

# ANDROMEDA METALS LIMITED

## ACN 061 503 375

# Prospectus

For the offer of:

- approximately 261 million New Shares at the Offer Price of \$0.012 per New Share and approximately 261 million attaching New Options to Eligible Shareholders with an exercise price of \$0.0175 under a 1 for 13 pro-rata non-renounceable entitlement offer to raise approximately \$3.1 million (**Entitlement Offer**); and
- approximately 283 million Placement Options with an exercise price of \$0.0175 to participants in the Placement on the basis of 1 Placement Option for every New Share issued under the Placement (subject to Shareholder approval); and
- 20 million Broker Options with an exercise price of \$0.0175 to the Joint Lead Managers or their nominees.

### IMPORTANT NOTICE

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. You should read this Prospectus in its entirety before deciding whether to take up Securities under the Offers.

This Prospectus is not for release to US wire services.

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# IMPORTANT INFORMATION

## General

This Prospectus relates to the Andromeda Metals Limited ACN 061 503 375 (**Andromeda** or **Company**) Entitlement Offer, Placement Option Offer and Broker Option Offer under which the Company will offer New Shares, New Options, Placement Options and Broker Options. This Prospectus is dated 27 August 2024 and a copy has been lodged with ASIC.

The expiry date of this Prospectus is 26 August 2025. No Securities will be issued on the basis of this Prospectus after the expiry date.

The Company has applied or will, within 7 days after the date of this Prospectus, apply for quotation of the New Shares, New Options, Placement Options and Broker Options on ASX. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus nor for the merits of the investment to which this Prospectus relates.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities and options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. Section 713 of the Corporations Act allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities or options to acquire continuously quoted securities. This Prospectus does not include all information that would be included in a prospectus for an initial public offering.

This Prospectus is important and requires your immediate attention. You should read the entire Prospectus carefully before deciding whether to invest in the Securities under the Offers. In particular you should consider the risk factors that could affect the performance of Andromeda or the value of an investment in Andromeda, some of which are outlined in Section 6. However, the information provided in this Prospectus is not investment advice or financial product advice and has been prepared without taking into account your individual investment objectives, financial situation, tax position or

particular needs. Before deciding whether to apply for Securities under the Offers, you should consider whether they are a suitable investment for you in light of your own investment objectives, financial situation, tax position and particular needs and having regard to the merits and risks involved. If, after reading this Prospectus, you have any questions about the Offers you should contact your stockbroker, solicitor, accountant and/or other professional financial adviser. The Company is not licensed to provide financial product advice in relation to Securities or any other financial products. No cooling off regime applies to the acquisition of Securities under this Prospectus.

The past performance of the price of the Company's Shares or other securities provides no guidance or indication as to how the price of the Securities will perform in the future.

The right to participate in the Offers is not transferable. Please carefully read and follow the instructions in this Prospectus and on the accompanying personalised Entitlement and Acceptance Form (if applicable) when subscribing for Securities.

## Prospectus availability

Eligible Shareholders, participants in the Placement and the Joint Lead Managers (or their nominees) will receive a letter or communication from the Company with details of how to access this Prospectus and accompanying personalised Entitlement and Acceptance Form (if applicable). Eligible Shareholders, participants in the Placement and the Joint Lead Managers (or their nominees) can obtain a copy of this Prospectus during the Offer Period (free of charge) from the Company's website at [www.andromet.com.au/investors/asx-releases/](http://www.andromet.com.au/investors/asx-releases/)

Any references to documents located on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website are incorporated by reference into this Prospectus.

## Target market determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target

market determination as set out on the Company's website at [www.andromet.com.au/investors/](http://www.andromet.com.au/investors/).

## **New Zealand**

The New Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of the New Securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The Company is issuing the New Options to Shareholders of the Company who will be issued New Shares.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013.

This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## **Other jurisdictions**

The Entitlement Offer does not constitute an offer to sell, or the solicitation of any offer to buy, any securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to register or qualify the Entitlement Offer, or otherwise permit an offering of the New Securities, in any jurisdiction other than Australia or New Zealand.

The distribution of this Prospectus (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Prospectus, you should observe any such restrictions, particularly restrictions on the distribution of the Prospectus to persons outside Australia and New Zealand. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liability to such persons.

By making a payment by BPAY® or EFT, you will be taken to have given the representations and warranties set out in Section 2.11 and represented and warranted that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

The Securities have not been, and will not be, registered under the US Securities Act, or the securities laws of any state or other jurisdiction in the United States. The New Securities may not be offered, sold or resold in the United States or to, or for the account or benefit of, a person in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The Entitlement Offer is not being extended to any Shareholder outside Australia and New Zealand other than to certain sophisticated, institutional or other limited numbers of Shareholders in jurisdictions where the Company is satisfied that it is lawful to make the Entitlement Offer and issue the New Securities under the Entitlement Offer. The Placement Option Offer is not being extended to any Shareholder except those in Australia, New Zealand, and certain jurisdictions where the Company is satisfied that it is lawful to make the Placement Option Offer who participated in the Placement. The Broker Option Offer is not being extended outside of Australia. For details of the restrictions that apply to the New Securities, the Placement Options and Broker Options in jurisdictions outside of Australia, please refer to Section 7.3.

## **Future performance and forward-looking statements**

The pro forma financial information provided in this Prospectus is for illustrative purposes only and does not represent a forecast or expectation by the Company as to its future financial condition and/or performance. In particular, certain pro forma financial information and certain other qualitative assessments by Andromeda in this Prospectus assume that proceeds of the Offers are received by the Company on the relevant settlement dates under the Offers.

This Prospectus contains forward-looking statements, including statements containing such words as “anticipate”, “estimates”, “should”, “will”, “expects”, “plans” or similar expressions. These forward-looking statements are, despite being based on Andromeda's current expectations about future events and on assumptions for which the Directors consider they have reasonable grounds, subject to known and unknown risks and uncertainties, many of which are outside the control of the Company and its Directors. These known and unknown risks and uncertainties could cause actual results, performance or achievements to differ materially from future results, performance or achievements

expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions include but are not limited to the risks outlined in Section 6. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements in this Prospectus. In addition, except as required by law, and then only to the extent required by law, neither the Company nor any other person warrants the future performance of the Company, the future performance of the New Securities, the correctness of the assumptions underlying the forecast financial information or any return on any investment made by you under this Prospectus.

The Company and its Directors, officers and employees disclaim any responsibility to update any risk factors or publicly announce the result of any revisions to the forward-looking statements contained in this Prospectus to reflect future developments or events, other than where required to do so by the Corporations Act or the ASX Listing Rules.

### **Electronic Prospectus**

The Prospectus is available to access at [www.computersharecas.com.au/adnoffer](http://www.computersharecas.com.au/adnoffer) and also on the Company's website at [www.andromet.com.au/investors/asx-releases/](http://www.andromet.com.au/investors/asx-releases/). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian or New Zealand resident or must have participated in the Placement and must only access the Prospectus from within Australia or other jurisdiction noted above. The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is included in or accompanied by a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus. The Company will not accept a completed Entitlement and Acceptance Form (if applicable) if it has reason to believe that the Applicant has not received a complete and unaltered copy of the Prospectus. Any person may obtain a hard copy of this Prospectus by contacting the Company prior to the Closing Date.

