.6.2 GEOLOGICAL SETTING – THE OLYMPIC COPPER GOLD PROVINCE

The Moonta Copper Gold Project falls near the southern end of the world class Olympic Copper-Gold Province in South Australia (Figure 10). Approximately 75% of Australia's known copper resources are contained within the Olympic Copper-Gold Province evidencing its substantial endowment.

The Olympic Copper-Gold Province is highly prospective for Iron Oxide Copper Gold (IOCG) deposits, with Olympic Dam, Prominent Hill and Moonta-Wallaroo the three mines with past or current production. Significant deposits in the pre-development stage include Carrapatenna, Khamsin and Hillside, while numerous other prospects are spread along the belt.

The IOCG deposits in the Olympic Copper Gold Province formed around 1,590 million years ago and are genetically related to the Hiltaba Suite granites. Mineralisation is associated with often intense alteration (or metasomatism) of the host rocks, with metasomatic products including bodies of magnetite-hematite bearing iron-rich rock.

The depth to the top of the rocks considered prospective for IOCG deposits varies significantly along the Olympic Copper Gold Province, and in many places the thicknesses of the overlying barren cover sediments exceeds 300 metres. However, the depth of cover on the Moonta Copper Gold Project is normally less than 10 metres, and while it has obscured deposits and delayed their discovery, it is thin enough to allow the application of a broad range of cost-efficient exploration methods including surface geochemistry and shallow aircore drilling.

### 3.6.3 PROJECT STATUS

Copper was first discovered on Yorke Peninsula in 1859, leading to the establishment of substantial mining operations at Moonta and Kadina, and smelting and export facilities at Wallaroo. Together these towns formed the famous "Copper Triangle" which was crucially important in the development of the early South Australian economy. Total production from the Copper Triangle mines is estimated to be 373,000 tonnes of copper and 79,000 ounces of gold.

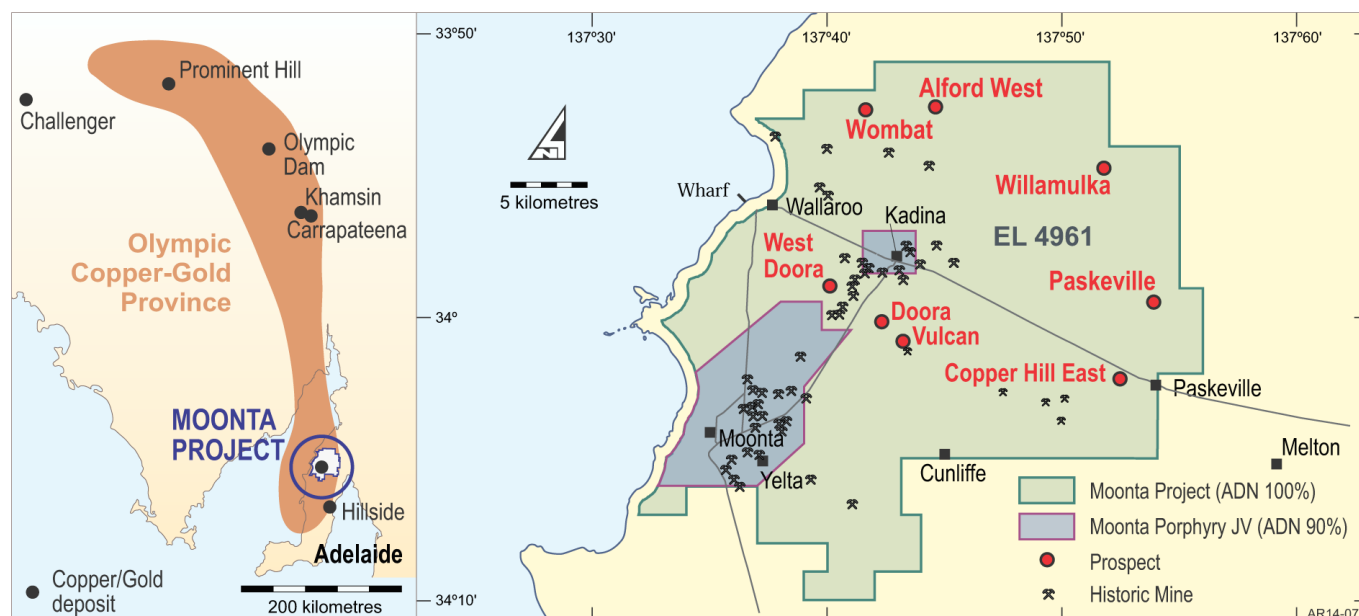


Figure 10: Moonta copper gold project.

Adelaide Resources entered into the 106 km<sup>2</sup> Moonta Porphyry Joint Venture (then with Amalg Resources) in 1996, with the deal including a “first right of refusal” over the larger part of the tenement. In 2003 the Company exercised this right, acquired the bulk of the Project area and consolidated the regions mineral ownership.

