



## NOTICE OF **2018** ANNUAL GENERAL MEETING

### NOTICE IS HEREBY GIVEN

that the Annual General Meeting  
of Shareholders of Andromeda Metals Limited

will be held at The Science Exchange,  
55 Exchange Place, Adelaide, South Australia

on **THURSDAY 15 November 2018**  
commencing at **11.00 am** (Adelaide time ACDT).

### How to find The Science Exchange



ANDROMEDA METALS LIMITED ACN 061 503 375  
69 King William Road Unley South Australia  
PO Box 1210 Unley BC SA 5061

# NOTICE OF ANNUAL GENERAL MEETING

## Ordinary Business

### FINANCIAL REPORT

To receive and consider the Company's financial statements and independent audit report for the year ended 30 June 2018.

The 2018 Annual Report will be available to view online at [www.andromet.com.au](http://www.andromet.com.au) and despatched to those Shareholders who have elected to receive a hard copy of the report.

### RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2018

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopt the Remuneration Report for the period ended 30 June 2018 as set out in the Directors' Report in the 2018 Annual Report.*

### Voting Exclusion Statement

The Company will disregard any votes cast (in any capacity) on Resolution 1 by any Key Management Personnel, the details of whose remuneration are included in the Remuneration Report, and any Closely Related Party of such Key Management Personnel.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described above and either:

- a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- b) the Chair of the Meeting is appointed as proxy and the Proxy Form expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Company need not disregard a vote if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the stated voting intentions of the Chair of the Meeting.

*Note: the vote on this resolution is advisory only and does not bind the Directors of the Company.*

### RESOLUTION 2 – RE-ELECTION OF MR RHODERICK GRIVAS AS A DIRECTOR

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*That, for the purposes of ASX Listing Rule 14.4 and clause 6.1 of the Company's Constitution and for all other purposes, Mr Rhoderick Grivas, having retired as a Director by rotation and being eligible and having offered himself for re-election, is re-elected as a Director of the Company with immediate effect.*

# Special Business

## **RESOLUTION 3 – RATIFICATION OF A PREVIOUS ISSUE OF SHARES UNDER A PLACEMENT**

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue and allotment by the Company of 99,904,234 Shares on 7 August 2018 under a Placement to professional and sophisticated investors, is approved.*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 3 by a person who participated in the issue and any of their associates. However the Company will not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the Proxy Form; or
- b) it is cast by a person who is chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **RESOLUTION 4 – RATIFICATION OF A PREVIOUS ISSUE OF SHARES TO THE VENDORS OF PILBARA TENEMENTS**

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue and allotment by the Company of 30,000,000 Shares on 21 December 2017 to the vendors of 2 companies which held title applications to 3 tenements in the Pilbara Region of Western Australia.*

### **Voting Exclusion statement**

The Company will disregard any votes cast in favour of Resolution 4 by a person who participated in the issue and any of their associates. However the Company will not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the Proxy Form; or
- b) it is cast by a person who is chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **RESOLUTION 5 – APPROVAL OF ISSUE OF OPTIONS TO MANAGING DIRECTOR – MR JAMES MARSH**

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of up to 13,000,000 Options to Mr James Marsh on the terms and conditions summarised in the Explanatory Memorandum accompanying this Notice of Meeting.*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 5 by Mr James Marsh or any of his associates. However, the Company will not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the Proxy Form; or
- b) it is cast by a person who is chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 5 if:

- a) the person is either:
  - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
  - a Closely Related Party of such a member; and
- b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the Company will not disregard a vote if:

- the person is the Chair of the Meeting at which the resolution is to be voted on; and
- the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

**RESOLUTION 6 –  
APPROVAL OF ISSUE OF OPTIONS TO EXECUTIVE  
DIRECTOR – MR NICHOLAS HARDING**

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of up to 7,000,000 Options to Mr Nicholas Harding on the terms and conditions summarised in the Explanatory Memorandum accompanying this Notice of Meeting.*

**Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 6 by Mr Nicholas Harding or any of his associates. However, the Company will not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the Proxy Form; or
- b) it is cast by a person who is chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 if:

- a) the person is either:
  - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
  - a Closely Related Party of such a member; and
- b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the Company will not disregard a vote if:

- the person is the Chair of the Meeting at which the resolution is to be voted on; and
- the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

**RESOLUTION 7 –  
APPROVAL OF ISSUE OF SHARES TO NON-EXECUTIVE  
DIRECTOR – MR RHODERICK GRIVAS**

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, subject to the Company obtaining a waiver of Listing Rule 10.13.3, the issue and allotment by the Company to Mr Rhoderick Grivas or his respective nominee, a number of Shares in lieu of payment of 40% of his Director fees in cash from 1 December 2018 to 30 November 2019, determined as summarised in the Explanatory Memorandum accompanying this Notice of Meeting.*

**Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 7 by Mr Rhoderick Grivas or any of his associates. However, the Company will not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the Proxy Form; or
- b) it is cast by a person who is chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 7 if:

- a) the person is either:
  - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
  - a Closely Related Party of such a member; and
- b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the Company will not disregard a vote if:

- the person is the Chair of the Meeting at which the resolution is to be voted on; and
- the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

**RESOLUTION 8 –  
APPROVAL OF ISSUE OF SHARES TO NON-EXECUTIVE  
DIRECTOR – MR ANDREW SHEARER**

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, subject to the Company obtaining a waiver of Listing Rule 10.13.3, the issue and allotment by the Company to Mr Andrew Shearer or his respective nominee, a number of Shares in lieu of payment of 50% of his Director fees in cash from 1 December 2018 to 30 November 2019, determined as summarised in the Explanatory Memorandum accompanying this Notice of Meeting.*

**Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 8 by Mr Andrew Shearer or any of his associates. However, the Company will not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the Proxy Form; or
- b) it is cast by a person who is chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 8 if:

- a) the person is either:
  - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
  - a Closely Related Party of such a member; and
- b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the Company will not disregard a vote if:

- the person is the Chair of the Meeting at which the resolution is to be voted on; and
- the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

**RESOLUTION 9 –  
APPROVAL OF 10% PLACEMENT FACILITY**

To consider, and if thought fit, pass the following resolution as a special resolution:

*That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.*

**Voting Exclusion Statement**

In accordance with ASX Listing Rule 7.3A.7, the Company will disregard any votes cast in favour of Resolution 9 by:

- a) a person who may participate in the issue of securities; and
- b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed; and
- c) any of their associates.

However, the Company will not disregard a vote if:

- a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions of the Proxy Form; or
- b) it is cast by a person who is chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## Other Business

To transact any other business that may be brought forward in accordance with the Company's Constitution.

By Order of the Board



**N J Harding**

Company Secretary

Dated this 12<sup>th</sup> day of October 2018

## Voting Entitlements

For the purposes of ascertaining the voting entitlements for the Annual General Meeting, the shareholding of each Shareholder will be as it appears in the share register on Tuesday 13 November 2018 at 6.30pm (Adelaide time ACDT).

## Proxies

A Shareholder entitled to attend and vote at the Meeting has the right to appoint a proxy, who need not be a Shareholder of the Company. If a Shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. The Proxy Form must be deposited at the share registry of the Company, Computershare Investor Services Pty Limited, located at GPO Box 242, Melbourne VIC 3001, or at the Company's registered office, 69 King William Road, Unley, SA 5061, or by facsimile to Computershare on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia) or to the Company on +61 8 8271 0033, or by casting a vote online by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and by entering the Control Number, SRN/HIN and postcode, which are shown on the first page of the enclosed Proxy Form not later than 48 hours before the commencement of the Meeting. For Intermediary Online subscribers only (custodians), please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions, which must be submitted by not later than 48 hours before the commencement of the Meeting.

## Corporate Representative

A corporation that is a Shareholder or a proxy may elect to appoint a person to act as its corporate representative at the meeting, in which case the corporate Shareholder or proxy (as applicable) must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that Shareholder's or proxy's (as applicable) corporate representative. The authority must be sent to the Company and/or the Company's Share Registry (detailed above) in advance of the meeting or handed in at the Meeting when registering as a corporate representative.

## Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting and should be read in conjunction with this Notice.



# Explanatory Memorandum

This Explanatory Memorandum has been prepared to assist Shareholders in consideration of resolutions proposed for the Annual General Meeting of the Company to be held at The Science Exchange, 55 Exchange Place, Adelaide, South Australia on Thursday 15 November 2018 commencing at 11.00am (Adelaide time ACDT).

It should be read in conjunction with the accompanying Notice of Annual General Meeting.

## **RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2018**

In accordance with Section 250R(2) of the Corporations Act, Shareholders are required to vote on the Company's Remuneration Report for the year ended 30 June 2018.

The Remuneration Report is contained in the Directors' Report in the 2018 Annual Report, which will be available to view online at the Company's website [www.andromet.com.au](http://www.andromet.com.au) and despatched to those Shareholders who have elected to receive a hard copy of the report.

The Remuneration Report describes the underlying policies and structure of the remuneration arrangements of the Company and sets out the remuneration arrangements in place for directors and senior executives for the year ended 30 June 2018.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote at the Annual General Meeting of the Company. Members should note that the vote on Resolution 1 is not binding on the Company or the directors.

Since 1 July 2011, if more than 25% of the votes cast on a resolution to adopt the Remuneration Report are against the adoption of the Remuneration Report for two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution ("Spill Resolution") that another meeting be held within 90 days, at which all of the Company's directors must go up for re-election.

At the 2017 AGM, the Company's Remuneration Report for the year ended 30 June 2017 was approved by shareholders. The vote against the resolution less than 25%.

