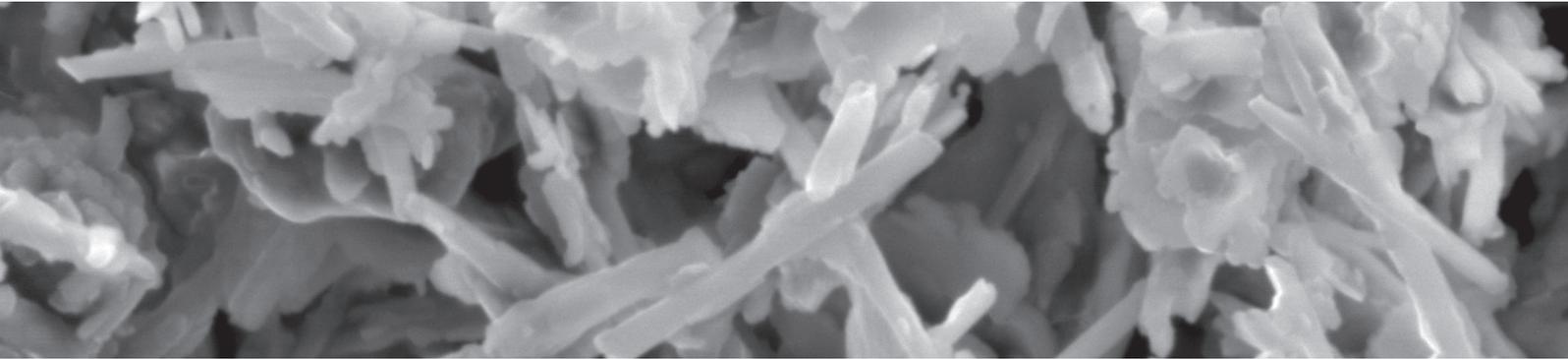




Andromeda

METALS



NOTICE OF **2019** 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 28 November 2019**
commencing at **2.00 pm** (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 2019.

The 2019 Annual Report will be available to view online at 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 2019

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 2019 as set out in the Directors' Report in the 2019 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 ANDREW SHEARER 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 Andrew Shearer, 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 – APPROVAL OF ISSUE OF 50% OPTIONS TO DIRECTORS

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 41,000,000 50% Options to the Directors of the Company 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 3 by any Director or 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.

For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 3 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 4 -
APPROVAL OF ISSUE OF
75% OPTIONS TO DIRECTORS**

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 20,000,000 75% Options to Directors of the Company 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 4 by Directors or 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.

For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 4 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 5 -
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 5 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 25th day of October 2019

Explanatory Memorandum

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 26 November 2019 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 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 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.

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 28 November 2019 commencing at 2.00 pm (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 2019

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 2019.

The Remuneration Report is contained in the Directors' Report in the 2019 Annual Report, which will be available to view online at the Company's website 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 2019.

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 2018 AGM, the Company's Remuneration Report for the year ended 30 June 2018 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 ANDREW SHEARER 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 re-election. 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 Shearer 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 Shearer is eligible for, and has offered himself for, re-election.

Andrew Shearer

BSc (Geology), Hons (Geophysics), MBA

Andrew Shearer has been involved in the mining and finance industries for 25 years. With a geoscientific and finance background he has experience in the resources industry from exploration through to development. As a Resources Analyst, Mr Shearer has been exposed to the global resources sector covering small to mid-cap resource stocks across a broad suite of commodities. Prior to moving into the finance sector he spent over a decade working in the minerals exploration industry in technical and senior management roles.

Mr Shearer brings strong professional skills and experiences in equity research, investor relations, valuations, supply and demand analysis and capital markets. His experience includes roles with PAC Partners Pty Ltd where he is currently Senior Resource Analyst, PhillipCapital, Austock, the South Australian Government, Mount Isa Mines Limited and Glengarry Resources Limited. Mr Shearer is also currently a Non-Executive Director of ASX listed Northern Cobalt.

Directors' Recommendation

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

RESOLUTIONS 3 AND 4 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS

The purpose of the issue of the unlisted 50% and 75% Options to the Directors is to:

- more closely align the interests of shareholders and Directors;
- ensure the Directors' remuneration is competitive and aligned with market conditions; and
- to encourage the achievement of performance goals and growth of the Company.