The Company recommenced its search for copper-gold deposits on the Moonta Project in 2009, delivering promising discoveries at Willamulka (2010/11) and Paskeville (2012). Its assessment of the historical exploration data from the Project highlighted what are now referred to as the Larwood and Bruce Zones at Alford West, with both returning significant exploration results in 2013 and 2014. Aircore drilling in 2014 discovered two more zones of mineralisation at Alford West (Six Ways and Blue Tongue). Ongoing assessment of the historical exploration data in 2014 has also identified the West Doora prospect as a significant body of mineralisation.

#### **3.6.4 PROPOSED PROGRAMME AND BUDGET ALLOCATION**

The Company is seeking to attract third party involvement to co-fund future exploration activities at Moonta with the view to both de-risking the project financially and accelerating its development progress. Consequently, planned expenditures on the Moonta Project are restricted to advancing efforts to attract third party funding and meeting modest statutory tenement holding costs.

## 4. Effect of the Offer on the Company

### 4.1 Effect on Financial Position

To illustrate the effect of the issue on the Company, a pro-forma statement of financial position has been prepared based on the audited statement of financial position as at 31 December 2016.

The pro-forma statement of financial position shows the effect of the Offer as if the Offer under this Prospectus had been made on 31 December 2016 and assumes that the Offer is fully subscribed.

The accounting policies adopted in preparation of the pro-forma statement of financial position are consistent with the policies adopted and as described in the Company's financial statements for the half year ended 31 December 2016.

The significant effects of the Offer (assuming the Offer is fully subscribed) will be:

- to increase cash reserves by approximately \$1.623 million (before cash expenses of the Offer which are estimated to be \$90,000) assuming a \$0.008 per share subscription price;
- to increase the number of issued ordinary shares by 202,883,532 to 608,650,595 shares on issue;
- the issue of 101,441,766 Primary Options to subscribe for ordinary shares in the Company at \$0.012 per share on or before 31 March 2018.

The pro-forma statement of financial position has not been subject to an audit or review.

#### PROFORMA STATEMENT OF FINANCIAL POSITION

	<b>Audited 31/12/16 \$</b>	<b>Share Issue Proceeds \$</b>	<b>Pro-forma 31/12/16 \$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	297,901	1,623,068	1,920,969
Trade and other receivables	51,309	-	51,309
<b>TOTAL CURRENT ASSETS</b>	<b>349,210</b>	<b>1,623,068</b>	<b>1,972,278</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	7,002,888	-	7,002,888
Plant and equipment	10,694	-	10,694
Other financial assets	112,671	-	112,671
<b>TOTAL NON-CURRENT ASSETS</b>	<b>7,126,253</b>	<b>-</b>	<b>7,126,253</b>
<b>TOTAL ASSETS</b>	<b>7,475,463</b>	<b>1,623,068</b>	<b>9,098,531</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	148,527	-	148,527
Provisions	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>148,527</b>	<b>-</b>	<b>148,527</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	8,936	-	8,936
Other liabilities	979,061	-	979,061
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>987,997</b>	<b>-</b>	<b>987,997</b>
<b>TOTAL LIABILITIES</b>	<b>1,136,524</b>	<b>-</b>	<b>1,136,524</b>
<b>NET ASSETS</b>	<b>6,338,939</b>	<b>1,623,068</b>	<b>7,962,007</b>
<b>EQUITY</b>			
Issued capital	37,812,667	1,623,068	39,435,735
Reserves	22,484	-	22,484
Accumulated losses	(31,496,212)	-	(31,496,212)
<b>TOTAL EQUITY</b>	<b>6,338,939</b>	<b>1,623,068</b>	<b>7,962,007</b>

## 4.2 Capital Structure and Potential Dilution

The share capital structure of Andromeda Metals Limited immediately following the Offer, on the basis that the Offer is fully subscribed (excluding rounding of Entitlements), will be as follows:

Shares	Number	%
Ordinary Shares on issue at the date of this Prospectus	405,767,063	66.7
Maximum number of New Shares under this Prospectus	202,883,532	33.3
Total	608,650,595	100.0

Options	Number	%
Options on issue at the date of this Prospectus	0	0.0
Maximum number of Primary Options under this Prospectus	101,441,766	50.0
Maximum number of Secondary Options under this Prospectus if all of the Primary Options are exercised	101,441,766	50.0
Total	202,883,532	100.0

Fully Diluted	Number	%
Ordinary Shares on issue at the date of this Prospectus	405,767,063	50.0
Maximum number of New Shares under this Prospectus and all New Options exercised	405,767,064	50.0
Total	811,534,127	100.0

### POTENTIAL DILUTION

If an Eligible Shareholder does not take up their Entitlement in full, this will result in their percentage holding in the Company being diluted by the Offer. The maximum possible dilution to an Eligible Shareholder's interest in the Company would be 50.0%.