### **Important Information for Shareholders:**

Please note, in accordance with sections 250R(4) and (5) of the Corporations Act, the Chair will not vote any undirected proxies in relation to Resolution 1 unless the Shareholder expressly authorizes the Chair to vote in accordance with the Chair's stated voting intentions. Please note that if the Chair of the Meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form, you will expressly authorise the Chair to exercise your proxy on Resolution 1 even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company, which includes the Chair. You should be aware that the Chair of the Meeting intends to vote undirected proxies in favour of the adoption of the Remuneration Report.

Alternatively, if you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the proxy form.

As a further alternative, Shareholders can nominate as their proxy for the purposes of Resolution 1, a proxy who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies (subject to the Listing Rules).

### **Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1, noting that each Director has a material personal interest in his own remuneration from the Company. The Chair intends to vote undirected proxies in favour of Resolution 1.

## **RESOLUTION 2 – RE-ELECTION OF MR RHODERICK GRIVAS AS A DIRECTOR**

In accordance with Listing Rule 14.4 and clause 6.1 of the Company's Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for reelection. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement. This rule does not apply to the Managing Director.

The Directors presently in office are Mr James Marsh, Mr Nicholas Harding, Mr Rhoderick Grivas and Mr Andrew Shearer.

Mr Grivas was elected a director by Shareholders at the 2017 AGM. He is the equal longest in office since his last re-appointment and will retire by rotation at the Annual General Meeting. Mr Grivas is eligible for, and has offered himself for, re-election.

### **Rhoderick Grivas**

BSc (Geology), MAusIMM

Rhod Grivas is a geologist with over 25 years resource industry experience, including 16 years ASX listed company board experience. He is currently Non-Executive Chairman of ASX listed Golden Mile Resources and was previously Managing Director of ASX and TSX listed gold miner Dioro Exploration NL, where he oversaw the discovery and development of a gold resource through feasibility into production.

Mr Grivas has a strong combination of equity market, M&A, commercial, strategic and executive management capabilities.

### **Directors' Recommendation**

The Directors (excluding Mr Grivas) unanimously recommend that Shareholders vote in favour of Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

### **RESOLUTION 3 – RATIFICATION OF A PREVIOUS ISSUE OF SHARES UNDER A PLACEMENT**

On 7 August 2018 the Company issued a total of 99,904,234 Shares (Placement Shares), to professional and sophisticated investors under a share placement raising \$599,425 before costs. The Placement Shares were issued without Shareholder approval under the Company's 15% placement capacity allowable under Listing Rule 7.1.

Listing Rule 7.1 prohibits a listed company from issuing equity securities representing more than 15% of its issued capital in any 12 month period without first obtaining shareholder approval (subject to certain exceptions).

Under Listing Rule 7.4, a company can seek ratification of issues that have been made within the previous 12 month period if:

- a) the issue does not breach rule 7.1; and
- b) shareholders subsequently approve such issue.

The effect of such ratification is that the issue of shares is then deemed to have been made with shareholder approval, thus not counting towards the 15% limit. The approved shares are also included in the base number for calculating the Company's 15% limit, thereby increasing the number of equity securities the Company can issue without first having to obtain shareholder approval under Listing Rule 7.1.

The issue of the Placement Shares to professional and sophisticated investors did not breach Listing Rule 7.1 and has not previously been approved by Shareholders. The Company now seeks Shareholder approval for the issue of the Shares pursuant to Listing Rule 7.4.

The effect of passing Resolution 3 will be to refresh the Company's 15% capacity under Listing Rule 7.1 so that its capacity would be the same as if the Shares had not been issued. This resolution, if passed, will increase the Company's financial flexibility in the future.

If Resolution 3 is not passed by Shareholders, the Company would, when calculating the number of securities it can issue without Shareholder approval to go beyond the 15% limit, need to deduct the number of Placement Shares issued to professional and sophisticated investors from which any further issues could be made.

Listing Rule 7.5 requires the following information to be provided to Shareholders for the purposes of obtaining shareholder approval pursuant to Listing Rule 7.4:

- a) 99,904,234 Shares in the capital of the Company were issued;
- b) the Placement Shares were issued at a price of \$0.006 per Share;
- c) the Placement Shares were issued on the same terms as, and rank equally with, the existing Shares in the Company;
- d) the Placement Shares were issued to professional and sophisticated investors, none of whom are related parties of the Company;

- e) the funds raised by the issue of the Placement Shares are to be primarily used to advance the Poochera Joint Venture in addition to meeting working capital requirements;
- f) a voting exclusion statement has been included in the Notice of the Annual General Meeting.

### **Directors' Recommendation**

The Directors believe that the ratification of this issue and the refresh of the 15% capacity under Listing Rule 7.1 is beneficial to the Company. The Directors unanimously recommend that shareholders vote in favour of Resolution 3. The Chair intends to vote undirected proxies in favour of Resolution 3.

