



13 August 2019

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

## Response to ASX Price Query

Dear Alex,

We refer to your letter dated 12 August 2019 in relation Andromeda Metals Limited's (ADN, the Company) change in share price which has increased from a low of \$0.036 to a high of \$0.054 over the past few days and a corresponding significant increase in the volume of ADN securities traded from 5 August 20019 to 12 August 2019 and provide the following responses to each of your questions as follows:

- 1. *Is ADN aware of any information concerning it that has not been announced to the market, which, if known by some in the market, could explain the recent trading in its securities?***

The Company has been advised that Evolution Mining Limited (Evolution) has met its Stage 1 earn-in obligations in respect of the Drummond Joint Venture and is considering whether to elect to proceed to Stage 2. Evolution has yet to issue a formal notice electing to proceed to Stage 2. ADN will be making an announcement to the market upon receipt of a formal notice (or expiry of time for giving of notice).

- 2. *If the answer to question 1 is "yes".***

- a) *Is ADN relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in ADN's securities would suggest to ASX that such information may have ceased to be confidential and therefore ADN may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.***

Given the incomplete status of the matter, yes. However, ADN has no reason to believe the information has ceased to be confidential. As explained below, ADN has made other announcements recently which are more likely to explain the recent change in share price.

- b) *Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt.***

No.

- c) *If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?***

ADN has not received formal notice of election from Evolution. A formal notice is likely to be received in the near future at which time an announcement will be made to the market.

**3. *If the answer to question 1 is “no”, is there any other explanation that ADN may have for the recent trading in its securities?***

The Company is of the view that there has been an increase in market awareness of the potential opportunity presented by our Poochera Halloysite-Kaolin Project which has resulted in the increase in volumes traded in the Company’s securities and subsequent share price appreciation. ADN announced on 29 July 2019 that a number of non-binding offtake Letters of Intent have been received from potential customers for dry-processed halloysite-kaolin material, providing support for the demand for the product from the operation should it progress into production. Currently the Company is continuing to progress the Scoping Study in relation to the Poochera Halloysite-Kaolin Project which is scheduled for release prior to the end of next month.

On 5 August 2019 the Company announced that it had agreed terms for the outright sale of its Rover Copper-Gold Project in the Northern Territory. The proceeds to be received from this transaction will provide the Company with additional funds that will largely be put towards progressing the Poochera Halloysite-Kaolin Project through Feasibility Studies and into development, and hence this may be viewed by the market that a new equity raising at a discounted issue price is not imminent.

**4. *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.

**5. *Please confirm that ADN’s responses to the questions above have been authorised and approved under 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



12 August 2019

Mr Nicholas Harding  
Company Secretary  
Andromeda Metals Limited  
69 King William Road  
Unley SA 5061

By email:

Dear Mr Harding

### **Andromeda Metals Limited ('ADN'): Price Query**

We note the change in the price of ADN's securities from a low of \$0.036 to a high of \$0.054 in the last few days.

We also note the significant increase in the volume of ADN's securities traded from 5 August 2019 to 12 August 2019.

### **Request for Information**

In light of this, ASX asks ADN to respond separately to each of the following questions and requests for information:

1. Is ADN aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
  - (a) Is ADN relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in ADN's securities would suggest to ASX that such information may have ceased to be confidential and therefore ADN may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
  - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
  - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that ADN may have for the recent trading in its securities?
4. Please confirm that ADN is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that ADN's responses to the questions above have been authorised and approved under 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 **9:30 AM AEST Tuesday, 13 August 2019**. If we do not have your response by then, ASX will likely suspend trading in ADN's securities under Listing Rule 17.3. You should note that if the

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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.

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](mailto: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**

Listing Rule 3.1 requires a listed entity to give ASX immediately 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. Exceptions to this requirement are set out in Listing Rule 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.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in ADN's securities under Listing Rule 17.1. If you wish 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 may 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*.

### **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.

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Kind regards

*Alex Sutton*

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**Alex Sutton**

Compliance Adviser, Geology, Listings Compliance (Sydney)