### **Risk factors**

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential

investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest. No person named in this Prospectus, nor any other person, guarantees the performance of the Company or its Securities, the repayment of capital by the Company or the payment of a return on the Shares.

### **Publicly available information**

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company or its Securities.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus and any such information may not be relied on as having been authorised by the Directors.

### **Enquiries**

Phone the Offer Information Line:  
1300 850 505 (within Australia)  
+61 3 9415 5000 (outside Australia)  
between 8.30am and 5.00pm (AEST) Monday to Friday during the Offer Period.

If you have questions about the Offers, please contact your solicitor, stockbroker, accountant and/or other professional financial adviser.

### **Interpretation**

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in Section 9.

All references in this Prospectus to **\$**, **AUD** or **dollars** are references to Australian currency, unless otherwise stated.

Unless otherwise stated, all references to time in this Prospectus relate to the time in Sydney, Australia.

## Chair's Letter

Dear valued shareholders,

On 21 August 2024, Andromeda Metals Limited (**Andromeda** or **Company**) announced a capital raising (**Capital Raising**) at \$0.012 per New Share (**Issue Price**) comprising:

- a Placement of approximately 283 million New Shares to sophisticated, professional and institutional investors at the Issue Price, with approximately 283 million free attaching New Options (subject to shareholder approval) to raise \$3.4 million before transaction costs (**Placement**); and
- a 1 for 13 Entitlement Offer, with a free attaching New Option for every New Share allocated, as set out in this Prospectus.

We were pleased by the support shown from the new investors in the Placement and we welcome them as new shareholders in the Company.

The Board of Andromeda recognises that many of Andromeda's loyal shareholders did not have the opportunity to participate in the Placement. The Board is therefore pleased to invite all Eligible Shareholders (as defined in this Prospectus) to participate in a 1 for 13 pro-rata non-renounceable entitlement offer of new Andromeda shares (**New Shares**) at the same Issue Price as the Placement of A\$0.012 per New Share with an attaching New Option for every New Share allocated (**Entitlement Offer**) to raise up to approximately A\$3.1 million before costs.

Directors of the Company that are entitled to participate have indicated intention to take-up their entitlements

Proceeds from the Placement and Entitlement Offer will be used to progress the Great White Project (**GWP**), whilst development funding is progressed, with works to include advanced plant design and engineering, product and market development, technical, financial and legal activities to support the funding process for project development (with funds also to be used for working capital). Further details on the use of funds is set out in this Prospectus.

### Overview of the Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are entitled to 1 New Share for every 13 Existing Shares held on the Record Date of 7:00pm (Sydney time) on Friday 30 August 2024 (**Entitlement**).

New Shares offered under the Entitlement Offer will be issued at a price of A\$0.012 per New Share (**Issue Price**), which represents a discount of:

- 25% discount to the last close price of A\$0.016; and
- 25.6% to the 5-day volume-weighted average price of A\$0.0161.

in each case ending on Thursday, 15 August 2024, being the last trading day prior to the announcement of the Capital Raising.

The Issue Price is the same price as the shares offered under the Placement. For each New Share allocated, Eligible Shareholders will receive a free attaching New Option. Each New Option is exercisable at A\$0.0175 for a fully paid ordinary share, expiring 30 September 2027. Application for quotation will be made to ASX for the New Options.

The Entitlement Offer is non-renounceable and your Entitlements under the Entitlement Offer may not be transferred.

### Top-Up Facility

If you take up your Entitlement in full, you may also apply for additional New Shares under the Top-Up Facility (**Additional New Shares**) (refer to Section 2.5 of this Prospectus for more information).

Additional New Shares will only be available to the extent that there are Entitlements that are not taken up by Eligible Shareholders. Allocations under the Top-Up Facility will be determined by Andromeda in its sole and absolute discretion, including by applying a scale-back mechanism and on the understanding that any allotment of Additional New Shares is not guaranteed. Further details of the scale-back mechanism are set out in section 2.5 of this Prospectus.

A maximum of approximately A\$3.1 million is able to be raised under the Entitlement Offer (before costs).

Should there be any shortfall of New Shares under the Entitlement Offer and Top-Up Facility, the Directors reserve the right to place the shortfall of New Shares available at their discretion within a period of up to three months following the Closing Date, at a price no less than that offered under the Entitlement Offer.

**The Closing Date for the receipt of your Application Monies for the Entitlement Offer is 5.00pm (AEST time) on Monday, 23 September 2024, unless otherwise extended.**

### **How to accept your Entitlement Offer**

Accompanying this Prospectus is your personalised Entitlement and Acceptance Form, which contains details on your Entitlement and how to accept.

To participate and accept the offer, please ensure you complete your application by paying Application Monies through BPAY® according to the instructions set out on the Entitlement and Acceptance Form. Cash and cheques will not be accepted.

For Eligible Shareholders with a registered address outside Australia and without an Australian bank account, payment can be made by EFT according to the instructions accompanying the Entitlement and Acceptance Form and Section 2.8 of this Prospectus. You can contact the information line on 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) between 8.30am and 5.00pm (AEST) for alternate electronic payment instructions.

This Prospectus contains important information regarding the Entitlement Offer. The Board recommends that you read this Prospectus carefully in conjunction with the Company's other periodic and continuous disclosure announcements available on our website ([www.andromet.com.au](http://www.andromet.com.au)), before you decide whether to participate in the Entitlement Offer. There are a number of risks factors that should be considered in relation to making your decision on whether to participate in the Entitlement Offer and further details of some of the key risks are set out in the Company's Investor Presentation dated and released to ASX on 21 August 2024 and Section 6 of this Prospectus.

### **Further Information**

If you have any questions in relation to the Entitlement Offer, please call the Share Registry Computershare Investor Services Pty Limited on **1300 850 505** (within Australia) or **+61 3 9415 5000** (outside of Australia) between 8.30am and 5.00pm (AEST) Monday to Friday during the Offer Period.

The Board takes the opportunity to thank all Shareholders and new Investors in the Company and we look forward to your consideration of this Entitlement Offer and your continued support.

Yours faithfully



Mick Wilkes  
Chairman



## Key Dates

Event	Date* (Sydney, Australia Time)
Announcement of Placement and Entitlement Offer	Wednesday 21 August 2024
Issue of new Shares under the Placement	Monday 26 August 2024
Prospectus lodged with ASIC	Tuesday 27 August 2024
Record Date for the Entitlement Offer	7.00pm on Friday 30 August 2024
Prospectus made available and Entitlement Offer opens	9.00am on Wednesday 4 September 2024
Notice of EGM dispatched to Shareholders	On or about 6 September 2024
Entitlement Offer closes	5.00pm on Monday 23 September 2024
Announcement of results of the Entitlement Offer	Monday 30 September 2024
Allotment of New Shares and Options (other than Placement Options and Broker Options)	Monday 30 September 2024
Commencement of trading of New Securities on ASX	1 October 2024
Extraordinary General Meeting of the Company held	10 October 2024
Placement Options issued (subject to results of EGM)	as soon as practicable after EGM
Broker Options issued	as soon as practicable after EGM

\* The timetable is indicative only and subject to change. The Company retains the discretion, subject to the ASX Listing Rules and the Corporations Act, to alter any or all of these key dates at its discretion (generally or in particular cases), without prior notice, including extending the Closing Date or to withdraw the Offers without prior notice. Applicants are encouraged to submit their Entitlement and Acceptance Forms (if applicable) as soon as possible.