# 5. Rights Attaching to New Shares and Terms and Conditions of Attaching New Options

## 5.1 Rights and Liabilities Attaching to New Shares

The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

### 5.1.1 VOTING

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Andromeda Metals Share held by them.

### 5.1.2 DIVIDENDS

The New Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividends out of profits earned by the Company from time to time. Subject to the rights of holders of Shares with any special preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid in proportion to the total Andromeda Metals Shares on issue. The Directors may from time to time pay to Shareholders such interim dividends as in their judgement the position of the Company justifies.

### 5.1.3 TRANSFER OF THE SHARES

Other than for a transfer regulated by ASX Settlement, a transfer of Shares may be affected by an instrument of transfer approved under the Corporations Act or by an instrument of transfer in any usual form or by another form approved by the Directors or recognised by the ASX Listing Rules.

### 5.1.4 REFUSAL TO REGISTER

The Board may refuse to register any transfer of Shares which would result in contravention or failure to observe any State, Territory or Commonwealth law.

The Board may refuse to register any transfer of Shares upon which the Company has a lien.

The Directors are required to refuse to register a transfer of Restricted Securities or where the Listing Rules otherwise so require.

Otherwise, except as provided in the Constitution, the Directors shall not refuse to register or give effect to any transfer in registrable form.

### 5.1.5 WINDING UP

Upon accepting the Entitlement to New Shares and paying the Acceptance Monies, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

### 5.1.6 FUTURE INCREASES IN CAPITAL

The allotment and issue of any New Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the Corporations Act, the Directors may allot or otherwise dispose of New Shares on such terms and conditions as they see fit.

### 5.1.7 VARIATION OF RIGHTS

At present, the Company has only ordinary Shares on issue. If the shares of another class are issued, the rights and privileges attaching to ordinary Shares could only be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary Shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary Shares.

### 5.1.8 SALE OF NON-MARKETABLE HOLDINGS

The Company may take steps in respect of non-marketable holdings of Andromeda Metals Shares to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings in accordance with the Constitution and the ASX Listing Rules.

### 5.1.9 GENERAL MEETING

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

For more particular details of the rights attaching to ordinary Shares in the Company, investors should refer to the Constitution of the Company.

## 5.2 Terms and Conditions of Attaching New Options

The attaching New Options offered pursuant to this Prospectus will be issued on the following terms and conditions:

### 5.2.1 CONSIDERATION

The New Options are issued as part of the Offer on the basis of 1 Primary Option for every 2 New Shares issued. No further consideration other than the payment of the Offer Price will be payable by Eligible Shareholders for the New Options.



## 5.2.2 TERMS OF EXERCISE OF PRIMARY OPTIONS

The exercise price of each Primary Option is \$0.012 (**Primary Option Exercise Price**).

The Primary Options will expire on 31 March 2018 (**Primary Option Expiry Date**).

Subject to and conditional upon any adjustment in accordance with the conditions set out below, each Primary Option entitles the holder to subscribe for one fully paid Share upon payment of the Exercise Price prior to the Expiry Date. On exercising the Primary Option before the Expiry Date, the holder will also be granted a Secondary Option.

The Primary Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per Primary Option to the Company at any time on or after the date of issue and allotment of the Primary Options, and on or before the Expiry Date.

On the valid exercise of the Primary Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued Shares.

## 5.2.3 SECONDARY OPTIONS

The exercise price of each Secondary Option is \$0.015 (**Secondary Option Exercise Price**).

The Secondary Options will expire on 31 March 2019 (**Secondary Option Expiry Date**).

Each Secondary Option entitles the holder to subscribe for one fully paid Share upon payment of the Exercise Price prior to the Expiry Date.

The Secondary Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per Secondary Option to the Company at any time on or after the date of issue and allotment of the Secondary Options, and on or before the Expiry Date.

On the valid exercise of the Secondary Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued Shares.

## 5.2.4 TRANSFERABILITY

The New Options are transferable.

## 5.2.5 RIGHTS TO PARTICIPATE

Holders of New Options do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide holders of New Options with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the New Options, in accordance with the requirements of the Listing Rules.

Holders of New Options do not participate in any dividends unless the New Options have been exercised and the resultant Shares are issued prior to the record date to determine entitlements to the dividend.

## 5.2.6 RECONSTRUCTIONS

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

- the number of New Options, the Exercise Price, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of New Options which are not conferred on shareholders; and
- subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the New Options will remain unchanged.

## 5.2.7 BONUS ISSUES

If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the New Options is exercisable may be increased by the number of Shares which the holder of the New Options would have received if the New Options had been exercised before the record date for the bonus issue.

