



METALS



NOTICE OF
GENERAL MEETING
OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN

that a General Meeting of Shareholders
of Andromeda Metals Limited

will be held at 69 King William Road,
Unley, South Australia

on **WEDNESDAY 17 April 2019**
commencing at **3.00 pm** (Adelaide time).

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

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of the Shareholders of the Company will be held at 69 King William Road, Unley, South Australia at 3.00 pm (Adelaide time) on Wednesday 17 April 2019.

The business to be considered at the General Meeting is set out below. Information on the resolutions to which the business relates is contained in the Explanatory Memorandum.

Terms used in this Notice of General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary section contained in the Explanatory Statement.

Special Business

RESOLUTION 1 – 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 162,663,343 Shares on 28 February 2019 under a Placement to professional and sophisticated investors, is approved.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 1 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 General 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 2 – ISSUE OF OPTIONS TO PLACEMENT PARTICIPANTS

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

That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment by the Company of up to 203,307,712 Options under a Placement to professional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum, is approved.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 2 by a person who may participate in the proposed issue of Options 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 General 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 3 – ISSUE OF OPTIONS TO PAC PARTNERS

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

That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment by the Company of up to 15,000,000 Options to PAC Partners on the terms and conditions set out in the Explanatory Memorandum, is approved.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 3 by a person who may participate in the proposed issue of Options 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 General 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 15th day of March 2019

Voting Entitlements

For the purposes of ascertaining the voting entitlements for the General Meeting, the shareholding of each Shareholder will be as it appears in the share register on Monday 15 April 2019 at 6.30pm (Adelaide time).

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. It is noted that Mr Nick Harding has been appointed to chair the meeting in the absence of the Company's chairman, Mr Rhod Grivas who will be attending the meeting via telephone. 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 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 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 General Meeting is incorporated in and comprises part of this Notice of 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 General Meeting of the Company to be held at 69 King William Road, Unley, South Australia on Wednesday 17 April 2019 commencing at 3.00 pm (Adelaide time).

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

RESOLUTION 1 – RATIFICATION OF A PREVIOUS ISSUE OF SHARES UNDER A PLACEMENT

On 28 February 2019 the Company issued a total of 162,663,343 Shares (**Placement Shares**) to professional and sophisticated investors as part of a share placement under the Company's 15% placement capacity allowable under Listing Rule 7.1. The Placement Shares were issued without shareholder approval.

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, which would result in an increase in 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 under Listing Rule 7.4.

The effect of passing Resolution 1 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 1 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 under Listing Rule 7.4:

- a) 162,663,343 Shares in the capital of the Company were issued;
- b) the Placement Shares were issued at a price of \$0.0065 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 identified by PAC Partners as arranger of the Placement, 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 Halloysite-Kaolin Project in addition to meeting working capital requirements;
- f) a voting exclusion statement has been included in the Notice of the 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 1. The Chair intends to vote undirected proxies in favour of Resolution 1.

RESOLUTION 2 – ISSUE OF OPTIONS TO PLACEMENT PARTICIPANTS

On 28 February 2019 the Company completed a placement to professional and sophisticated investors of 271,076,923 Shares representing the full share placement capacity available under Listing Rules 7.1 and 7.1A. Under the terms of the placement, the investors are also to receive 3 (three) listed ADNOB Options for every 4 (four) Shares allotted (**Placement**).

The Placement raised a total of \$1,762,000 before costs for which the funds will predominantly be used to advance the Poochera Halloysite-Kaolin Project through the completion of the Scoping Study and into subsequent Feasibility Study and permitting work. The inclusion of the Options to the Placement participants was considered a necessary incentive to ensure a successful fundraising that would allow the Company to meet its commitments under the Joint Venture Agreement in relation to the Project and allow it to continue to move the Project towards eventual production.

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). Resolution 2 seeks approval by shareholders under 7.1 for the issue of 203,307,712 ADNOB Options to the participants to the placement or their nominees.

