

Andromeda Metals Limited  
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## ASX ANNOUNCEMENT

26 April 2017

### **DESPATCH OF RIGHTS ISSUE PROSPECTUS TO SHAREHOLDERS SUPPLEMENTARY PROSPECTUS**

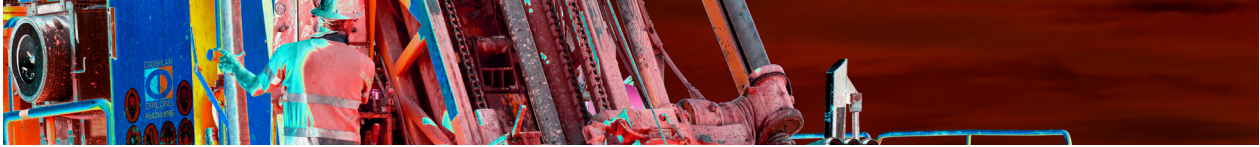
Andromeda Metals Limited (ASX: ADN) the Company, advises that the prospectus for the non-renounceable entitlement issue announced to the market on 13 April 2017 was mailed to eligible shareholders today.

The Company also wishes to advise that it has today lodged a Supplementary Prospectus with ASIC to provide additional information and clarification under the Offer. A copy of the Supplementary Prospectus is attached.

A handwritten signature in black ink, appearing to read "Chris Drown", written in a cursive style.

Chris Drown

Managing Director



## METALS

ANDROMEDA METALS LIMITED  
ABN 75 061 503 375

# SUPPLEMENTARY PROSPECTUS

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 13 April 2017 (**Prospectus**), issued by Andromeda Metals Limited ABN 75 061 503 375 (Company). This Supplementary Prospectus is dated 26 April 2017 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on 26 April 2017. ASIC and the ASX do not take any responsibility for the contents of this Supplementary Prospectus.

This document is supplementary to the Prospectus dated 13 April 2017 issued by the Company and must be read together with that Prospectus. No previous supplementary prospectus has been lodged with ASIC in relation to the Offer. Pursuant to Section 719(4) of the Corporations Act, the information set out in this Supplementary Prospectus is taken to be included in the Prospectus. Terms defined in the Prospectus have the same meaning in this Supplementary Prospectus except where otherwise defined in this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. This Supplementary Prospectus will be issued with the Prospectus and as an electronic prospectus and may be accessed on the Company's website at <http://www.andromet.com.au/> and the Company will send a copy of this Supplementary Prospectus to all Eligible Shareholders of the Company.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

## 1. Introduction

On 13 April 2017 the Company issued the 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. In accordance with Section 719 of the Corporations Act, certain information disclosed in the Prospectus is amended and included as set out below.

## 2. Use of Funds

In section 2.2 – **Purpose of the Offer** (at page 11 of the Prospectus), the proposed use of funds includes \$523,000 for Working Capital. A more detailed breakdown of that Working Capital is set out below:

Wages and consulting fees	\$276,000
Rent	\$55,200
ASX Listing Fees	\$22,500
Director Fees	\$92,124
Audit fee	\$30,000
Other administrative costs	\$47,176
<b>Total</b>	<b>\$523,000</b>

In addition to the order of priority in which funds would be applied in the event that less than the \$1.623 million was raised by the Offer as set out at page 12 of the Prospectus, the Company wishes to clarify that funds will only be applied to the discretionary exploration and evaluation in relation to the Projects if sufficient funds have been raised to cover costs of the Offer (\$90,000) and to meeting working capital and fixed exploration costs (\$593,000) as outlined in the table on page 11. In terms of the exploration priorities, it is intended that funds will be directed first to the Eyre Peninsula Gold Project (\$720,000), then to the Drummond Epithermal Gold Project (\$200,000), and lastly to the Moonta Copper Project (\$20,000) as funds permit. The Board reserves the right to alter those priorities depending on the outcome of the exploration programmes.

### 3. Quotation of Securities

The Company wishes to clarify that the Company will only and has only applied to the ASX for Official Quotation of the New Shares and the Primary Options at this point in time. Accordingly;

in **Important Information** (at page 2 of the Prospectus) delete 'New Securities' in the fourth paragraph and replace with 'New Shares and Primary Options'.

in section 1.1 – **The Offer** (at page 6 of the Prospectus) in the third paragraph delete 'New Options' and replace with 'Primary Options' and delete 'New Securities' and replace with 'New Shares and Primary Options'.

## 4. Effect on Financial Position

Section 4.1 – **Effect on Financial Position** (at page 26 of the Prospectus) is deleted and replaced with the following:

### 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 statement of financial position as at 31 December 2016 which was the subject of a negative assurance review by the Company's auditors.

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 \$1.533 million (after 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 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

	Half year reviewed 31/12/16 \$	Net Issue Proceeds \$	Pro-forma 31/12/16 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	297,901	1,533,068	1,830,969
Trade and other receivables	51,309	-	51,309
<b>TOTAL CURRENT ASSETS</b>	<b>349,210</b>	<b>1,533,068</b>	<b>1,882,278</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>1,533,068</b>	<b>9,008,531</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>1,533,068</b>	<b>7,872,007</b>
<b>EQUITY</b>			
Issued capital	37,812,667	1,533,068	39,345,735
Reserves	22,484	-	22,484
Accumulated losses	(31,496,212)	-	(31,496,212)
<b>TOTAL EQUITY</b>	<b>6,338,939</b>	<b>1,533,068</b>	<b>7,872,007</b>

## 5. Consents

This Supplementary 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 of the Company has consented in writing to the lodgement of this Supplementary Prospectus with the ASIC.

Dated: 26 April 2017

Signed for and on behalf of  
Andromeda Metals Limited



**Mr Christopher Drown**  
Managing Director

### ANDROMEDA METALS LIMITED

**ABN/ACN**

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**Registered and Principal Office**

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