### **RESOLUTION 4 – RATIFICATION OF A PREVIOUS ISSUE OF SHARES TO THE VENDORS OF PILBARA TENEMENTS**

On 21 December 2017 the Company issued 30,000,000 Shares to the owners of Mylo Gold Pty Ltd (Mylo) and Frontier Exploration Pty Ltd (Frontier) as part consideration to acquire 100% ownership of both companies, which between them hold applications over three tenements in the gold prospective Pilbara Region of Western Australia. In addition to the Shares issued, \$100,000 in cash was also paid to the vendors to complete the transaction.

Listing Rule 7.1 prohibits a listed company from issuing equity securities representing more than 15% of its issued capital in any 12 month period without first obtaining shareholder approval (subject to certain exceptions).

Under Listing Rule 7.4, a company can seek ratification of issues that have been made within the previous 12 month period if:

- a) the issue does not breach rule 7.1; and
- b) shareholders subsequently approve such issue.

The effect of such ratification is that the issue of shares is then deemed to have been made with shareholder approval, thus not counting towards the 15% limit. The approved shares are also included in the base number for calculating the Company's 15% limit, thereby increasing the number of equity securities the Company can issue without first having to obtain shareholder approval under Listing Rule 7.1.

The issue of shares to the owners of Mylo and Frontier was made within the Company's available 15% capacity at the time of issue. Resolution 4 seeks the ratification by Shareholders of the issue of the 30,000,000 Shares to the owners of Mylo and Frontier. If Resolution 4 is approved then those Shares will be deemed to have been issued with shareholder approval and therefore will not be counted towards the Company's 15% placement capacity pursuant to Listing Rule 7.1, thus allowing the Company to maintain flexibility during the upcoming 12 month period to supplement the Company's working capital requirements and undertake further capital transactions should the Directors determine this to be in the best interests of the Company.



Listing Rule 7.5 requires the following information to be provided to Shareholders for the purposes of obtaining shareholder approval pursuant to Listing Rule 7.4:

- a) 30,000,000 ordinary Shares in the capital of the Company were issued;
- b) the Shares were issued as part consideration for the acquisition of Mylo and Frontier. The Shares were issued at a deemed issue price of \$0.006 per Share;
- c) the Shares were issued on the same terms as, and rank equally with, the existing Shares in the Company;
- d) the Shares were issued to the vendors of Mylo Gold Pty Ltd and Frontier Exploration Pty Ltd, who are not related parties of the Company ;
- e) no funds were raised by the issue of the Shares;
- f) a voting exclusion statement has been included in the Notice of the Annual General Meeting.

#### **Directors' Recommendation**

The Directors unanimously recommend that shareholders vote in favour of Resolution 4. The Chair intends to vote undirected proxies in favour of Resolution 4.

#### **RESOLUTION 5 – APPROVAL OF ISSUE OF OPTIONS TO MANAGING DIRECTOR – MR JAMES MARSH**

Listing Rule 10.11 prohibits the issue of securities by the Company to any of its Directors without prior Shareholder approval.

Mr James Marsh was appointed as Managing Director of the Company on 30 May 2018. As part of the remuneration package negotiated with him it was agreed to issue to him or his nominee a once-off incentive issue of up to 13,000,000 Options with an exercise price of \$0.012 and a term of 3 years. Resolution 5 seeks Shareholder approval required by Listing Rule 10.11 to approve this issue of Options.

The following information is provided in accordance with Listing Rule 10.13 for the purposes of the Shareholder approval sought pursuant to Listing Rule 10.11:

- the Options will be issued to Mr James Marsh or his nominee;
- the maximum number of Options to be issued to Mr James Marsh is 13,000,000;
- on receipt of Shareholder approval, the Options will be issued to Mr James Marsh not later than 1 month after the date of this Meeting;
- the Options will not be issued for cash consideration;
- full terms of the Options are set out in Annexure A;
- no funds will be raised from the issue of the Options.

#### **Directors' Recommendation**

The Directors (other than Mr Marsh) recommend that Shareholders vote in favour of Resolution 5. The Chair intends to vote undirected proxies in favour of Resolution 5.

#### **RESOLUTION 6 – APPROVAL OF ISSUE OF OPTIONS TO EXECUTIVE DIRECTOR – MR NICHOLAS HARDING**

Listing Rule 10.11 prohibits the issue of securities by the Company to any of its Directors without prior Shareholder approval.

Mr Nicholas Harding is currently an Executive Director of the Company. As part of his remuneration package it was agreed to issue to him or his nominee a once-off incentive issue of up to 7,000,000 Options with an exercise price of \$0.012 and a term of 3 years. Resolution 6 seeks Shareholder approval required by Listing Rule 10.11 to approve this issue of Options.

The following information is provided in accordance with Listing Rule 10.13 for the purposes of the Shareholder approval sought pursuant to Listing Rule 10.11:

- the Options will be issued to Mr Nicholas Harding or his nominee;
- the maximum number of Options to be issued to Mr Nicholas Harding is 7,000,000;
- on receipt of Shareholder approval, the Options will be issued to Mr Nicholas Harding not later than 1 month after the date of this Meeting;
- the Options will not be issued for cash consideration;
- full terms of the Options are set out in Annexure A;
- no funds will be raised from the issue of the Options.

