



METALS

NEW OPTIONS ISSUE
PROSPECTUS

For the offer of up to 10,000 New Options at an exercise price of \$0.012 per Option and a 3 year term expiring 30 November 2020, to raise approximately \$120 before expenses (if options are exercised).

This Prospectus has been prepared primarily for the purpose of section 708A (11) of the Corporations Act to remove any trading restrictions on the sale of Options issued by the Company prior to the Closing 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 Options offered by this Prospectus should be considered speculative.



Corporate Directory

DIRECTORS

Rhod Grivas	Non-Executive Chairman
Chris Drown	Managing Director
Nick Harding	Executive Director and Company Secretary
Andrew Shearer	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

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

* *These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.*

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ANDROMEDA METALS LIMITED

Important Information

This Prospectus is dated 11 December 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 Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus (other than the issue of Shares arising from the exercise of Options).

New Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The offer of New Options is only available to those who are personally invited to accept the offer (the **Offer**). Applications for New Options offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) 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 making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisors whom investors may consult.

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

Those who are personally invited to accept the Offer, should read this Prospectus in its entirety and seek professional advice where necessary. The New Options the subject of this Prospectus should be considered speculative.

An application for New Options will only be accepted by following the instructions on the Acceptance Form accompanying this Prospectus as described in Section 3 of this Prospectus.

No person is authorised to give any information or make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus. You should rely only on the information in this Prospectus.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.andromet.com.au/reports.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Website

No document or information included on our website is incorporated by reference into this Prospectus.

Foreign Shareholders

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes 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.

Risk Factors

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 5 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares and Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

Timetable of Important Dates

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 its discretion. This may have a consequential effect on the other dates.

Lodgement of Prospectus with ASIC	Monday	11 December 2017
Opening Date of the Offer	Monday	11 December 2017
Closing Date of the Offer	Friday	15 December 2017
Issue Date of New Options	Monday	18 December 2017

1. Offer

Under this Prospectus, the Company invites the investors identified by the Directors to apply for up to 10,000 New Options at a nil issue price, with an exercise price of \$0.012 per New Option and an expiry date of 30 November 2020.

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the New Options offered under this Prospectus will rank equally with ADNOB Options on issue at the date of this Prospectus.

As at the date of this Prospectus, the Company has 508,972,543 listed options and 799,681 unlisted options.

Please refer to Section 4 of this Prospectus for further information regarding the terms and conditions attaching to the New Options.

The Company has applied to the ASX for the New Options to be granted Official quotation on the ASX, which is expected to occur on or about 19 December 2017. Participants (as defined in the ASX Settlement Operating Rules) cannot deal in the New Options either as principal or agent until official quotation is granted.

2. Purpose and Effect of the Offer

2.1 Purpose of the Offer

The Company is seeking to raise only a nominal amount under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Options issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

The Prospectus will also remove any trading restrictions to Options issued by the Company without disclosure under Chapter 6D of the Corporations Act while the Offer remains open.

All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 7(e) of this Prospectus for further details relating to the estimated expenses of the Offer.

2.2 Effect of the Offer

The effect of the Offer on the Company's capital structure is set out below:

SHARES	NUMBER
Listed Shares currently on issue	862,027,646
Unlisted Shares currently on issue	Nil
Total Shares on issue on Completion of the Offer	862,027,646

OPTIONS	NUMBER
Listed Options exercisable at \$0.012 each on or before 31 March 2018 (ADNOA)	21,369,257
Listed Options exercisable at \$0.012 each on or before 30 November 2020 (ADNOB)	487,603,286
Unlisted Options exercisable at \$0.015 each on or before 31 March 2019	799,681
Maximum number of New Options under this Prospectus	10,000
Total Options on issue on Completion of the Offer	509,782,224
Total Shares on issue if all Options exercised	1,371,809,870

2.3 Financial Effect of the Offer

After expenses of the Offer of approximately \$11,238 there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$11,238) will be met from the Company's existing cash reserves.

As such, the Offer will have little effect on the Company's financial position, as the New Options are being issued for a nil issue price.

3. Details of the Offer

3.1 Application

Applications for New Options can only be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

The issue price of the New Options is nil.

Completed Application Forms must be mailed or delivered to the Company at 69 King William Road Unley, South Australia 5061.

3.2 Minimum Subscription

There is no minimum subscription in respect of the Offer.

3.3 Opening and Closing Dates

The Offer will open for receipt of acceptances at 9.00am ACDT on 11 December 2017 and will close at 5.00pm ACDT on 15 December 2017, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine.

3.4 Allotment of Options

Issue of New Options under the Offer will take place as soon as practicable after the Closing Date. The Directors will determine the recipients of all the New Options. The Directors reserve the right to reject any application or to allocate any Applicant fewer Options than the number applied for.

3.5 Application for Official Quotation

The New Options offered pursuant to this Prospectus are in the same class as options currently quoted on the ASX under the code ADNOB.

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Options.

The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered for subscription.

3.6 Overseas Shareholders

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia.

The distribution of this Prospectus in places outside of Australia 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.

4. Terms and Conditions Attaching to New Options

The New Options offered pursuant to this Prospectus are in the same class as options currently quoted on the ASX under the code ADNOB will be issued on the following terms and conditions:

4.1 Terms of Exercise of New Options

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

The New Options will expire on 30 November 2020 (**New Option Expiry Date**).

The New 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 New Option to the Company at any time on or after the date of issue and allotment of the New Options, and on or before the Expiry Date.

4.2 Transferability

The New Options are transferable.

4.3 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.

4.4 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.

4.5 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 are 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.

4.6 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. Risk Factors

5.1 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 Options 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 the 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 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 Options 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.

5.2 Risks specific to Andromeda Metals

5.2.1 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 may be 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.