The following additional information is provided in accordance with the requirements of Listing Rule 7.3:

- a) The Company will issue a maximum of 203,307,712 ADNOB Options (fractional entitlements rounded up);
- b) The Options will be issued no later than three months after the date of this meeting or such later date permitted by ASX;
- c) The Options will not be issued for cash consideration;
- d) The Options will be issued to participants of the placement or their nominees;
- e) Full terms of the Options are set out in Annexure A;
- f) No funds will be raised from the issue of the Options.

If Resolution 2 is not approved the Placement participants will not be entitled to any refund of monies subscribed in the Placement. However, non-approval of Resolution 2 may adversely impact on the Company's ability to raise capital and undertake placements in the future.

Directors' Recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

RESOLUTION 3 – ISSUE OF OPTIONS TO PAC PARTNERS

The Company has agreed to issue up to 15,000,000 listed ADNOB Options to PAC Partners Pty Ltd or its nominees in addition to its fee for arranging the Placement the subject of Resolutions 1 and 2. The Placement raised a total of \$1,762,000 before costs for which the funds will predominantly be used to advance the Poochera Halloysite-Kaolin Project through the completion of the Scoping Study and into subsequent Feasibility Study and permitting work.

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). Resolution 3 seeks approval by shareholders under 7.1 for the issue of up to 15,000,000 ADNOB Options to PAC Partners Pty Ltd or its nominees.

The following additional information is provided in accordance with the requirements of Listing Rule 7.3:

- a) The Company will issue a maximum of 15,000,000 ADNOB Options;
- b) The Options will be issued no later than three months after the date of this meeting or such later date permitted by ASX;
- c) The Options will not be issued for cash consideration;
- d) The Options will be issued to PAC Partners Pty Ltd or its nominees;
- e) Full terms of the Options are set out in Annexure A;
- f) No funds will be raised from the issue of the Options.

If Resolution 3 is not approved, the Company may be in breach of its obligations to PAC Partners and thereby entitling PAC Partners to seek compensation from the Company.

Directors' Recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 3. The Chair intends to vote undirected proxies in favour of Resolution 3.

Glossary

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

“ADNOB Option”	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 30 November 2020 as detailed in Annexure A.
“ASX”	means ASX Limited ACN 008 624 691 or the securities exchange operated by ASX Limited (as the context requires).
“Board”	means the Board of Directors from time to time.
“Company”	means Andromeda Metals Limited (ACN 061 503 375).
“Constitution”	means the Constitution of the Company from time to time.
“Corporations Act”	means the <i>Corporations Act 2001</i> (Cth).
“Directors”	means the directors of the Company from time to time and “Director” means any one of them.
“Equity Securities”	has the meaning given to that term in the Listing Rules.
“Explanatory Memorandum”	means this explanatory memorandum.
“General Meeting”	means the general meeting of the Shareholders to which the Notice of General Meeting and Explanatory Memorandum relates.
“Listing Rules”	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.
“Notice of General Meeting”	means the notice of meeting to which this Explanatory Memorandum is annexed.
“Option”	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 30 November 2020 as detailed in Annexure A.
“Related party”	has the meaning given to that term in Section 228 of the Corporations Act.
“Resolution”	means a resolution contained in this Notice of Meeting.
“Share”	means a fully paid ordinary share in the capital of the Company.
“Shareholder”	means a holder of Shares in the Company.
“Trading Day”	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
“VWAP”	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 on 30 November 2020 (**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 apply to ASX for official quotation of the options.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.

Lodge your vote: **Online:**
www.investorvote.com.au **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 AustraliaAlternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com**For all enquiries call:**
(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form

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

 **For your vote to be effective it must be received by 3:00pm (Adelaide time) Monday 15 April 2019**

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 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** →

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.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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 General Meeting of Andromeda Metals Limited to be held at 69 King William Road, Unley, South Australia on Wednesday, 17 April 2019 at 3:00pm (Adelaide time) and at any adjournment or postponement of that Meeting.

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.

	For	Against	Abstain
1. Ratification of a previous issue of Shares under a Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Issue of Options to Placement participants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Issue of Options to PAC Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 / /