#### **Directors' Recommendation**

The Directors (other than Mr Harding) recommend that Shareholders vote in favour of Resolution 6. The Chair intends to vote undirected proxies in favour of Resolution 6.

## **RESOLUTION 7 – APPROVAL OF ISSUE OF SHARES TO NON-EXECUTIVE DIRECTOR – MR RHODERICK GRIVAS**

Listing Rule 10.11 prohibits the issue of Shares by the Company to any of its Directors without prior Shareholder approval.

In the interest of preserving the Company's cash, Mr Rhoderick Grivas has agreed that he will, subject to the Company obtaining necessary shareholder approval and a waiver from the ASX of Listing Rule 10.13.3, accept payment of 40% of his Director's fees from 1 December 2018 to 30 November 2019 by way of an issue of Shares in lieu of cash payments. Resolution 7 seeks Shareholder approval required by Listing rule 10.11 to allow this agreement to be implemented.

The Company has sought a waiver of Listing Rule 10.13.3 from ASX to allow the Shares the subject of Resolution 7 to be issued more than one month after the date of the Annual General Meeting (Waiver). If ASX does not grant the Waiver then the Shares the subject of Resolution 7 will not be issued.

The Director's fee payable to Mr Rhoderick Grivas is \$50,000 per annum plus statutory superannuation. On approval of Resolution 7, Mr Rhoderick Grivas has elected to be paid 40% of his fee in Shares to the value \$20,000 for the period 1 December 2018 to 30 November 2019 with the balance to be paid in cash. At a share price of \$0.006 this would equate to an issue of 3,333,333 Shares to Mr Grivas.

The following information is provided in accordance with Listing Rule 10.13 for the purposes of the shareholder approval sought pursuant to Listing Rule 10.11:

- the shares will be issued to Mr Rhoderick Grivas or his respective nominee;
- the maximum number of Shares to be issued will be calculated in accordance with the following formula:

### **A/B**

where:

**A** is the amount of the director's fee payable to Mr Rhoderick Grivas to be satisfied by way of an issue of Shares as described above; and

**B** is the VWAP over the 30 calendar days immediately preceding the date the Shares are issued.

- subject to the Company obtaining the Waiver, the Shares to be issued to Mr Rhoderick Grivas or his nominee will be issued on 30 November 2019;
- the Shares will be issued for nil consideration at a deemed issue price equal to the VWAP over the 30 calendar days preceding their date of issue;
- the Shares will be issued on the same terms as, and rank equally with, all other Shares on issue as at the date of issue and application will be made for their quotation on ASX;
- no funds will be raised by the issue of Shares although the Company's liability to Mr Rhoderick Grivas in relation to his Director fees for the period 1 December 2018 to 30 November 2019 will be satisfied by the issue of these Shares, thus preserving the Company's cash to that extent.

If Shareholder approval is provided under Listing Rule 10.11, approval is not required under Listing Rule 7.1, and the Shares issued pursuant to Resolution 7 will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Shareholder approval is not provided under Listing Rule 10.11, then the Director's fees to which this resolution relates will be paid in cash.

### **Directors' Recommendation**

The Directors (other than Mr Grivas) recommend that Shareholders vote in favour of Resolution 7. The Chair intends to vote undirected proxies in favour of Resolution 7.

## **RESOLUTION 8 – APPROVAL OF ISSUE OF SHARES TO NON-EXECUTIVE DIRECTOR – MR ANDREW SHEARER**

Listing Rule 10.11 prohibits the issue of Shares by the Company to any of its Directors without prior Shareholder approval.

In the interest of preserving the Company's cash, Mr Andrew Shearer has agreed that he will, subject to the Company obtaining necessary shareholder approval and a waiver from the ASX of Listing Rule 10.13.3, accept payment of 50% of his Director's fees from 1 December 2018 to 30 November 2019 by way of an issue of Shares in lieu of cash payments. Resolution 8 seeks Shareholder approval required by Listing rule 10.11 to allow this agreement to be implemented.

The Company has sought a waiver of Listing Rule 10.13.3 from ASX to allow the Shares the subject of Resolution 8 to be issued more than one month after the date of the Annual General Meeting (Waiver). If ASX does not grant the Waiver then the Shares the subject of Resolution 8 will not be issued.

The Director's fee payable to Mr Andrew Shearer is \$35,000 per annum plus statutory superannuation. On approval of Resolution 8, Mr Andrew Shearer has elected to be paid 50% of his fee in Shares to the value of \$17,500 for the period 1 December 2018 to 30 November 2019 with the balance to be paid in cash. At a share price of \$0.006 this would equate to an issue of 2,916,666 Shares to Mr Shearer.