# 1. INVESTMENT OVERVIEW

The information is a selective overview of the Entitlement Offer, Placement Option Offer and Broker Options Offer only. Participants should read the Prospectus in full before deciding to invest in Securities.

## Entitlement Offer

Topic	Summary	Where to find more information
<b>What is the Entitlement Offer?</b>	<p>The Entitlement Offer provides Eligible Shareholders with the opportunity to subscribe for 1 New Share for every 13 Existing Shares held on the Record Date and one New Option for every New Share issued, free of brokerage or other transaction costs.</p> <p>The Entitlement Offer is non-renounceable. This means that Eligible Shareholders who do not take up their Entitlements by 5.00pm (AEST) on the Closing Date, will not receive any payment or value for those Entitlements, and their proportionate equity interest in the Company will be diluted.</p> <p>The Company reserves the right to modify or terminate the Entitlement Offer at any time including closing the Entitlement Offer early (see Section 2.3). The Company will notify the ASX of any modification to, or termination of, the Entitlement Offer.</p>	Sections 2.1, 2.3, 2.5 and 2.18
<b>What is the Offer Price?</b>	<p>The Offer Price is \$0.012 per New Share, being the issue price per Share paid by participants under the Placement.</p> <p>Each New Share will have a free attaching New Option.</p>	Section 2.1 and 2.2
<b>Am I eligible to participate in the Entitlement Offer?</b>	<p>Only Eligible Shareholders are entitled to participate in the Entitlement Offer. An Eligible Shareholder is a person:</p> <ul style="list-style-type: none"> <li>▪ who was a registered holder of Shares as at 7.00pm (AEST) on Friday 30 August 2024 (being the record date for the Entitlement Offer);</li> <li>▪ whose registered address was in Australia or New Zealand (or for certain sophisticated, institutional or other limited numbers of Shareholders, with a registered address in jurisdictions where the Company is satisfied that it is lawful to make the Entitlement Offer and issue the New Securities under the Entitlement Offer);</li> <li>▪ who does not hold Shares on behalf of another person who resides outside Australia or New Zealand (unless they hold Shares in an eligible capacity).</li> </ul> <p>Custodians holding Shares on behalf of one or more beneficial holders should refer to Section 2.12.</p>	Section 2.4
<b>Is the Entitlement Offer conditional?</b>	<p>The issue of New Securities under the Entitlement Offer is not conditional on Shareholder approval and will not count towards</p>	Section 2.1

Topic	Summary	Where to find more information
	the Company's placement capacity in ASX Listing Rule 7.1 as it falls under an exemption in ASX Listing Rule 7.2.	
<b>Is the Entitlement Offer underwritten?</b>	The issue of New Shares and New Options under the Entitlement Offer is not underwritten.	N/A
<b>Do I have to participate in the Entitlement Offer?</b>	No. Participation in the Entitlement Offer is optional.	Section 2.4
<b>Can I transfer my Entitlement to participate in the Entitlement Offer?</b>	No. You cannot transfer your right to acquire New Securities and receive the New Options under the Entitlement Offer to anyone else.	Sections 2.5 and 2.9
<b>How many New Shares will I receive if I participate in the Entitlement Offer?</b>	Under the Entitlement Offer, Eligible Shareholders may subscribe for 1 New Share for every 13 Existing Shares held on the Record Date.	Section 2.1
<b>How many New Options will I receive if I participate in the Entitlement Offer?</b>	You will receive 1 New Option for every New Share issued to you under the Entitlement Offer.	Section 2.1
<b>What are the terms of the New Options?</b>	Each New Option is exercisable at a price of \$0.0175 until the expiry date of 5.00pm (AEST) on 30 September 2027.  The full terms of the New Options are set out in Section 7.6.	Section 7.6
<b>What is the purpose of the funds raised under the Entitlement Offer?</b>	The Entitlement Offer is being undertaken to raise capital of up to approximately \$3.1 million. The Offers will be used to progress the Great White Project, including advanced plant design and engineering, product and market development, technical, financial and legal activities to support the funding process for project development, capital raise fees and working capital. The effect of the Entitlement Offer on the Company is set out in Section 5.	Section 5
<b>Do I have to pay brokerage on the New Shares and New Options?</b>	No brokerage, commission or other participation costs are payable by you in respect of the acquisition of New Shares and New Options under the Entitlement Offer.	Section 2.17
<b>What are the risks of subscribing for New Shares and New Options under this Prospectus ?</b>	New Shares and New Options offered under this Prospectus should be considered speculative and an investment in the Company is subject to a range of risks, including (but not limited to): <ul style="list-style-type: none"> <li>▪ future funding requirement;</li> </ul>	Section 6

Topic	Summary	Where to find more information
	<ul style="list-style-type: none"> <li>▪ dilution of existing shareholders;</li> <li>▪ mine development and operational risks;</li> <li>▪ approvals, permits and licences;</li> <li>▪ water supply;</li> <li>▪ product specification and development;</li> <li>▪ counterparty risk;</li> <li>▪ Aboriginal heritage, native title and land access;</li> <li>▪ executive management and key personnel risks;</li> <li>▪ market conditions and economic risks;</li> <li>▪ regulatory and government risks;</li> <li>▪ changes in political environment and international conflicts;</li> <li>▪ import restrictions or tariffs;</li> <li>▪ unforeseen expenditure;</li> <li>▪ tenement risks;</li> <li>▪ mineral resources and reserves;</li> <li>▪ exploration risk;</li> <li>▪ operations risk; and</li> <li>▪ litigation risks.</li> </ul> <p>Further details on the risks associated with an investment in the Company are set out in Section 6.</p>	
<b>What do I do if I receive more than one Entitlement and Acceptance Form?</b>	<p>Eligible Shareholders who receive more than one Entitlement and Acceptance Form under the Entitlement Offer or who are able to participate in the Entitlement Offer as an underlying beneficial owner of a custodian (e.g. where an Eligible Shareholder holds Shares in more than one capacity) may apply on different Entitlement and Acceptance Forms for New Shares and New Options.</p>	<p>Sections 2.5 and 2.12</p>
<b>How do I participate in the Entitlement Offer?</b>	<p>If you are an Eligible Shareholder and wish to take up New Shares and New Options under the Entitlement Offer, you need to pay by BPAY® or EFT (for Eligible Shareholders with a registered address outside Australia and without an Australian bank account only) so that your payment is received by the Company before 5.00pm (AEST) on the Closing Date.</p> <p>If you are paying by BPAY® or EFT you do not need to submit the accompanying personalised Entitlement and Acceptance Form. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® or EFT are received by the Closing Date. Applicants should be aware that their own financial institution may implement earlier cut-off times with regards to electronic payment, and should therefore take that</p>	<p>Section 2.5</p>