The terms of the New Options may only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the New Options must not be changed to reduce the Exercise Price, increase the number of New Options or change any period for exercise of the New Options.

## 5.2.8 PRO RATA ISSUES

If the Company makes a rights issue (other than a bonus issue), the Exercise Price of the New Options will be reduced according to the following formula:

$$A = \frac{O - E \times [P - (S + D)]}{(N + 1)}$$

Where:

- A = the new exercise price of the New Option;
- O = the old exercise price of the New Option;
- E = the number of underlying securities into which one New Option is exercisable;
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex right date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

## 5.2.9 QUOTATION

The Company will make an application to the ASX for quotation of the New Shares and the Primary Options.

## 6. Risk Factors

### 6.1 Introduction

An overview of the key risks that may have a material adverse impact upon the future performance of the Company and the value of the Shares are described in this Prospectus and include those risks set out in this Section. The Company gives no assurances or guarantees of future performance or profitability, or payment of dividends.

The list of risk factors in this section should not be taken as exhaustive of the risks faced by the Company or by investors in Andromeda Metals. There may be other material risks which are not disclosed in this document because they were not known by the Company or were not considered to be material at the date of this Prospectus.

Some of the risks may be mitigated by the use of safeguards and appropriate systems and controls. However, many risks that may affect the Company are outside the control of Andromeda Metals and its subsidiaries.

This Section does not take into account the investment objectives, financial circumstances or particular needs of individual Shareholders. It is important that Shareholders carefully read this Prospectus in its entirety (particularly the risks set out in this Section, consider their personal circumstances (including financial and taxation issues) and seek independent professional advice before deciding whether to subscribe for New Shares and the attaching New Options.

Set out below are some of the key risks that have been identified as potentially affecting the performance and value of the Shares and the ability of the Company to potentially pay dividends in the future. The past performance of the Company is not necessarily representative of the future performance of Andromeda Metals or the value of the Company's Shares.

### 6.2 Risks specific to Andromeda Metals

#### 6.2.1 EXPLORATION AND PRODUCTION

Tenements in which the Company has an interest are at various stages of exploration and potential investors should understand that mineral exploration is a high risk undertaking. There can be no assurance that exploration of the project areas described in this Prospectus, or any other permits that the Company may acquire an interest in, will result in the discovery of an economic mineral reserve. Even if an apparently viable reserve is identified, there is no guarantee that it can be commercially exploited.

Even if the Company recovers potentially commercial minerals, there is no guarantee that Andromeda Metals will be able to successfully transport the minerals to commercially viable markets or sell the minerals to customers to achieve a commercial return.

In addition, with respect to operations, the Company operates in some remote locations within Australia and challenging geographical conditions. Therefore some exploration and development costs maybe higher in such jurisdictions due to a number of factors including limitations on the number of available suppliers of services required by Andromeda Metals, climatic and geographical conditions. The Company has an internal review process for all exploration and drilling programs. Andromeda Metals also has a transparent review and auditing process for all tenders received. However, no assurances can be given that the Company will be successful in mitigating all of these risks and there is a risk that exploration costs may escalate beyond budget anticipations.

#### 6.2.2 ACCESS TO LAND

The Company will experience delays and cost overruns in the event it is unable to access the land required for its operations. This may be as a result of weather, environmental restraints, native title, harvesting, landholder's activities or other factors.

The Company's exploration activities are also dependent upon the grant, or as the case may be, the maintenance or renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of tenements often depends on the Company being successful in obtaining required statutory approvals. There is no assurance that the Company will be granted all the mining tenements for which it has applied or that licences, concessions, leases, permits or consents will be renewed as and when required or that new conditions will not be imposed in connection therewith. To the extent such approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its exploration activities or proceeding with any future exploration or development.

#### 6.2.3 ENVIRONMENTAL

Mining and exploration activities are strictly regulated by environmental legislation and government authorities. There is a risk that environmental regulation may prevent or impede the Company's activities. It is possible that environmental approvals for Andromeda Metals' projects are not granted or are delayed. If this occurred it may materially affect the Company's ability to explore and develop its projects and therefore its investment outlook.

Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by Andromeda Metals, or non-compliance with environmental laws or regulations. The Company proposes to minimise

these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage. There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive.

#### **6.2.4 NATIVE TITLE AND ABORIGINAL HERITAGE**

Andromeda Metals' mineral tenements and other entitlements to property and minerals may be affected by native title claims, unregistered agreements, transfers or unknown defects in title. Native title claims and Aboriginal heritage issues may have a material adverse impact on the Company's activities and may hinder or prevent its exploration and future mining activities or increase the cost of those activities.

