



Andromeda Metals Limited
ABN: 75 061 503 375

Corporate details:

ASX Code: ADN
Cash: \$0.734 million

Issued Capital:
566,451,503 ordinary shares
23,612,610 listed options
56,328 unlisted options

Directors:

Rhoderick Grivas
Non-Executive Chairman

Chris Drown
Managing Director

Nick Harding
Executive Director and
Company Secretary

Andrew Shearer
Non-Executive Director

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ASX announcement

9 November 2017

FULLY UNDERWRITTEN RIGHTS ISSUE TO RAISE \$1.4 MILLION

The Directors of Andromeda Metals Limited (ASX: ADN, the **Company**) announce a fully underwritten pro rata non-renounceable rights issue (**Offer**) to raise \$1.4 million on the same terms as the recently completed placement, resulting in a total aggregate capital raising of approximately \$2 million.

The Company will apply the funds raised through the Offer to:

- exploration of the Company's wholly owned Drummond Basin Epithermal Gold Project in Queensland, including drilling of the Bunyip prospect,
- progressing the due diligence and potential acquisition of the Mylo-Frontier Pilbara Gold Project in Western Australia, and
- identify, evaluate and potentially acquire new projects.

The Drummond Basin hosts the world-class Pajingo gold mine, an epithermal style gold deposit which has produced over 3 million ounces of gold. The Company holds tenements in this district and has discovered a number of Pajingo style epithermal vein systems. Surface samples confirm these vein systems to be gold-bearing but they have never been drilled, presenting an immediate exploration opportunity for shareholders.

The Pilbara region has attracted significant attention following the discovery by Novo Resources (TSX.V:NVO) of gold mineralisation hosted in conglomerates occurring near the base of the Fortescue Group. This style of mineralisation is potentially analogous to the conglomerate hosted gold deposits of the Witwatersrand, which have produced in excess of 1 billion ounces of gold, and so represent highly attractive exploration targets. The Company has signed a binding term sheet that, subject to the completion of satisfactory due diligence, would lead to the acquisition of 100% equity in up to eleven Exploration Licence Applications, covering 756km², in the Pilbara region of Western Australia.

Pursuant to the Offer, the Company will offer Eligible Shareholders a total of 283,225,752 fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.005 per share to raise approximately \$1.416 million before costs. The New Shares will be offered on the basis of 1 New Share for every 2 Shares held at the Record Date of 14 November 2017 (**Entitlement**). In addition, 1 attaching Option (**New Option**) will be issued for every New Share subscribed under the Offer. Each New Option is exercisable at \$0.012 per share and has an expiry date of 30 November 2020.

The Offer price of \$0.005 per New Share represents a 50% discount to the Company's shares on 3 November 2017 and a 57% discount to the volume weighted average price of the Company's shares over the 30 days leading up to the Offer announcement. If the valuation of the attaching New Option is also taken into account, these discounts increase to 89% and 91% respectively.

The New Shares will be fully paid and will rank equally with the Company's existing issued shares. No further consideration other than the payment of the respective exercise price will be payable by Eligible Shareholders for the New Option. The New Options are transferrable with the Company to make application to the ASX for official quotation of the New Shares and New Options.

This offer is only being extended to shareholders with registered addresses in Australia and New Zealand (**Eligible Shareholders**). All other shareholders (**Non-Resident Shareholders**) will not be offered entitlements under this issue. The Company has determined, in accordance with the Corporations Act and ASX Listing Rules, that it would be unreasonable to make the offer to Non-Resident Shareholders having regard to the number of shareholders in the places where the offer would be made, the number and value of the rights that would be offered, and the cost of complying with the legal requirements in those places.

The Offer is fully underwritten by PAC Partners Pty Ltd, with PAC Partners to place all shares not subscribed by Eligible Shareholders.

The net proceeds received from the Offer will be principally directed to funding the following:

- completing further exploration on the Company's wholly owned Drummond Epithermal Gold Project in Queensland, including the first ever drill testing of identified gold prospects, which includes the large gold-bearing epithermal vein system at the Bunyip prospect;
- progressing the Mylo-Frontier Pilbara Gold Project tenements to grant and completion of initial exploration programs, subject to a decision to acquire;
- an initiative to identify, evaluate and acquire new projects to complement the Company's existing portfolio of exploration assets; and
- meeting on-going exploration and working capital costs and the costs associated with the Offer.

The Board and management may alter the planned use of funds depending upon the results of project due diligence and initial exploration results.

The anticipated timetable for the Offer is as follows:

Event	Date
Lodgement of Prospectus with ASIC	Thursday 9 November 2017
Announcement of Issue (and lodge Appendix 3B)	Thursday 9 November 2017
Notice to Option holders advising of Offer	Thursday 9 November 2017
Notice to Shareholders containing Appendix 3B information and timetable	Friday 10 November 2017
Shares commence trading on an ex rights basis	Monday 13 November 2017
Record Date for the Offer	Tuesday 14 November 2017
Prospectus and Entitlement and Acceptance Form despatched to Shareholders	Friday 17 November 2017
Opening Date of the Offer	Friday 17 November 2017
Closing Date of the Offer	Thursday 30 November 2017
New Securities quoted on a deferred settlement basis	Friday 1 December 2017
Advise ASX of any Shortfall	Tuesday 5 December 2017
Issue Date of New Securities (deferred settlement basis ends)	Thursday 7 December 2017

The timetable is indicative only and is subject to change at the discretion of the Directors. The Directors also reserve the right to not proceed with the whole or part of the Offer at any time prior to allotment. In that event, application monies will be returned without interest.

A copy of the Prospectus, lodged with ASIC and ASX on 9 November 2017, is available on the Company's website at www.andromet.com.au or on the ASX website at www.asx.com.au.

The Directors who are Eligible Shareholders have confirmed their intention to subscribe for their full entitlements under the Offer.



Chris Drown
Managing Director