Topic	Summary	Where to find more information
	into consideration when making payment. New Zealand Shareholders will not be able to make a payment using BPAY® and must pay via EFT or contact the Share Registry to discuss other payment options.	
<b>When will I receive my New Shares and New Options?</b>	New Shares and New Options are expected to be issued on 30 September 2024.	Section 2.14
<b>When can I trade my New Shares and New Options?</b>	It is expected that New Shares and New Options issued under this Prospectus will commence trading on ASX on 1 October 2024. You should confirm your security holding before trading any New Shares or New Options you believe you have acquired under this Prospectus.	Section 2.14
<b>What are the rights and liabilities attaching to the New Shares issued under the Entitlement Offer?</b>	New Shares issued under the Entitlement Offer will rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New Shares are set out in Section 7.5.	Section 7.5
<b>What are the rights and liabilities attaching to the New Options issued under this Prospectus?</b>	The rights and liabilities attaching to the New Options are set out in Section 7.6.	Section 7.6
<b>How can Eligible Shareholders obtain further information?</b>	<p>If you would like further information you can:</p> <p>phone the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) between 8.30am and 5.00pm (AEST) Monday to Friday during the Offer Period;</p> <ul style="list-style-type: none"> <li>▪ contact your stockbroker, accountant, solicitor and/or other professional adviser; and/or</li> <li>▪ visit the Company's website at <a href="https://www.andromet.com.au/">https://www.andromet.com.au/</a></li> </ul>	N/A

## Placement Option Offer

Topic	Summary	Where to find more information
<b>What is the Placement Option Offer?</b>	Participants in the Placement will receive 1 Placement Option for every New Share issued to that participant under the Placement, free of brokerage or other transaction costs. The issue of the Placement Options is subject to the approval of Shareholders at a general meeting of the Company to be held on 10 October 2024 (EGM).	Sections 3.1 and 3.2

Topic	Summary	Where to find more information
<b>Am I eligible to participate in the Placement Option Offer?</b>	Only participants in the Placement are entitled to participate in the Placement Option Offer.	Section 3.4
<b>Is the Placement Option Offer underwritten?</b>	The Placement Option Offer is not underwritten.	Section 3.7
<b>Can I transfer my entitlement to participate in the Placement Option Offer?</b>	No. You cannot transfer your right to acquire Placement Options under the Placement Option Offer to anyone else.	Section 3.1
<b>How many Placement Options will I receive if I participate in the Placement Option Offer?</b>	Participants in the Placement will receive 1 Placement Option for every New Share received under the Placement. The issue of the Placement Options is subject to the approval of Shareholders at the EGM	Sections 3.1 and 3.4
<b>What are the terms of the Placement Options?</b>	Each Placement Option is exercisable at a price of \$0.0175 until the expiry date at 5.00pm (AEST) on 30 September 2027.  The full terms of the Placement Options are set out in Section 7.6.	Sections 3.1, 3.2 and 7.6
<b>How do I participate in the Placement Options Offer?</b>	If you participated in the Placement, no action is required from you to take up the Placement Options under the Placement Option Offer. Subject to the approval of Shareholders at the EGM, the Placement Options will be issued to you on or around 11 October 2024.	Section 3.5
<b>When will I receive my Placement Options?</b>	Subject to the approval of Shareholders at the EGM, Placement Options are expected to be issued to successful participants in the Placement Option Offer on or around 11 October 2024.	Section 7.6
<b>What are the rights and liabilities attaching to the Placement Options?</b>	The rights and liabilities attaching to the Placement Options are set out in Section 7.6.	Section 7.6
<b>How can participants in the Placement Options Offer obtain further information?</b>	If you would like further information you can: <ul style="list-style-type: none"> <li>▪ phone the Share Registry Computershare Investor Services Pty Limited on <b>1300 850 505</b> (within Australia) or <b>+61 3 9415 5000</b> (outside of Australia).between 8.30am and 5.00pm (AEST) Monday to Friday during the Offer Period;</li> <li>▪ contact your stockbroker, accountant, solicitor and/or other professional adviser; and/or</li> <li>▪ visit the Company's website at <a href="https://www.andromet.com.au/">https://www.andromet.com.au/</a></li> </ul>	N/A

## Broker Option Offer

Topic	Summary	Where to find more information
<b>What is the Broker Option Offer?</b>	As part of the fees payable to the Joint Lead Managers they are entitled to the issue of 20 million Broker Options	Sections 3.1 and 3.2
<b>Am I eligible to participate in the Broker Option Offer?</b>	Only the Joint Lead Managers or their nominees are entitled to participate in the Broker Option Offer.	Section 3.4
<b>Is the Broker Option Offer underwritten?</b>	The Broker Option Offer is not underwritten.	Section 3.7
<b>Can I transfer my entitlement to participate in the Broker Option Offer?</b>	The Joint Lead Managers may nominate other parties to take up the entitlement to participate in the Broker Option Offer	Section 3.1
<b>What are the terms of the Broker Options?</b>	Each Broker Option is exercisable at a price of \$0.0175 until the expiry date at 5.00pm (AEST) on 30 September 2027.  The full terms of the Broker Options are set out in Section 7.6.	Sections 3.1, 3.2 and 7.6
<b>How do I participate in the Broker Options Offer?</b>	Joint Lead Managers will be responsible for determining the allocations of the Broker Options amongst them or to their nominees.	Section 3.5
<b>When will I receive my Broker Options?</b>	Broker Options are expected to be issued on or around 11 October 2024.	Section 7.6
<b>What are the rights and liabilities attaching to the Broker Options?</b>	The rights and liabilities attaching to the Broker Options are set out in Section 7.6.	Section 7.6
<b>How can participants in the Broker Options Offer obtain further information?</b>	If you would like further information you can: <ul style="list-style-type: none"> <li>▪ phone the Share Registry Computershare Investor Services Pty Limited on <b>1300 850 505</b> (within Australia) or <b>+61 3 9415 5000</b> (outside of Australia).between 8.30am and 5.00pm (AEST) Monday to Friday during the Offer Period;</li> <li>▪ contact your stockbroker, accountant, solicitor and/or other professional adviser; and/or</li> <li>▪ visit the Company's website at <a href="https://www.andromet.com.au/">https://www.andromet.com.au/</a></li> </ul>	N/A

## **2. DETAILS OF THE ENTITLEMENT OFFER**

### **2.1 The Entitlement Offer**

Under this Prospectus, the Company invites each Eligible Shareholder to subscribe for 1 New Share for every 13 Existing Shares held on the Record Date and 1 New Option for every New Share issued, free of brokerage or other transaction costs. The Entitlement Offer is non-renounceable. This means that Eligible Shareholders who do not take up their Entitlements by 5.00pm (AEST) on 23 September 2024, will not receive any payment or value for those Entitlements, and their proportionate equity interest in the Company will be diluted.