#### **6.2.5 MINERAL RESOURCE AND RESERVE ESTIMATES**

Andromeda Metals currently has a Resource (calculated under JORC 2012 guidelines) relating to the Wudinna Gold Camp within the Company's 100% owned Eyre Peninsula Gold Project. It should be recognised that any published resource is an estimate only and is based upon expressions of judgment relating to knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

#### **6.2.6 METAL PRICES**

International factors such as inflation, exchange rates, supply and demand and political and economic events, amongst other things, impact on metal prices, particularly in the current global economic market. As the Company is currently not in production, future revenue that may come from the sale of any mineral products and the Company's future profits are related to and influenced by the market price of the commodity.

If the price of metals seriously declines in the future, this will materially impact on the Company's ability to continue with its projects and the Company may be forced to discontinue some or all of its operations.

The Company gives no assurance that the fluctuations in the commodity prices will not affect timing and viability of the projects.

#### **6.2.7 COMPETITION**

Upon commencement of production, the Company would be subject to competition from other mineral producers. Competitors include current miners and future entrants into the market. Other companies may have competitive advantages such as superior resources, new technology, new production processes, or access to key infrastructure. The Company may be unable to successfully compete and may suffer material adverse consequences such as loss of market share and customers.

### **6.3 General Risks**

#### **6.3.1 FUTURE CAPITAL REQUIREMENTS**

The available funds of the Company may not be sufficient to cover expenditure that may be required to execute the projects or planned operations of the Company or to expand its operations or projects or for other capital expenditure, further exploration or feasibility studies or otherwise in the Company's operations. The Company may need to raise additional equity or debt funds in the future to finance these activities and requirements.

There is no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and time frames associated with such funding will be acceptable to Andromeda Metals, particularly having regard to the current uncertain economic environment and the effect that metal prices may have on future production and earnings performance. This may have an adverse effect on the Company's ability to achieve its strategic goals and have a negative effect on its financial results.

#### **6.3.2 IMPAIRMENT OF ASSETS**

Exploration and evaluation assets are assessed for impairment when facts and circumstances (as defined in AASB 6 "Exploration for and Evaluation of Mineral Resources") suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The recoverable amount of the exploration and evaluation assets (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment, reclassified to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

### **6.3.3 COUNTERPARTY RISK**

There is a risk, which is higher in the current uncertain economic environment, that contracts and other arrangements which the Company is party to and obtains a benefit from, will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations. The Company and its projects may suffer material adverse consequences such as increased costs, delayed projects, loss of market share, or loss of customers.

### **6.3.4 INSURANCE**

Andromeda Metals has various insurances covering its business. However, certain risks are not covered by insurance due to limitations or exclusions in insurance policies or because the Company has decided not to insure against certain risks because of high premiums or for other reasons. Mining accidents, cave-ins, business interruption, compensation claims, environmental effects, fires, floods earthquakes and various other events may not be adequately covered by insurance. Uninsured events or limited insurance coverage could significantly increase the costs of the Company if such uninsured events were to occur.

### **6.3.5 LITIGATION**

The Company may be subject to litigation and other claims. This could result in negative publicity and/or additional expenditure.

### **6.3.6 KEY PERSONNEL**

Andromeda Metals' success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including sub-contractors. Although the Company enters into employment and incentive arrangements with its personnel to secure their services, it cannot guarantee the retention of their services.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these people cease their engagement. The Company's inability to recruit additional appropriately skilled and qualified personnel to replace these key personnel could have an adverse effect on the Company. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.

### **6.3.7 HEALTH AND SAFETY**

The businesses of the Company are subject to strict health and safety laws and regulations. The Company may become liable for past and current conduct which violates such laws and regulations. Penalties for breaching health and safety laws can be significant and include criminal penalties.

Victims of workplace accidents may also commence civil proceedings against the Company. These events might not be insured by the Company or may be uninsurable. In addition, any changes in health and safety laws and regulations may increase compliance costs for the Company. Such an event would negatively impact the financial results of the Company.

### **6.3.8 REGULATORY AND LEGISLATIVE**

Any changes in the laws and regulations under which the Company operates may adversely impact the Company's activities, planned projects and financial results. These laws and regulations include mining and exploration-related laws, laws requiring permits and licences, environmental regulations and health and safety laws and regulations. In Andromeda's experience changes in legislation have generally produced more regulatory requirements resulting in increased compliance costs for the Company.

### **6.3.9 PAST TRANSACTIONS**

Previous transactions undertaken by the Company which involved the acquisition or disposal of assets may continue to bear risks associated with the possibility of warranty or other claims in connection with such transactions to which it was a party.