5.2.2 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.

5.2.3 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.

5.2.4 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.

5.2.5 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.

5.2.6 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.

5.2.7 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.

5.2.8 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.

5.3 General Risks

5.3.1 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.

5.3.2 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

5.3.3 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.

5.3.4 LITIGATION

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

5.3.5 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.

5.3.6 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.

5.3.7 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.

5.3.8 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.

5.4 Risks associated with the Offer

5.4.1 OPTION PRICE

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

5.5 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 Options.

Whether or not future income will result from projects undergoing exploration, programs 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 and Options on the ASX.

6. Additional Information

6.1 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 securities.

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.

6.2 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.

6.3 Information available to Investors

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 2017 and lodged with the ASX on 2 October 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 2017 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.

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:

	Price	Date
Highest	\$0.017	27 October 2017
Lowest	\$0.006	16 October 2017
Last	\$0.006	8 December 2017

The highest and lowest recorded market sale prices of the Company's Options quoted on the ASX during the period of 3 months to the date of the announcement of the Offer were:

Options currently quoted on the ASX under the code ADNOA:

	Price	Date
Highest	\$0.006	13 November 2017
Lowest	\$0.001	17 October 2017
Last	\$0.003	5 December 2017

Options currently quoted on the ASX under the code ADNOB:

	Price	Date
Highest	\$0.004	7 December 2017
Lowest	\$0.003	8 December 2017
Last	\$0.003	8 December 2017

6.4 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.

6.5 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 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 Options referred to in this Prospectus.

6.6 Interests of Directors

a) 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	Options (ADNOA)	Options (ADNOB)	Number of Restricted Shares under the Loan Funded Employee Share Plan
R G Grivas	Non-Executive	Nil	Nil	12,745,159	Nil
C G Drown	Managing Director	11,837,785	1,127,810	3,383,429	2,300,000*
N J Harding	Executive Director	3,296,993	241,333	723,998	1,300,000*
A N Shearer	Non-Executive Director	Nil	Nil	8,496,773	Nil

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

b) 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 2016 and 30 June 2017 are as follows:

Director	Financial Year End \$	Salary and Fees \$	Post Employment Superannuation	Shares issued in lieu of Director fees	Share payments	Total \$
R G Grivas ²	2018 ¹	4,167	396	-	-	4,563
C G Drown	2018 ¹	90,945	-	-	-	90,945
	2017	184,363	-	-	9,124	193,487
	2016	244,225	-	-	3,040	247,265
N J Harding	2018 ¹	85,488	-	-	-	85,488
	2017	187,234	-	-	5,167	192,401
	2016	222,952	-	-	8,236	231,188
A N Shearer ³	2018 ¹	2,917	277	-	-	3,194
C G Jackson ⁴	2018 ¹	10,695	1,811	8,372	-	20,878
	2017	43,247	5,434	13,953	-	62,634
	2016	57,200	5,434	-	-	62,634
J P Buckley ⁵	2018 ¹	7,383	1,106	4,257	-	12,746
	2017	27,825	3,317	7,095	-	38,237
	2016	34,920	3,317	-	-	38,237

¹ The amounts shown for the financial year ending 30 June 2018 relate to remuneration provided to Directors and their associated

entities as at the date of this Prospectus

- 2 *R G Grivas appointed 27 October 2017*
- 3 *A N Shearer appointed 27 October 2017*
- 4 *C G Jackson resigned 27 October 2017*
- 5 *J P Buckley resigned 27 October 2017*

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.

c) 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.

d) Advisors' Interests

As at the date of this Prospectus, other than as set out below or elsewhere in this Prospectus:

- no person named in the Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus or as a promoter of the Company has, or during the last 2 years prior to the date of the Prospectus has had, an interest in:
 - a) the formation or promotion of the Company;
 - b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer under this Prospectus; or
 - c) the Offer under this Prospectus; and
- no amounts, whether in cash or shares or otherwise, have been paid or agreed to be paid and no value or benefit has been given or agreed to be given to any person named in the Prospectus as performing a function in a professional advisory or other capacity for services rendered in connection with the formation or promotion of the Company or the Offer under this Prospectus.

e) Expenses of the Offer

The total expenses of the New Options Issue are estimated to be

Expense	\$
ASIC Fees	2,400
ASX Fees	1,838
Legal Fees	5,000
Miscellaneous, printing and other expenses	2,000
Total	\$11,238

6.7 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:

- the operations of the Company;
- the results of those operations; or
- the state of affairs of the Company.

6.8 Privacy

By submitting an Acceptance Form for the New Options 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:

- when you agree to the disclosure;
- when used for the purposes for which it was collected;
- when disclosure is required or authorised by law;
- to other members in the Andromeda Metals group of companies;
- 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.

6.9 Consents

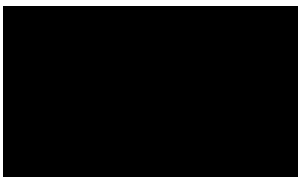
Each of the parties referred to in this section:

- 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.

7. 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: 11 December 2017

8. 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.

Acceptance Form means the acceptance form either attached to or accompanying this Prospectus.

ACDT means Australian Central Daylight Time.

Applicant means a person who submits an Acceptance Form.

Application means a valid application by an individual to subscribe for New Options.

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 30 June 2017 means the consolidated statement of financial position contained in the 30 June 2017 full year report audited by Deloitte Touche Tohmatsu dated 29 September 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 15 December 2017 (unless extended).

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

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.

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

Offer means the entitlement offer of New Options pursuant to this Prospectus.

Official List means the Official List of the ASX.

Official Quotation means quotation on the Official List.

Opening Date means 11 December 2017.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus dated 11 December 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.

Register means the register of the Company's Shareholders.

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.



Andromeda

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