Under the Entitlement Offer, the Company is seeking to raise approximately \$3.1 million through the issue of approximately 261 million New Shares and approximately 261 million attaching New Options to Eligible Shareholders.

Any fractional entitlements will be rounded down to the nearest whole number of New Shares or New Options (as applicable).

All New Shares offered under this Prospectus will rank equally with the Existing Shares on issue as at their date of issue. The material rights and liabilities attaching to the New Shares and New Options are set out in Section 7.5 and Section 7.6.

Application has been made for quotation of both the New Shares and New Options on ASX.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 5.

### **2.2 Offer Price**

Eligible Shareholders are being offered the opportunity to acquire New Shares and New Options at the same price as investors under the Placement.

The Offer Price represents a discount of:

- 25% to the closing Share price (as quoted on ASX) of \$0.016 on 15 August 2024 (being the last day on which a trade in Shares occurred prior to the Company's entry into a trading halt); and
- 25.6% to the 5 day VWAP of Shares up to and including 15 August 2024.

### **2.3 Offer Period**

The Entitlement Offer opens on 4 September 2024 and is scheduled to close at 5.00pm (AEST) on 23 September 2024.

Subject to the Corporations Act and ASX Listing Rules and other applicable laws and regulations, the Company reserves the right to:

- extend the Entitlement Offer;
- close the Entitlement Offer early; or
- withdraw the Entitlement Offer,

at any time. The Company will announce to ASX any such extension, early closure or withdrawal. Eligible Shareholders who wish to apply for New Shares and New Options under the Entitlement Offer are encouraged to make their Application as soon as possible.



## 2.4 Participation in the Entitlement Offer

Participation in the Entitlement Offer is optional, subject to the eligibility criteria set out below and the terms and conditions of this Prospectus.

The Entitlement Offer is only open to Eligible Shareholders. An eligible shareholder is a person who:

- was registered as the holder of Shares as at 7.00pm (AEST) on the Record Date;
- has a registered address in Australia or New Zealand or for certain sophisticated, institutional or other limited numbers of Shareholders, has a registered address in jurisdictions where the Company is satisfied that it is lawful to make the Entitlement Offer and issue the New Shares and New Options under the Entitlement Offer;
- does not hold Shares on behalf of another person who resides outside Australia or New Zealand,

**(Eligible Shareholder).**

Shareholders who are not Eligible Shareholders are '**Ineligible Shareholders**'. The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder.

The Company has determined that it is either unlawful or impracticable for holders of Shares with registered addresses in jurisdictions outside Australia (and its external territories) or New Zealand to participate in the Entitlement Offer.

The Company reserves the right to reject any Application for New Shares and New Options under this Prospectus to the extent it considers that the Application (whether alone or in conjunction with other Applications) does not comply with these requirements.

If you are in any doubt about the Entitlement Offer, whether you should participate in the Entitlement Offer or how such participation will affect you, you should seek independent financial and taxation advice before making a decision as to whether or not to take up any New Shares and New Options under the Entitlement Offer.

## 2.5 Top-Up Facility

Eligible Shareholders who take up their Entitlements in full may also apply for Additional New Shares in excess of their Entitlement at the Issue Price in a 'top-up' facility (**Top-Up Facility**). Please note that New Shares in excess of Entitlements will only be allocated to Eligible Shareholders if there are sufficient New Shares available and to the extent that Andromeda determines in its absolute discretion based on the Allocation Policy outlined below.

Any New Shares in excess of Entitlements will be limited by the Allocation Policy and also to the extent that there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlements.

### **Allocation Policy**

Eligible Shareholders should be aware that:

- (a) no Eligible Shareholder may receive any New Shares which would result in the relevant Shareholder having voting power in Andromeda in excess of 20% of the total issued share capital of Andromeda;
- (b) there is no guarantee that any application in the Top-Up Facility will be successful in receiving the amount of Additional New Shares applied for and Andromeda reserves the

- right to satisfy applications in the Top-Up Facility at its sole and complete discretion, including by applying any scale back mechanism;
- (c) in applying its sole and complete discretion, Andromeda will have regard to all relevant circumstances, including (but not limited to) the current shareholding (as at the Record Date) of any Eligible Shareholders to ensure that any issue of Additional New Shares is done in a manner proportionate (as determined by Andromeda) to the current shareholding of any Eligible Shareholder (as at the Record Date);
  - (d) the Top-Up Facility has the same closing date as the Entitlement Offer (being Friday 23 September 2024);
  - (e) the issue price of Additional New Shares under the Top-Up Facility is the same as the Issue Price, being \$0.012 per Additional New Share;
  - (f) New Options will be issued with the Additional New Shares on the same basis as the Entitlement Offer (i.e. 1 New Option for every New Share issued);
  - (g) Andromeda will not issue Additional New Shares under the Top-Up Facility where to do so would result in a breach of its constitution, the Corporations Act or the ASX Listing Rules; and
  - (h) in the event of a scale-back, the difference between the Application Monies received, and the number of Additional New Shares allocated to you multiplied by the Issue Price will be refunded following allotment. No interest will be paid on any Application Monies received and returned.

## 2.6 Shortfall

Whilst the Company believes that the Entitlement Offer will be well received, there may be a number of New Shares and New Options for which valid applications are not received (including applications under the Top Up Facility) before the Entitlement Offer closes (**Shortfall Securities**).

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to issue all or any of the Shortfall Securities at their discretion to sophisticated and professional investors at their absolute discretion.

Any Shortfall Securities must be issued no later than three (3) months after the Closing Date of the Entitlement Offer. All Shortfall Securities will be issued at a price not less than the Issue Price (for a New Share and free attaching New Option).

Investors who are not Eligible Shareholders may apply for Shortfall Securities by submitting an Application Form to the Joint Lead Managers. Queries regarding the Shortfall Securities or requests for an Application Form should be directed to the Joint Lead Managers:

### PAC Partners:

Email: [dgadalla@pacpartners.com.au](mailto:dgadalla@pacpartners.com.au)  
Ph: +61 402 244 106

### Henslow

Email: [info@henslow.com](mailto:info@henslow.com)  
Ph: +61 3 8622 3333

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## 2.7 Applications

Under the Entitlement Offer, Eligible Shareholders may subscribe for 1 New Share for every 13 Existing Shares held on the Record Date and 1 New Option for every New Share issued.

If you are an Eligible Shareholder you may:

- take up all of your Entitlement;
- take up part of your Entitlement and allow the balance to lapse; or

- decline to exercise your Entitlement, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are an Eligible Shareholder and wish to take up all or part of your Entitlement, you should:

- read this Prospectus and the accompanying personalised Acceptance Form in full;
- consider the risks associated with the Entitlement Offer, as summarised in Section 6 of this Prospectus, in light of your personal circumstances;
- decide whether to participate in the Entitlement Offer; and
- make payment and apply for New Shares in accordance with Section 2.8.

Any fractional entitlements will be rounded down to the nearest whole number of New Shares or New Options (as applicable).

Any Application Monies received for more than an Applicant's final allocation of New Shares (and only where the amount is \$5.00 or greater) will be refunded, without interest.