## **6.4 Risks Associated with the Offer**

### **6.4.1 DILUTION**

The Offer will result in the issue of New Shares with attaching New Options. If you do not participate in the Offer or you do not take up your full Entitlement, your percentage holding in the Company (held at the Record Date) may be reduced, by both the take up of New Shares by other Shareholders and investors, and upon the exercise of the attached New Options. The extent of dilution will depend upon the extent to which the Offer is taken up, and the Primary Options and Secondary Options are exercised, resulting in an increase in the Company's issued share capital.

#### **6.4.2 COMPLETION OF THE OFFER**

There is no guarantee that all the New Shares under this Offer will be taken up by the Eligible Shareholders. As noted in this Prospectus, the Directors may also not be able to place some or all of any Shortfall under this Offer. Accordingly, the Company may not raise all of the funds proposed to be raised under the Offer.

This may have an adverse effect on the Company's ability to achieve its strategic goals and may have a negative effect on its financial results. If the Company is unable to raise capital by alternate means, there may be a material uncertainty as to whether the Company will continue as a going concern.

#### **6.4.3 SHARE PRICE**

Post this Offer, there is no certainty that the Company will achieve an improvement of its share price. Due to the occurrence of adverse changes in the business or unforeseen circumstances, or general market conditions, the Company's Shares may depreciate in value and Shareholder wealth may decline.

### **6.5 Speculative Nature of Investment**

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

Whether or not future income will result from projects undergoing exploration, programmes are dependent on the successful results of that exploration and on the subsequent establishment of development and production operations or sale of the projects. Factors including costs, equipment availability, and mineral prices affect successful project development as does the design and construction of efficient exploration facilities, competent operation and management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced consultants. In particular, changes in global economic conditions (including changes in interest rates, inflation, foreign exchange rates and labour costs) as well as general trends in the Australian and overseas equity markets may affect the Company's operations and particularly the trading price of the Shares on the ASX.



## 7. Additional Information

### 7.1 Continuous Disclosure Obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

The Board of Directors have adopted a policy of compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the Corporations Act. The policy provides information as to what a person should do when they become aware of information which could have a material effect on the Company's securities and the consequences of non-compliance.

### 7.2 Legal Framework of this Prospectus

As a disclosing entity, the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure (ED) securities and the Securities are in a class of securities that were quoted ED securities at all times in the 3 months before the date of this Prospectus.

This Prospectus is a 'transaction specific prospectus'. In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether to invest or not invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at the ASX and copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

### 7.3 Information Available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- the annual audited financial report for the Company for the year ending 30 June 2016 and lodged with the ASX on 15 September 2016;
- the Company's financial statements for the half year ended 31 December 2016 lodged with ASX on 15 March 2017;
- any other financial statements or continuous disclosure notices given by the Company to the ASX in the period starting immediately after lodgement of the annual financial report of the Company for the period ended 30 June 2016 and ending on the date of lodgement of this Prospectus with ASIC.

Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website at [www.andromet.com.au](http://www.andromet.com.au)

The highest and lowest recorded market sale prices of the Company's Shares quoted on the ASX during the period of 3 months to the date of the announcement of the Offer were \$0.014 and \$0.009 respectively.

The closing price of the Company's Shares on the ASX on 10 April 2017 was \$0.01. The issue price of \$0.008 represents a 28% discount to the 30-day volume weighted average price up to 10 April 2017.

The Company currently has no Listed Options.

### 7.4 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### 7.5 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisors before investing in the New Shares and attaching New Options.

Taxation consequences will depend on an individual's particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences connected with an investment in the New Shares and attaching New Options referred to in this Prospectus.

## 7.6 Interests of Directors

### Directors' Holdings

As at the date of this Prospectus, the Andromeda Metals Directors had the following relevant interests in the Securities of the Company. Interest includes those securities held directly and indirectly.

Director	Position	Number of Shares	Number of Restricted Shares under the Loan Funded Employee Share Plan
C G Jackson	Non-Executive Chairman	Nil	Nil
C G Drown	Managing Director	6,198,737	2,300,000*
N J Harding	Executive Director	2,090,330	1,300,000*
J P Buckley	Non-Executive Director	650,000	Nil

\* vest on the achievement of a number of KPIs by 31 December 2017.

The table above does not take into account any New Shares the Directors may acquire under the Offer. It is the intention of all Directors who are Eligible Shareholders to participate in the Offer included under this Prospectus.

