Andromeda Metals Limited
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Andromeda
METALS

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28 February 2018

Dear Option Holder

IMMINENT EXPIRY OF YOUR LISTED OPTIONS

As of the date of this notice you are the registered holder of listed options (ASX:ADNOA) (**ADNOA Options**) in Andromeda Metals Limited (ASX:ADN) (the **Company**), which are due to expire at 5.00pm (Adelaide time) on 31 March 2018 (**Expiry Date**). These options were issued to shareholders who participated in the April 2017 Entitlement Issue or have been acquired on market since that time.

Under the terms of the ADNOA Options, each option is exercisable into one fully paid ordinary share in the Company upon payment of the exercise price of A$0.012 per option prior to the expiry date. In addition, for every ADNOA Option exercised a new secondary option (**Secondary Option**) will be issued to the Option Holder having an exercise price of A$0.015 per secondary option and an expiry date of 31 March 2019. Currently the secondary options are unlisted.

As a holder of the ADNOA Options you have three choices available to you:

1. **Exercise all or a portion of your ADNOA Options**
   You may complete the enclosed 'Options Expiry Notice' form for all or some of the options registered in your name, sign the form, attach a cheque payable to Andromeda Metals Limited and mail to the Company to be received no later than the expiry date.

2. **Sell all or a portion of your ADNOA Options**
   The last traded price for ADNOA Options was A$0.001 on 19 February 2018. Your ADNOA Options will cease trading at close of trading on 26 March 2018.

3. **Do nothing**
   If you choose to do nothing, your ADNOA Options will expire at 5.00pm on the expiry date and have no further value.

Corporate Overview

During the fourth quarter of 2017 the Company undertook a significant capital raising comprising a heavily oversubscribed Share Placement and a strongly supported Rights Issue and subsequent placement of the Rights Issue Shortfall, which raised a total of $1.98 million before costs. In addition, during October 2017 a refreshment of the Board was announced with the appointment of Mr Rhod Grivas as the Company's new Chairman and Mr Andrew Shearer as a Non-Executive Director, bringing to the Company considerable corporate and financial markets experience.

The Company also announced during this period the acquisition of two private companies holding tenement applications in the gold prospective Pilbara region in Western Australia, in addition to the execution of a binding Heads of Agreement with private exploration group Lady Alice Mines Pty Ltd over the Company's Eyre Peninsula Gold Project that will, following completion of due diligence by Lady Alice

Mines, see a minimum of $2.1 million spent over the next three years on the project, and thus having the potential to significantly advance the Barns and Baggy Green gold deposits.

With new funding now secured, the Company is about to embark upon a 2000 metre reverse circulation drilling program to test epithermal gold targets in the Drummond Basin in North Queensland. Of high priority is the drilling of the Bunyip target where a series of quartz veins comprising a total strike length of approximately two kilometres have been mapped and where the vein textures observed are considered typical of those seen in epithermal deposits such as at the nearby high grade Pajingo mine which has produced over 3 million ounces of gold since the mid 1980's.

At the same time the Company has commenced an initiative to proactively seek to acquire or invest in one or more new projects to add to Andromeda Metals' project portfolio, with a number of opportunities currently being evaluated.

Recent trading in Andromeda Metals

The latest price of Andromeda Metals Limited (ASX:ADN) shares was A$0.008 on 27 February 2018.

The highest and lowest market prices of ADN shares traded in the three months immediately before the date of this notice were:

Highest:	A$0.010	on 25 January 2018
Lowest:	A$0.005	on 22 December 2017

Further Information

The Board encourages you to consider your choices as an Option Holder and to contemplate converting some or all of your ADNOA Options into Andromeda Metals shares should you consider this best suits your individual circumstances. If you are unsure whether to exercise your ADNOA Options you should consult your stockbroker or financial advisor.

If you require any more information on how to exercise your ADNOA Options please contact the Company's Executive Director and Company Secretary Nick Harding on 08 8271 0600.

Yours faithfully

Chris Drown
Managing Director

Andromeda
METALS

ABN 75 061 503 375

For all enquiries:

Andromeda Metals Limited
69 King William Road
UNLEY SA 5061

Tel: +61 (8) 8 8271 0600
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ADN

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Options Expiry Notice

Options exercisable at A$0.012 per Option expiring on 5:00pm (Adelaide time) on Saturday 31 March 2018

Step 1: Registration Name

Please check the details provided and update your address via 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 exercise your options utilising the payment option detailed overleaf.

By making your payment you confirm that you agree to all of the terms and conditions of the Options.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, money order or bank draft payable in Australian dollars to "Andromeda Metals Limited". 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 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.

By submitting your payment and this Options Expiry Notice:

• I/We confirm that I/we agree to all of the terms and conditions of the Options,

• I/We request that you allot me/us the number of shares applied for and I/we agree to accept such shares subject to the Constitution of the Company,

• I/We authorise you to register me/us as the holder(s) of the shares to be allotted and place my/our name on the register.

Turn over for details on how to make your payment ➔

Options Expiry Notice

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For your security keep your SRN/HIN confidential.

STEP 1 **Registration Name & Option Details**

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Optionholding Details:

Number of Options registered in your name as at 26 February 2018:	**1,000**
Number of Shares to be issued on full exercise basis:	**1,000**
Amount payable on full exercise at A$0.012 per Option:	**$12.00**

STEP 2 **Make Your Payment**

Pay by Mail:

Make your cheque, money order or bank draft payable to Andromeda Metals Limited.
Return your cheque with the below slip to:

Andromeda Metals Limited
69 King William Road
UNLEY SA 5061

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. 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 issuers 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 or see our Privacy Policy at http://www.computershare.com/au.

Detach here

Andromeda Metals Limited Option Exercise Payment

Number of Options held: **1,000**

Number of Options Exercised:

Amount enclosed at A$0.012 per Option exercised: **A$** .

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MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Payment must be received by 5:00pm (Adelaide time) on Friday 30 March 2018

Contact Details

Contact Name ____________________ **Daytime Telephone** ____________

Cheque Details

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