You cannot withdraw or revoke your Application once you have paid via BPAY® or EFT.

If an Eligible Shareholder holds Shares as a custodian, the Entitlement Offer is also being made to the custodian and, subject to certain conditions, the custodian has the discretion to extend the Offer to the relevant Beneficiaries. Please refer to Section 2.12 for further details.

## 2.8 Payment of Application Monies

### BPAY®

Make payment through BPAY® in accordance with the payment instructions on the Entitlement and Acceptance Form, available on the Andromeda Entitlement Offer website at:

**[www.computersharecas.com.au/adnooffer](http://www.computersharecas.com.au/adnooffer)**

You do not need to return the Entitlement and Acceptance Form.

### **EFT - for Eligible Shareholders with a registered address outside Australia and without an Australian bank account only**

Make payment via EFT in accordance with the instructions accompanying the Entitlement and Acceptance Form.

You do not need to return the Entitlement and Acceptance Form.

Your BPAY® or EFT acceptance, once received by the Share Registry, cannot be withdrawn.

Eligible Shareholders should be aware of the time required to process payments by BPAY® or EFT in choosing the appropriate application and payment method. **It is your responsibility to ensure that your BPAY® payment or payment by EFT is received by the Share Registry by no later than 5.00pm (AEDT) on the Closing Date.** Any late payment of Application Monies may not be accepted and monies will be refunded to the Eligible Shareholder without interest.

Cash and cheques will not be accepted. Receipts for payment will not be issued. If you provide insufficient funds to meet the Application Monies due to take up all or part of your Entitlement, you may be taken by the Company to have applied for such lower number of New Shares as your

cleared Application Monies will pay, or your Application may be rejected and monies refunded to the Eligible Shareholder without interest.

If you pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to the Allocation Policy and any scale-back determined by the Company in its sole and absolute discretion).

**If you have difficulties making payment via BPAY® or EFT please contact the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) between 8.30am and 5.00pm (AEST).**

## **2.9 Declining all or part of your Entitlement**

If you decide not to take up all or part of your Entitlement, the Entitlement which is not taken up will form part of the shortfall and may be applied for by other Eligible Shareholders under the Top Up Facility, or placed as Shortfall Securities. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on the ASX nor any other financial markets, nor can it be privately transferred.

If you decide not to participate in the Entitlement Offer, you do not need to fill out or return the accompanying personalised Entitlement and Acceptance Form. By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares or New Options had you taken up your Entitlement and you will not receive any value for your Entitlement. Your proportionate interest in Andromeda will also be diluted by the extent that New Shares are issued under the Entitlement Offer.

## **2.10 Ineligible Shareholders**

If you are an Ineligible Shareholder, you may not take up any of, or do anything in relation to, your Entitlement under the Entitlement Offer.

## **2.11 Effect of making an Application**

If you apply for New Shares and New Options under the Entitlement Offer or make a payment by BPAY® or EFT, you:

- will be deemed to have represented and warranted (for the benefit of the Company, the Lead Manager and their respective related bodies corporate) that you are an Eligible Shareholder, that you have read and understood the terms and conditions of participating in the Entitlement Offer as set out in this Prospectus and the accompanying personalised Entitlement and Acceptance Form, that you subscribe for New Shares and New Options in accordance with those terms and conditions and that you agree to be bound by the Constitution as in force from time to time;
- declare that all details and statements in the accompanying personalised Entitlement and Acceptance Form (if applicable) are true, complete and not misleading;
- acknowledge that you have not been provided with investment advice or financial product advice by the Company or its Directors and have made your own enquiries before making an investment decision;
- agree that your Application is made on the terms and conditions of the Entitlement Offer set out in this Prospectus, the accompanying personalised Entitlement and Acceptance Form and the Constitution;
- accept that you will not be able to withdraw or revoke your Application or BPAY® or EFT payment once you have sent it in (or paid it, as the case may be);
- acknowledge that the Company may at any time determine that your Application is valid, in accordance with the terms and conditions set out in this Prospectus, even if the Application is incomplete, contains errors or is otherwise defective;

- accept the risk associated with any refund that may be sent to you by direct credit or cheque to your address shown on the Company's register of members;
- acknowledge that the Company is not liable for any exercise of its discretions referred to in this Prospectus;
- declare you are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act and laws and regulations designed to restrict terrorism financing and/or money laundering);
- acknowledge that the market price of the Shares may rise or fall between the date on which the Entitlement Offer opens and the date of issue of the Securities to you under the Offers and that the price you pay per New Share under the Offers may exceed the market price of the Shares at the time the Shares are issued to you under the Offers;
- acknowledge that the New Shares and New Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States and accordingly, the New Shares and New Options may not be offered or sold except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable US state securities laws;
- acknowledge that you have not and will not send this Prospectus or any other document relating to the Entitlement Offer to any person in the United States or elsewhere outside Australia or New Zealand;
- authorise the Company to register you as the holder(s) of New Shares and New Options allotted to you;
- if you are a natural person, you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the accompanying personalised Entitlement and Acceptance Form;
- acknowledge that after the Company receives your payment of Application Monies through BPAY® or EFT, you may not withdraw your Application or funds provided except as allowed by law;
- authorise the Company, the Lead Manager, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares and New Options to be issued to you, including to act on instructions of the Share Registry on using the contact details set out in your Entitlement and Acceptance Form;
- acknowledge that none of the Company, the Lead Manager nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide, if applicable) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Existing Shares on the Record Date; and
- acknowledge and agree that determination of eligibility of investors for the purposes of the Entitlement Offer was made by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and/or the Lead Manager, and each of the Company and the Lead Manager and their respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law.

- If you or a person on whose account you are acting, are a sophisticated, professional, institutional or other Shareholder or potential Investor in a jurisdiction outside of Australia or New Zealand and the Entitlement Offer is extended to you, you further warrant, represent and agree that:
  - you understand that the New Securities have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and the New Securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
  - it is lawful for the Company to offer the New Securities to you and for you to accept the offers without the Company being required to take any further action in the relevant jurisdiction concerned;
  - you are responsible for ensuring that your applying for New Securities and your receipt of those New Securities does not breach any laws or regulations in the relevant jurisdiction; and
  - that there has been no breach of any such laws and regulations and all necessary approvals and consents have been obtained by you to the extension of the Entitlement Offer to you, your acceptance of the Entitlement Offer.

## **2.12 Custodians, trustees and nominees**

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter from the Company. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Entitlement Offer is not available to beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Shareholder.

By submitting an Application on behalf of a Beneficiary, you certify that you are the custodian for the Beneficiary and the information contained in the Entitlement and Acceptance Form is true and correct as at the date of the Application.

Nominees and custodians holding Shares on behalf of residents outside Australia and New Zealand may not send this Prospectus to persons, or apply for New Shares and New Options on behalf of beneficial shareholders, resident outside Australia and New Zealand. Such nominees and custodians in dealing with its Beneficiary, will need to determine that indirect participation by the beneficiary in the Entitlement Offer does not breach any laws or regulations in the relevant jurisdiction. Payment by BPAY® or such other means will be taken to constitute a representation and warranty that there has been no breach of this restriction or applicable laws.