### Remuneration of Directors

Details of remuneration provided to Directors and their associated entities for the current financial year and previous 2 financial years ended 30 June 2015 and 30 June 2016 are as follows:

Director	Financial Year End	Salary and Fees \$	Post Employment Superannuation \$	Shares issued in lieu of Director fees \$	Performance Rights \$	Total \$
C G Jackson <sup>2</sup>	2017 <sup>1</sup>	33,367	3,170	-	-	36,537
	2016	57,200	5,434	-	-	62,634
	2015	20,258	1,925	-	-	22,183
C G Drown	2017 <sup>1</sup>	117,970	-	-	-	117,970
	2016	244,225	-	-	3,040	247,265
	2015	281,125	-	-	(65,317)	215,808
N J Harding	2017 <sup>1</sup>	117,733	-	-	-	117,733
	2016	222,952	-	-	8,236	231,188
	2015	224,175	-	-	(31,615)	192,560
J P Buckley	2017 <sup>1</sup>	20,370	1,935	-	-	22,305
	2016	34,920	3,317	-	-	38,237
	2015	33,420	3,175	1,500	-	38,095
M I Hatcher <sup>3</sup>	2017 <sup>1</sup>	-	-	-	-	-
	2016	-	-	-	-	-
	2015	26,389	2,507	1,500	-	30,396
J J den Dryver <sup>4</sup>	2017 <sup>1</sup>	-	-	-	-	-
	2016	-	-	-	-	-
	2015	11,931	1,133	-	-	13,064

<sup>1</sup> The amounts shown for the financial year ending 30 June 2017 relate to remuneration provided to Directors and their associated entities as at the date of this Prospectus

<sup>2</sup> C G Jackson appointed 23 February 2015

<sup>3</sup> M I Hatcher resigned 23 February 2015

<sup>4</sup> J J den Dryver resigned 25 November 2014

The Company has a service agreement with an entity associated with C G Drown set at a daily rate of \$860 to perform the duties of Managing Director of the Company. The Company also has a service agreement with an entity associated with N J Harding set at a daily rate of \$765 to perform the duties of Executive Director and Company Secretary of the Company.

The Constitution of the Company provides that the Non-Executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$350,000 per annum).

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of their ordinary duties as a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

#### Directors' Interests

Except as disclosed in this Prospectus, no current Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- i) the formation or promotion of the Company; or
- ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- iii) the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

## 7.7 Expenses of the Offer

The total expenses of the Rights Issue are estimated to be \$90,000 comprising legal and share registry costs, printing, ASX and ASIC fees, and other administrative expenses.

## 7.8 Subsequent Events

There has not arisen, at the date of this Prospectus, any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- i) the operations of the Company;
- ii) the results of those operations; or
- iii) the state of affairs of the Company.

## 7.9 Privacy

By submitting an Entitlement and Acceptance Form for the New Securities you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Computershare Investor Services Pty Limited (**Computershare**), an external service provider. The Company requires Computershare to comply with the National Privacy Principles when performing these services. The Company's register is required under the Corporations Act to contain personal information about you such as your name and address and number of Shares and Options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletter and notifications to the Australian Tax Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- i) when you agree to the disclosure;
- ii) when used for the purposes for which it was collected;
- iii) when disclosure is required or authorised by law;
- iv) to other members in the Andromeda Metals group of companies;
- v) to your broker;
- vi) to external service providers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Computershare, except in limited circumstances. If you wish to access, update or correct your personal information held by Computershare or by the Company, please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

## 7.10 Consents

Each of the parties referred to in this section:

- i) does not make, or purport to make, any statement in this Prospectus or on which a statement made in this Prospectus is based, other than as specified in this section; and
- ii) has had no involvement in the preparation of this Prospectus, (unless expressly stated to the contrary in this section); and
- iii) has not authorised or caused the issue of this Prospectus; and
- iv) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Computershare Investor Services Pty Limited has consented to being named in this Prospectus in its capacity as share registrar to the Company and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC.

## 8. Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.



**Christopher Drown**  
Managing Director

Dated: 13 April 2017

## 9. Definitions and Glossary

Terms and abbreviations used in this Prospectus have the following meaning:

**A\$ and \$** means Australian dollars, unless otherwise stated.

**Acceptance** means an acceptance of Entitlements.

**ACST** means Australian Central Standard Time.

**Additional Shares and Options** means Shares and Options in addition to an Eligible Shareholder's Entitlement for which an Applicant applies for pursuant to an Entitlement and Acceptance Form.

**Applicant** means a person who submits an Entitlement and Acceptance Form.

**Application** means a valid application by an Eligible Shareholder to subscribe for New Shares and attaching New Options and where applicable Additional Shares and Options.

**Application Monies** means the amount payable by the Applicant for the number of New Shares and where applicable Additional New Shares subscribed for by the Applicant under the Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASX Settlement** means ASX Settlement Pty Ltd (ABN 49 008 504 532).

**ASX Settlement Operating Rules** means the operating rules of the settlement facility provided by ASX Settlement as amended from time to time.

**ASX** means ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.

**Audited statement of financial position as at 31 December 2016** means the consolidated statement of financial position contained in the 31 December 2016 half year report audited by Deloitte Touche Tohmatsu dated 15 March 2017 and announced to ASX on the same date.