The following information is provided in accordance with Listing Rule 10.13 for the purposes of the shareholder approval sought pursuant to Listing Rule 10.11:

- the shares will be issued to Mr Andrew Shearer or his respective nominee;
- the maximum number of Shares to be issued will be calculated in accordance with the following formula:

### **A/B**

where:

**A** is the amount of the director's fee payable to Mr Andrew Shearer to be satisfied by way of an issue of Shares as described above; and

**B** is the VWAP over the 30 calendar days immediately preceding the date the Shares are issued.

- subject to the Company obtaining the Waiver, the Shares to be issued to Mr Andrew Shearer or his nominee will be issued on 30 November 2019;

- the Shares will be issued for nil consideration at a deemed issue price equal to the VWAP over the 30 calendar days preceding their date of issue;
- the Shares will be issued on the same terms as, and rank equally with, all other Shares on issue as at the date of issue and application will be made for their quotation on ASX;
- no funds will be raised by the issue of Shares although the Company's liability to Mr Andrew Shearer in relation to his Director fees for the period 1 December 2018 to 30 November 2019 will be satisfied by the issue of these Shares, thus preserving the Company's cash to that extent.

If Shareholder approval is provided under Listing Rule 10.11, approval is not required under Listing Rule 7.1, and the Shares issued pursuant to Resolution 8 will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Shareholder approval is not provided under Listing Rule 10.11, then the Director's fees to which this resolution relates will be paid in cash.

#### Directors' Recommendation

The Directors (other than Mr Shearer) recommend that Shareholders vote in favour of Resolution 8. The Chair intends to vote undirected proxies in favour of Resolution 8.

### **RESOLUTION 9 – APPROVAL OF 10% PLACEMENT FACILITY**

#### Background to Resolution 9

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less. The Company's market capitalisation as at 8 October 2018 was \$6.48 million (1,079,361,560 issued shares at \$0.006 opening price per share). Further, the Company is not included in the S&P/ASX 300 Index, and is therefore an eligible entity for the purposes of Listing Rule 7.1A.

The Company is now seeking Shareholder approval by way of a Special Resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2. It is the Company's intention that funds received under the 10% Placement Facility will primarily be used to continue to advance the high-quality Poochera Halloysite-Kaolin-HPA Project in South Australia through project evaluation and development, feasibility studies and evaluating market opportunities, in

addition to potentially undertaking further transactions to acquire new assets or investments should the Directors determine this to be in the best interests of the Company, and supplementing the Company's working capital requirements. Consequently, the Directors have resolved to seek Shareholder approval for the 10% Placement Facility, for the 12 month period from the date of this Annual General Meeting.

#### Description of Listing Rule 7.1A

##### **a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a Special Resolution at an Annual General Meeting.

##### **b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue one class of Equity Security being Listed Ordinary Shares.

##### **c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

#### **(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- 1) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- 2) plus the number of partly paid shares that became fully paid in the 12 months;
- 3) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;
- 4) less the number of fully paid shares cancelled in the 12 months.

*Note that **A** has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

### Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 1,079,361,560 Shares and therefore has a capacity to issue:

- 1) 0 Equity Securities under Listing Rule 7.1; or
- 2) subject to Shareholder approval being obtained under Resolutions 3 and 4, 161,904,234 Equity Securities under Listing Rule 7.1; or
- 3) subject to Shareholder approval being obtained under Resolution 9, 107,936,156 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

### Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must not be less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

The Company may also issue Equity Securities under the 10% Placement Facility as consideration for the acquisition of a new asset, in which case the Company will release to the market a valuation of those Equity Securities that demonstrates that the issue price of the securities complies with the rule above. Since it is not known at this time if any securities will be issued during the 12 month period under the 10% Placement Facility, it is not possible to definitively state the minimum issue price, except to confirm that the issue price will be calculated in accordance with the above formula.

### 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- 1) the date that is 12 months after the Annual General Meeting at which the approval is obtained; or
- 2) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (10% Placement Period).

### Listing Rule 7.1A

The effect of Resolution 9 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's placement capacity under Listing Rule 7.1.

Resolution 9 is a Special Resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### Specific Information Required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
  - 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.
- b) if Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders may be subject to both economic and voting power dilution. There is a risk that:
  - 1) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting;
  - 2) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date; and
  - 3) the Equity Securities are issued as part of consideration for the acquisition of a new asset, in which case, no funds will be raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice. The table also shows:

- 1) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or script issued under a takeover) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- 2) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.003 50% decrease in issue price	\$0.006 Issue price	\$0.012 100% increase in issue price
Current Variable A	10% voting dilution	107,936,156 Shares	107,936,156 Shares	107,936,156 Shares
1,079,361,560 Shares	Funds raised	\$323,808	\$647,617	\$1,295,234
50% increase in Current Variable A	10% voting dilution	161,904,234 Shares	161,904,234 Shares	161,904,234 Shares
1,619,042,340 Shares	Funds raised	\$485,713	\$971,425	\$1,942,851
100% increase in Current Variable A	10% voting dilution	215,872,312 Shares	215,872,312 Shares	215,872,312 Shares
2,158,723,120 Shares	Funds raised	\$647,617	\$1,295,234	\$2,590,468

The table has been prepared on the following assumptions:

- i. the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
  - ii. no Listed or Unlisted Options (including any Listed or Unlisted Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
  - iii. the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
  - iv. the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the meeting;
  - v. the table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1. Dilution experienced by Shareholders may be greater if issues have been made utilising the capacity in Listing Rule 7.1 as well;
  - vi. the issue of Equity Securities under the 10% Placement Facility consists only of Shares;
  - vii. the issue price is \$0.006, being the opening price of the Shares on ASX on 8 October 2018.
- c) the Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 9 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- d) the Company may seek to issue the Equity Securities for the following purposes:
- i. non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - ii. cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisitions or investments), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.
- The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any Equity Securities.
- e) the Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- i. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - ii. the effect of the issue of the Equity Securities on the control of the Company;
  - iii. the financial situation and solvency of the Company; and
  - iv. advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company acquires new assets, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets.

If Resolution 9 is approved by Shareholders, the Company may issue Equity Securities under the 10% Placement Facility during the Placement Period as and when the circumstances of the Company require.



- f) the Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2017 Annual General Meeting. The following Equity Securities have been issued during the preceding 12 months:

Number Issued	Class of Security	Issued to	Price	Consideration	Comment
3,625	Ordinary Shares	Certain ADN shareholders	\$0.012	\$44	Exercise of listed options and subsequent issue of shares
113,290,300	Ordinary Shares	Professional and sophisticated investors	\$0.005	\$566,452	Placement
1,500,000	Ordinary Shares	Certain ADN shareholders	\$0.012	\$18,000	Exercise of listed options and subsequent issue of shares
743,353	Ordinary Shares	Certain ADN shareholders	\$0.012	\$8,920	Exercise of listed options and subsequent issue of shares
1,500,000	Ordinary Shares	Certain ADN shareholders	\$0.015	\$22,500	Exercise of unlisted options and subsequent issue of shares
197,125,999	Ordinary Shares	ADN shareholders	\$0.005	\$985,630	Take up of shares under a Rights Issue
87,971,418	Ordinary Shares	Professional and sophisticated investors	\$0.005	\$439,857	Shortfall placement
6,735,373	Ordinary Shares	Ex Non-Executive Directors	\$0.006	Nil	Extinguishment of accrued director fees
30,000,000	Ordinary Shares	Owners of Mylo Gold Pty Ltd and Frontier Exploration Pty Ltd	\$0.006	Nil	Settlement of acquisition of Pilbara tenements
1,322,835	Ordinary Shares	Certain ADN shareholders	\$0.012	\$15,874	Exercise of listed options and subsequent issue of shares
304,795	Ordinary Shares	Certain ADN shareholders	\$0.012	\$3,658	Exercise of listed options and subsequent issue of shares
1,223,899	Ordinary Shares	Certain ADN shareholders	\$0.012	\$14,687	Exercise of listed options and subsequent issue of shares
648,592	Ordinary Shares	Certain ADN shareholders	\$0.012	\$7,783	Exercise of listed options and subsequent issue of shares
500,460	Ordinary Shares	Certain ADN shareholders	\$0.015	\$7,507	Exercise of unlisted options and subsequent issue of shares
183,333,333	Ordinary Shares	Professional and sophisticated investors	\$0.006	\$1,100,000	Placement

- g) a total of \$2,574,995 cash has been received through the issue of Equity Securities in the preceding 12 months since the 2017 Annual General Meeting. Over that time approximately \$0.88 million has been spent on exploration activities and \$0.72 million on administration and corporate overheads. The remaining proceeds available, in addition to the opening cash position at the time of the 2017 AGM will predominantly be used to advance the Company's Poochera Halloysite-Kaolin-HPA Project in addition to meeting ongoing corporate overheads.
- h) a total of 509,166,704 Ordinary Shares have been issued in the 12 months preceding the date of the 2018 Annual General Meeting which represents 89.3% of the total number of Equity Securities on issue at the time of the previous Annual General Meeting.
- i) a voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not formed any specific intention to issue any additional Shares or other securities, and has not approached any particular existing Shareholder or any other person with a view to participating in the issue of the Equity Securities. In these circumstances (and in accordance with Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that a person will participate in the proposed issue. Therefore, no existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Meeting.

#### **Directors' Recommendation**

Resolution 9 is a special Resolution. For a special Resolution to be passed, at least 75% of the votes cast by Shareholders entitled to vote on Resolution 9 must be in favour of this Resolution.

The Board considers that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required. At the date of this Notice, the Company has no plans to use the Placement Facility should it be approved.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of special Resolution 9 to provide the Company with additional capacity to issue securities. The Chair intends to vote all undirected proxies in favour of Resolution 9.