The issue of options as part of the remuneration package of Directors is an established practice of junior public listed companies and has the benefit of conserving cash whilst properly rewarding them. The Board considers that this level of remuneration is consistent with the corporate remuneration of Directors of similar companies.

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

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 50% and 75% Options will be issued to the Directors named below or their respective nominees as follows:

Director	Max. No. of 50% Options	Max. No. of 75% Options
Rhoderick Grivas	8,000,000	3,500,000
James Marsh	14,000,000	7,500,000
Nicholas Harding	11,000,000	5,500,000
Andrew Shearer	8,000,000	3,500,000
TOTAL	41,000,000	20,000,000

- on receipt of Shareholder approval, the 50% and 75% Options will be issued not later than 1 month after the date of this Meeting;
- the 50% Options will vest immediately on issue;
- the 75% Options will vest 12 months after the Annual General Meeting provided the recipient is still a Director of the Company at that time;
- the 50% and 75% Options will have a 3 year and 4 year term respectively;
- the 50% and 75% Options will not be issued for cash consideration;
- the exercise price of the 50% Options will be the price which is a 50% premium to the Company's 20 day VWAP share price ending on the day before the date of the Annual General Meeting;

- the exercise price of the 75% Options will be the price which is a 75% premium to the Company's 20 day VWAP share price on the day before the date of the Annual General Meeting;
- full terms of the 50% Options are set out in Annexure A and the full terms of the 75% Options are set in Annexure B;
- the Options will not be listed on the ASX;
- no funds will be raised from the issue of the Options.

Directors' Recommendation

As each of the Directors may receive 50% and 75% Options, the Directors will not be making a recommendation as to whether Shareholders should vote in favour of the Resolutions 3 and 4. The Chair intends to vote undirected proxies in favour of the Resolutions 3 and 4.

RESOLUTION 5 – APPROVAL OF 10% PLACEMENT FACILITY

Background to Resolution 5

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 14 October 2019 was \$76.0 million (1,357,618,035 issued shares at \$0.056 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 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

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.

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 three classes of Equity Securities being Listed Ordinary Shares, Listed Options and Unlisted Options.

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:
- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - plus the number of partly paid shares that became fully paid in the 12 months;
 - 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;
 - 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 1,357,618,035 Shares and therefore has a capacity to issue:

- 203,642,705 Equity Securities under Listing Rule 7.1; or
- subject to Shareholder approval being obtained under Resolution 5, 135,761,803 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 5 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 5 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 5 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		
		\$0.028 50% decrease in issue price	\$0.056 Issue price	\$0.112 100% increase in issue price
Current Variable A 1,357,618,035 Shares	10% voting dilution Funds raised	135,761,803 Shares \$3,801,330	135,761,803 Shares \$7,602,660	135,761,803 Shares \$15,205,321
50% increase in current Variable A 2,036,427,052 Shares	10% voting dilution Funds raised	203,642,705 Shares \$5,701,995	203,642,705 Shares \$11,403,991	203,642,705 Shares \$22,807,982
100% increase in current Variable A 2,715,236,070 Shares	10% voting dilution Funds raised	271,523,607 Shares \$7,602,660	271,523,607 Shares \$15,205,321	271,523,607 Shares \$30,410,643

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 \$0.056, being the opening price of the Shares on ASX on 14 October 2019.
- c) the Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 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 5 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 2018 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
5,060,728	Ordinary Shares	Non-executive Directors	\$0.00741	\$37,500	Settlement of deferred Director fees
271,076,923	Ordinary Shares	Professional and sophisticated investors	\$0.0065	\$1,762,000	Placement
181,250	Ordinary Shares	Certain ADN shareholders	\$0.012	\$2,175	Exercise of listed options and subsequent issue of shares
804,789	Ordinary Shares	Certain ADN shareholders	\$0.012	\$9,657	Exercise of listed options and subsequent issue of shares
1,132,785	Ordinary Shares	Certain ADN shareholders	\$0.012	\$13,593	Exercise of listed options and subsequent issue of shares

