



30 July 2019

Mr Alex Sutton
Adviser, Geology, Listings Compliance
Australian Securities Exchange Limited
PO Box H224, Australia Square
Sydney, NSW 1215

Response to ASX Query

Dear Alex,

We refer to your letter dated 29 July 2019 in relation Andromeda Metals Limited's (ADN, the Company) announcement titled "Additional offtake for dry-processed halloysite-kaolin product" lodged with ASX on 29 July 2019 and provide the following responses to each of your questions as follows:

- 1. Does ADN consider the information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes.

- 2. If the answer to question 1 is "no", please advise the basis for that review.**

Not applicable.

- 3. When did ADN first become aware of the information?**

A total of five non-binding offtake Letters of Intent (LOI) for dry-processed product were received by the Company over recent days which were in addition to the inaugural non-binding offtake LOI for 100,000tpa disclosed in our announcement dated 18 July 2019. Two of these five new LOI's were finalised on the afternoon of Friday 26 July 2019. The remaining three LOI's were received over the weekend on Saturday 27 July and Sunday 28 July. A draft announcement for these five new LOI's was completed over the weekend and approved by the Board for release at market open on 29 July 2019. The Company could possibly continue to receive more LOI's from potential customers as twenty companies in total were provided with samples to test during a recent visit to China.

- 4. If the answer to question 1 is "yes" and ADN first became aware of the information before the relevant date, did ADN make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ADN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ADN took to ensure that the information was released promptly and without delay.**

Two offtake LOI's were received and finalised on Friday 26 July after market close. A draft announcement was circulated to directors that evening and amended to include the three additional LOI's received over the weekend. Board authorisation for the final announcement was received on Monday 29 July prior to market open, with the release made at that time.

5. Please confirm that ADN is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is in compliance with the Listing Rules, including Listing Rule 3.1.

6. Please confirm that ADN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ADN with delegated authority from the board to respond to ASX on disclosure matters.

The Company's responses to the above questions have been authorised and approved by the Board.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nick Harding', with a stylized flourish at the end.

Nick Harding
Executive Director and Company Secretary



29 July 2019

Mr Nick Harding
Company Secretary
Andeomeda Metals Limited
69 King William Road
Unley, SA 5061

By email:

Dear Mr Harding

Andromeda Metals ('ADN'): Aware Query

ASX refers to the following:

- A. ADN's announcement entitled "Additional offtake for dry-processed halloysite-kaolin" lodged on the ASX Market Announcements Platform and released at 9:58 AM on 29 July 2019 (the 'Announcement'), disclosing new non-binding offtake Letters of Intent from potential customers in China ('Information').
- B. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."
- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

 - 3.1A.1 One or more of the following applies:*
 - *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*
 - *The information is a trade secret; and*
 - 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
 - 3.1A.3 A reasonable person would not expect the information to be disclosed."*
- E. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for Information

Having regard to the above, ASX asks ADN to respond separately to each of the following questions and requests for information:

1. Does ADN consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did ADN first become aware of the Information?
4. If the answer to question 1 is “yes” and ADN first became aware of the Information before the relevant date, did ADN make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ADN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ADN took to ensure that the information was released promptly and without delay.
5. Please confirm that ADN is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that ADN’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ADN with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than 09:00 AM **AEST Wednesday, 31 July 2019**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ADN’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require ADN to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to ADN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ADN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in ADN's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards



Alex Sutton
Compliance Adviser, Geology, Listings Compliance (Sydney)