## **2.13 ASX listing**

Application for official quotation of the New Shares and New Options offered under this Prospectus has been made prior to, or will be made within seven days of, the date of this Prospectus.

If the New Shares or New Options are not admitted to official quotation by ASX before the expiration of three months after the date of this Prospectus, or such period as varied by ASIC, the Company will not issue any New Shares or New Options and will repay all Application Monies for the New Shares and New Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the New Shares or New Options is not to be taken in any way as an indication of the merits of the Company or the New Shares or New Options now offered for subscription.

## **2.14 Issue of New Shares and New Options**

The issue of New Shares and New Options under the Entitlement Offer will take place as soon as practicable after the Closing Date of the Entitlement Offer. The Company expects that the New Shares and New Options will be issued on 30 September 2024. It is expected that New Shares and New Options issued under the Entitlement Offer will commence trading on a normal settlement basis on ASX on 1 October 2024. These dates are subject to change at the absolute discretion of the Company.

Pending the issue of the New Shares and New Options or payment of refunds under this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

## **2.15 Defects in Applications**

If an Application is not completed correctly or if the accompanying payment is for the wrong amount, the Company may, in its absolute discretion, still treat the Application to be valid. The Company's decision to treat an Application as valid, or how to construe, amend or complete it, will be final.

## **2.16 Refunds**

Any Application Monies received for more than your final allocation of New Shares and any Additional New Shares will be refunded as soon as practicable after the Closing Date (except where the amount is less than A\$5.00). No interest will be paid to Applicants on any Application Monies received or refunded.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your registered name and address as recorded on the share register, or by direct credit to the nominated bank account as noted on the share register as at the Closing Date. If you wish to advise or change your banking instructions with the Share Registry you may do so by contacting the Share Registry at 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) at any time between 8:30am and 5:00pm (AEST) Monday to Friday.

Refunds under the Entitlement Offer may be paid under various circumstances. If a refund is made, payment will be by cheque mailed to your address as shown on the Company's share register or by deposit into your previously nominated bank account. You will not receive any interest on funds refunded to you.

## **2.17 Costs of participation**

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the Application for, and allotment of, New Shares or New Options under the Entitlement Offer.

## **2.18 Modification and termination of the Entitlement Offer**

The Company may modify or terminate the Entitlement Offer at any time including closing the Entitlement Offer early. The Company will notify the ASX of any modification to, or termination of, the Entitlement Offer. The omission to give notice of any modification to, or termination of, the Entitlement Offer or the failure of ASX to receive such notice will not invalidate the modification or termination.

The Company may settle in any manner it thinks fit any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Entitlement Offer, whether generally or in relation to any participant or application, and the decision of the Company will be conclusive and binding on all participants and other persons to whom the determination relates.

The Company reserves the right to waive strict compliance with any provision of the terms and conditions of this Prospectus. The powers of the Company under this Prospectus may be exercised by the Directors or any delegate of the Directors.

## **2.19 Rights and liabilities attaching to New Shares**

The New Shares to be issued under the Entitlement Offer are of the same class and will rank equally in all respects with the Existing Shares on issue. The rights and liabilities attaching to New Shares are further described in Section 7.5.



## **2.20 Rights and liabilities attaching to New Options**

Shares issued on exercise of the New Options will rank equally in all respects with the Existing Shares on issue at that time. The rights and liabilities attaching to New Options are further described in Section 7.6.

## **2.21 CHESS and issuer sponsorship**

The Company operates an electronic CHESS sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of Securities.

The Company will not issue a share certificate to a security holder. Rather, a holding statement (similar to a bank statement) will be dispatched to security holders. The holding statement will be sent either by CHESS (if the security holder elects to hold the New Shares and New Options on the CHESS sub-register) or by the Company's Share Registry (if the security holder elects to hold the New Shares and New Options on the issuer sponsored sub-register). The statement will set out details of the New Shares and New Options issued under this Prospectus and the Holder Identification Number (if the security holder elects to hold the New Shares and New Options on the CHESS sub register) or Shareholder Reference Number (if the security holder elects to hold the New Shares and New Options on the issuer sponsored sub-register). Updated holding statements will be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the ASX Listing Rules and the Corporations Act.

## **2.22 Taxation**

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Entitlement Offer, by consulting their own professional tax advisors. The Company and the Directors do not accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

## **2.23 Enquiries**

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay.

### **3. DETAILS OF THE PLACEMENT OPTION OFFER**

#### **3.1 The Placement Option Offer**

Under this Prospectus, participants in the Placement will be issued 1 Placement Option for every New Share to be issued to them under the Placement on the same terms as the New Options. The issue of the Placement Options is subject to the approval of Shareholders at the EGM.

#### **3.2 Offer Price**

The Placement Options will be issued for nil consideration.

#### **3.3 Offer Period**

The Placement Option Offer opens on 4 September 2024 and is scheduled to close at 5.00pm (AEST) on 23 September 2024.

The Company reserves the right to:

- extend the Placement Option Offer;
- close the Placement Option Offer early; or
- withdraw the Placement Option Offer,

at any time by making an announcement to the ASX.

#### **3.4 Participation in the Placement Option Offer**

Participation in the Placement Option Offer is only open to participants in the Placement. Participants will receive 1 Placement Option for every New Share issued to them under the Placement. The issue of the Placement Options is subject to the approval of Shareholders at the EGM.

If you are in any doubt about the Placement Option Offer, or how participation will affect you, you should seek independent financial and taxation advice.

#### **3.5 Action in relation to Placement Option Offer**

No action is required from participants in the Placement to take up Placement Options under the Placement Option Offer.

#### **3.6 Effect of receiving Placement Options**

If you are issued Placement Options under the Placement Option Offer, you:

- acknowledge that you have not been provided with investment advice or financial product advice by the Company or its Directors and have made your own enquiries before making an investment decision;
- agree that your Application is made on the terms and conditions of the Placement Option Offer set out in this Prospectus and the Constitution;
- acknowledge that the Company is not liable for any exercise of its discretions referred to in this Prospectus; and
- are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act and laws and regulations designed to restrict terrorism financing and/or money laundering).

### **3.7 Not underwritten**

The Placement Option Offer is not underwritten.

### **3.8 Modification of the Placement Option Offer**

The Company may modify the Placement Option Offer at any time. The Company will notify the ASX of any modification to the Placement Option Offer. The omission to give notice of any modification to the Placement Option Offer or the failure of ASX to receive such notice will not invalidate the modification.

The Company may settle in any manner it thinks fit any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Placement Option Offer, whether generally or in relation to any participant, and the decision of the Company will be conclusive and binding on all participants and other persons to whom the determination relates.

The Company reserves the right to waive strict compliance with any provision of the terms and conditions of this Prospectus. The powers of the Company under this Prospectus may be exercised by the Directors or any delegate of the Directors.

## **4. DETAILS OF THE BROKER OPTION OFFER**

### **4.1 The Broker Option Offer**

Under this Prospectus, the Joint Lead Managers (or their nominees) will be offered 20 million Broker Options, as part of their fees for acting as joint lead managers to the Capital Raising.