# Glossary

In this Explanatory Memorandum, the following terms have the following unless the context otherwise requires:

<b>"ASX"</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by ASX Limited (as the context requires);
<b>"Board"</b>	means the Board of Directors from time to time.
<b>"Closely Related Party"</b>	of a member of the Key Management Personnel means: a) a spouse or child of the member; b) a child of the member's spouse; c) a dependant of the member or of the member's spouse; d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealings with the Company; or e) a company that the member controls.
<b>"Company"</b>	means Adelaide Resources Limited (ACN 061 503 375).
<b>"Constitution"</b>	means the constitution of the Company from time to time.
<b>"Corporations Act"</b>	means the Corporations Act 2001 (Cth).
<b>"Directors"</b>	means the Directors of the Company from time to time and "Director" means any one of them.
<b>"Equity Securities"</b>	has the meaning given to that term in the Listing Rules.
<b>"Explanatory Memorandum"</b>	means this explanatory memorandum.
<b>"Key Management Personnel"</b>	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any Director (whether executive or otherwise).
<b>"Listing Rules"</b>	means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
<b>"Meeting"</b>	has the meaning given in the introductory paragraph of the Explanatory Memorandum.
<b>"Option"</b>	means an option to subscribe for one fully paid ordinary share in the capital of the Company and having an exercise price of \$0.012 and an expiry date of 3 years from issue date as detailed in Annexure A.
<b>"Related party"</b>	has the meaning given to that term in Section 228 of the Corporations Act.
<b>"Resolution"</b>	means a resolution contained in this Notice of Meeting.
<b>"Share"</b>	means a fully paid ordinary share in the capital of the Company.
<b>"Shareholder"</b>	means a holder of Shares in the Company.
<b>"Trading Day"</b>	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
<b>"VWAP"</b>	means Volume Weighted Average Price of the Company's ASX-listed Shares trading under the code ADN.

# Annexure A

## TERMS AND CONDITIONS OF OPTIONS

1. Each option entitles the holder to one ordinary share in the Company.
2. Each of the options has an exercise price of \$0.012.
3. Each option is exercisable in whole or in part at any time during the period commencing on the date of issue and expiring three years from their issue date (Exercise Period). Options not exercised before the Exercise Period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
5. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of options will qualify for dividends declared after the date of their allotment.
6. Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the optionholder dies, the legal personal representative of the deceased optionholder may:
  - i. elect to be registered as the new holder of the options;
  - ii. whether or not he or she becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
  - iii. if the deceased has already exercised options, pay the exercise price in respect of those options.
7. An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
9. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:
$$A = O - \frac{E[P - (S + D)]}{(N + 1)}$$
Where:
  - A** = the new exercise price of the option;
  - O** = the old exercise price of the option;
  - E** = the number of underlying ordinary shares into which one option is exercisable;
  - P** = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of the ASX during the five trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded options);
  - S** = the subscription price for a security under the pro rata issue;
  - D** = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and
  - N** = the number of securities with rights or entitlements that must be held to receive a right to one new security.
10. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.

ADN

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Lodge your vote:****Online:**[www.investorvote.com.au](http://www.investorvote.com.au)**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia



Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**

(within Australia) 1300 556 161  
(outside Australia) +61 3 9415 4000

**Proxy Form****XX**

 <b>Vote and view the annual report online</b> <ul style="list-style-type: none"><li>• Go to <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> or scan the QR Code with your mobile device.</li><li>• Follow the instructions on the secure website to vote.</li></ul>	
<b>Your access information that you will need to vote:</b> <p><b>Control Number: 999999</b></p> <p><b>SRN/HIN: I9999999999      PIN: 99999</b></p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>	

 **For your vote to be effective it must be received by 11:00am (Adelaide Time) Tuesday 13 November 2018**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions for Postal Forms**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

#### Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Andromeda Metals Limited hereby appoint



the Chairman  
of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Andromeda Metals Limited to be held at The Science Exchange, 55 Exchange Place, Adelaide SA 5000 on Thursday 15 November 2018 at 11:00am (Adelaide Time) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1, 5, 6, 7 & 8** (except where I/we have indicated a different voting intention below) even though **Items 1, 5, 6, 7 & 8** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1, 5, 6, 7 & 8** by marking the appropriate box in step 2 below.

### STEP 2

#### Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

##### ORDINARY BUSINESS

For Against Abstain

1. Adoption of the Remuneration Report for the year ended 30 June 2018

☐ ☐ ☐

2. Re-election of Mr Rhoderick Grivas as a Director

☐ ☐ ☐

##### SPECIAL BUSINESS

3. Ratification of a previous issue of Shares under a Placement

☐ ☐ ☐

4. Ratification of a previous issue of Shares to the vendors of Pilbara tenements

☐ ☐ ☐

5. Approval of issue of Options to Managing Director - Mr James Marsh

☐ ☐ ☐

6. Approval of issue of Options to Executive Director - Mr Nicholas Harding

☐ ☐ ☐

7. Approval of issue of Shares to Non-Executive Director - Mr Rhoderick Grivas

☐ ☐ ☐

8. Approval of issue of Shares to Non-Executive Director - Mr Andrew Shearer

☐ ☐ ☐

9. Approval of 10% Placement Facility

☐ ☐ ☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date / /

ADN

1 5 1 1 1 8 A

Computershare +