- g) a total of \$1,824,925 cash has been received through the issue of Equity Securities in the preceding 12 months since the 2018 Annual General Meeting. Over that time approximately \$1.32 million has been spent on exploration and evaluation activities and \$0.79 million on administration and corporate overheads. The remaining proceeds available, in addition to the opening cash position at the time of the 2018 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 278,256,475 Ordinary Shares have been issued in the 12 months preceding the date of the 2019 Annual General Meeting which represents 25.8% 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 further additional Shares or other securities pursuant to Listing Rules 7.1 and 7.1A save for the issue of 85,046,787 shares on the date of this Notice pursuant to the placement announced on 16 October 2019, and has not approached any particular existing Shareholder or any other person with a view to participating in a further 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 5 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 5 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 5 to provide the Company with additional capacity to issue securities. The Chair intends to vote all undirected proxies in favour of Resolution 5.

Glossary

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

"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.
"Closely Related Party"	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.
"Company"	means Adelaide Resources Limited (ACN 061 503 375).
"Constitution"	means the constitution of the Company from time to time.
"Corporations Act"	means the Corporations Act 2001 (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.
"Key Management Personnel"	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).
"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.
"Meeting"	has the meaning given in the introductory paragraph of the Explanatory Memorandum.
"50% Option"	means an option to subscribe for one fully paid ordinary share in the capital of the Company and having an exercise price equivalent to a 50% premium to the 20 day VWAP of the Company's share price ending immediately before the Annual General Meeting and an expiry date of 28 November 2022 as detailed in Annexure A.
"75% Option"	means an option to subscribe for one fully paid ordinary share in the capital of the Company and having an exercise price equivalent to a 75% premium to the 20 day VWAP of the Company's share price ending immediately before the Annual General Meeting and an expiry date of 28 November 2023 as detailed in Annexure B.
"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 50% OPTIONS

- 1) Each option entitles the holder to one ordinary share in the Company.
- 2) Each of the options has an exercise price which is a 50% premium to the Company's 20 day VWAP share price ending on the day before the date of the Annual General Meeting.
- 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 28 November 2022 (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) Options will lapse 30 days after the optionholder ceases to be a Director of the Company (or if the optionholder is the nominee of a Director, that Director ceases to be a Director of the Company) unless the Board resolves otherwise.
- 6) The Company will not apply to ASX for official quotation of the options,
- 7) 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.
- 8) 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.
- 9) 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.
- 10) 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.
- 11) 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.
- 12) 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.

Annexure B

TERMS AND CONDITIONS OF 75% OPTIONS

- 1) Each option entitles the holder to one ordinary share in the Company.
- 2) Each of the options has an exercise price which is a 75% premium to the Company's 20 day VWAP share price ending on the day before the date of the Annual General Meeting.
- 3) Each option is exercisable in whole or in part at any time during the period commencing on the date 12 months after the date of issue provided the optionholder is still a Director of the Company at that time (or if the optionholder is the nominee of a Director, that Director is still a Director of the Company) and expiring on 28 November 2023 (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) Options will lapse 30 days after the optionholder ceases to be a Director of the Company (or if the optionholder is the nominee of a Director, that Director ceases to be a Director of the Company) unless the Board resolves otherwise.
- 6) The Company will not apply to ASX for official quotation of the options,
- 7) 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.
- 8) 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.
- 9) 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.
- 10) 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.
- 11) 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.
- 12) 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

Need assistance?**Phone:**

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

**Online:**

www.investorcentre.com/contact

**YOUR VOTE IS IMPORTANT**

For your proxy appointment to be effective it must be received by **2:00pm (Adelaide time) Tuesday 26 November 2019**.

Proxy Form

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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Use your computer or smartphone to appoint your proxy and vote at www.investorvote.com.au or scan your personalised QR code below using your smartphone.

Your secure access information is

**Control Number: 999999****SRN/HIN: I999999999****PIN: 99999**

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

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

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

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, South Australia on Thursday 28 November 2019 at 2:00 pm (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, 3 and 4** (except where I/we have indicated a different voting intention in step 2) even though **Items 1, 3 and 4** 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, 3 and 4** by marking the appropriate box in step 2.

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 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Andrew Shearer as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

3 Approval of issue of 50% Options to Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of issue of 75% Options to Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of 10% Placement Facility	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

ADN

0 2 2 8 7 8 A



Computershare