**Auditors** means Deloitte Touche Tohmatsu.

**Board** means the Board of Directors of Andromeda Metals Limited.

**Business Day** means a day other than a Saturday or Sunday on which banks are open for business in Adelaide, South Australia or as specified by ASX.

**Closing Date** means Tuesday 16 May 2017 (unless extended).

**Company** means Andromeda Metals Limited (ABN 75 061 503 375).

**Computershare** means Computershare Investor Services Pty Ltd (ACN 078 279 277).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the Directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a Shareholder whose details appear on the Register as at the Record Date and who is not an Excluded Shareholder.

**Entitlement** means the entitlement of an Eligible Shareholder to apply for Shares pursuant to the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Excluded Shareholder** means a Shareholder who does not reside in Australia or New Zealand.

**Group** means the Company and each of its wholly owned subsidiaries.

**JORC Code** means the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves drawn up by the Joint Ore Reserves Committee (JORC) of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. It is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations.

**Law** means the Corporations Act or any relevant and applicable law in Australia.

**Listing Rules** means the Listing Rules of ASX.

**Mineral Resource** has the meaning given to it in the JORC Code.

**New Options** means the Options offered under this Prospectus, being Primary and Secondary Options.

**New Securities** means the New Shares and New Options offered under this Prospectus.

**New Shares** means the Shares offered under this Prospectus.

**Offer** means the non-renounceable entitlement offer of New Securities pursuant to this Prospectus.

**Offer Price** means \$0.008 for each New Share applied for.

**Official List** means the Official List of the ASX.

**Official Quotation** means quotation on the Official List.

**Opening Date** means Wednesday 26 April 2017.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Primary Option** means a first option issued on the subscription of every 2 Shares under this Offer

**Prospectus** means this prospectus dated 13 April 2017 as modified or varied by any supplementary prospectus made by the Company and lodged with ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus.

**Record Date** means 6.30pm ACST on Thursday 20 April 2017.

**Register** means the register of the Company's Shareholders.

**Secondary Option** means an option issued on the exercise of a Primary Option.

**Securities** has the same meaning as in Section 92 of the Corporations Act.

**Share** means an ordinary fully paid share in the capital of the Company.

**Shareholder** means the registered holder of a Share in the Company.

**Share Registry** means Computershare Investor Services Pty Ltd (ACN 078 279 277).

**Shortfall** means those New Shares and attaching New Options for which valid applications have not been received by the Closing Date under the Offer.

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in section 1.10 of this Prospectus.







## METALS

### **Registered and Principal Office**

69 King William Road  
Unley, South Australia 5061

PO Box 1210 UNLEY BC SA 5061

T: +61 8 8271 0600


F: +61 8 8271 0033

[admin@andromet.com.au](mailto:admin@andromet.com.au)

[andromet.com.au](http://andromet.com.au)



**For all enquiries:**

**Phone:**  
 (within Australia) 08 8271 0600  
(outside Australia) 61 8 8271 0600

ADN

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

**Make your payment:**

See overleaf for details of the Offer and how to make your payment

## Non-Renounceable Rights Issue — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (ACST) Tuesday 16 May 2017**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

### Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

### Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares and Options. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares. By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Prospectus dated Thursday 13 April 2017.

Choose one of the payment methods shown below.

**BPAY®:** See overleaf. Do not return the payment slip with BPAY payment.

**By Mail:** Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Andromeda Metals Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.


**Turn over for details of the Offer →**

STEP 1

Registration Name & Offer Details

Registration Name:

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

 For your security keep your SRN/  
HIN confidential.

Entitlement No: 12345678

Offer Details:

Existing shares entitled to participate as at  
Thursday 20 April 2017:

Entitlement to New Shares  
on a 1 for 2 basis:

Amount payable on full acceptance  
at \$0.008 per New Share:

4,000
1
\$0.01

STEP 2


Make Your Payment



Billers Code: 9999  
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your payment from your cheque or savings account.

Pay by Mail:

 Make your cheque, bank draft or money order payable to "Andromeda Metals Limited" and cross "Not Negotiable".  
Return your cheque with the below payment slip to:  
**Computershare Investor Services Pty Limited**  
**GPO BOX 2987 Adelaide South Australia 5001 Australia**

**Lodgement of Acceptance**  
If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (ACST) Tuesday 16 May 2017. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Andromeda Metals Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.  
If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (ACST) Tuesday 16 May 2017. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Andromeda Metals Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

**Privacy Notice**  
The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

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Andromeda Metals Limited Acceptance Payment Details

Entitlement taken up:

Number of Additional New Shares applied for:

Amount enclosed at \$0.008 per New Share:

A\$



Entitlement No: 12345678

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

Payment must be received by 5:00pm (ACST) Tuesday 16 May 2017

Contact Details

Contact Name

Daytime Telephone

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$