### **4.2 Offer Price**

The Broker Options will be issued at a cost of \$0.00001.

### **4.3 Offer Period**

The Broker Option Offer opens on 4 September 2024 and is scheduled to close at 5.00pm (AEST) on 23 September 2024.

The Company reserves the right to:

- extend the Broker Option Offer;
- close the Broker Option Offer early; or
- withdraw the Broker Option Offer,

at any time by making an announcement to the ASX.

### **4.4 Participation in the Broker Option Offer**

Participation in the Broker Option Offer is only open to the Joint Lead Managers or their nominees.

If you are in any doubt about the Broker Option Offer, or how participation will affect you, you should seek independent financial and taxation advice.

### **4.5 Action in relation to Broker Option Offer**

The Joint Lead Managers will allocate the Broker Options between them or to their nominees.

### **4.6 Effect of receiving Broker Options**

If you are issued Broker Options under the Broker Option Offer, you:

- acknowledge that you have not been provided with investment advice or financial product advice by the Company or its Directors and have made your own enquiries before making an investment decision;
- agree that your Application is made on the terms and conditions of the Broker Option Offer set out in this Prospectus and the Constitution;
- acknowledge that the Company is not liable for any exercise of its discretions referred to in this Prospectus; and
- are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act and laws and regulations designed to restrict terrorism financing and/or money laundering).

### **4.7 Not underwritten**

The Broker Option Offer is not underwritten.

## 4.8 Modification of the Broker Option Offer

The Company may modify the Broker Option Offer at any time. The Company will notify the ASX of any modification to the Broker Option Offer. The omission to give notice of any modification to the Broker Option Offer or the failure of ASX to receive such notice will not invalidate the modification.

The Company may settle in any manner it thinks fit any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Broker Option Offer, whether generally or in relation to any participant, and the decision of the Company will be conclusive and binding on all participants and other persons to whom the determination relates.

The Company reserves the right to waive strict compliance with any provision of the terms and conditions of this Prospectus. The powers of the Company under this Prospectus may be exercised by the Directors or any delegate of the Directors.

## 5. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER AND PLACEMENT

### 5.1 Purpose of the Entitlement Offer and Placement

The primary purpose of the Entitlement Offer is to raise approximately \$3.1 million (before expenses).

The total funds raised from the Entitlement Offer and Placement of approximately \$6.5 million are planned to be used for the purposes set out in the table below.

Sources and Uses for the Raise					
Sources			Uses		
Entitlement Offer	\$	3,100,000	Detailed Engineering & Work Packages	\$	2,320,000
Placement	\$	3,400,000	Product and Market Development	\$	250,000
			Project Development Funding Costs	\$	500,000
			Working Capital	\$	2,980,000
			Costs of Raise	\$	450,000
<b>Total</b>	<b>\$</b>	<b>6,500,000</b>	<b>Total</b>	<b>\$</b>	<b>6,500,000</b>

This includes:

- advance plant design and engineering to a high level of accuracy. This will also de-risk the project further for investors and financiers, thereby facilitating the funding process and a final investment decision;
- product & market development for our zircon-replacement, Great White HRM™ and HPA kaolin products;
- technical, financial and legal activities to support the funding process for the Great White Project development.

If the full amount sought is not obtained, then at the discretion of the Board:

- the uses described above will be scaled back accordingly; and/or
- the Company may seek to fund the shortfall and any additional funding required for activities prior to a final investment decision from alternative sources of capital currently under negotiation, including an equity placement facility, the use of which would be subject to any necessary shareholder approvals.

Please refer to Section 7.10 for further details relating to the estimated expenses of the Entitlement Offer and the Placement.

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

## **5.2 Effect of the Offers and Placement**

The principal effects of the Entitlement Offer and the Placement, assuming approximately \$6.5 million is raised under the Placement and the Entitlement Offer, will:

- be to increase the Company's cash reserves by approximately \$6.0 million (after deducting the estimated expenses of the Entitlement Offer and Placement) immediately after completion of the Entitlement Offer;
- be to increase the number of Shares on issue from 3,110 million (prior to issue of the New Shares under the Placement) to approximately 3,655 million Shares (assuming all Entitlements are taken up); and
- be to increase the number of Options on issue from 1,650,000 to approximately 566 million Options (assuming all Entitlements are taken up and including the Broker Options).

Note that no consideration is expected to be received initially by the Company on the issue of the Options. There is no certainty that all or some of the Options will be exercised and additional Shares issued as a result and, consequently, no certainty that the Company will receive proceeds from the exercise of the Options.

## **5.3 Pro forma balance sheet**

The audit reviewed statement of financial position as at 31 December 2023, the unaudited management accounts statement of financial position of 30 June 2024 and the unaudited pro-forma statement of financial position as at 30 June 2024 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma statement of financial position has been prepared to provide an indication on the effect of the Placement & Entitlement Offer on the financial position of the Company assuming the Placement & Entitlement Offer is fully subscribed. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	<b>Audit Reviewed</b> <b>31/12/2023</b> \$	<b>Unaudited</b> <b>30/06/2024</b> \$	<b>Unaudited Pro</b> <b>Forma</b> <b>30/06/2024</b> \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8,378,141	5,436,262	11,486,262 <sup>3</sup>
Trade and other receivables	3,586,392	706,141 <sup>1</sup>	706,141
Assets classified as held for sale	2,100,152	- <sup>2</sup>	-
<b>TOTAL CURRENT ASSETS</b>	<b>14,064,685</b>	<b>6,142,403</b>	<b>12,192,403</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	141,715,830	143,987,140	143,987,140
Plant and equipment	4,421,416	5,949,169	5,949,169
Other financial assets	588,273	1,989,303	1,989,303
<b>TOTAL NON-CURRENT ASSETS</b>	<b>146,725,519</b>	<b>151,925,612</b>	<b>151,925,612</b>
<b>TOTAL ASSETS</b>	<b>160,790,204</b>	<b>158,068,015</b>	<b>164,118,015</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1,929,993	2,250,227	2,250,227
Provisions - current	265,154	215,898	215,898
Lease liabilities - current	207,217	251,112	251,112
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,402,364</b>	<b>2,717,237</b>	<b>2,717,237</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions - non current	96,683	109,407	109,407
Lease liabilities – non-current	421,536	365,437	365,437
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>518,219</b>	<b>474,844</b>	<b>474,844</b>
<b>TOTAL LIABILITIES</b>	<b>2,920,583</b>	<b>3,192,081</b>	<b>3,192,081</b>
<b>NET ASSETS</b>	<b>157,869,621</b>	<b>154,875,934</b>	<b>160,925,934</b>
<b>EQUITY</b>			



Issued capital	219,882,120	219,882,120	<u>226,382,120</u>
Reserves	1,070,437	1,132,222	1,132,222
Accumulated losses	-	-	-
	<u>63,082,936</u>	<u>66,138,408</u>	<u>66,588,408</u>
<b>TOTAL EQUITY</b>	<b>157,869,621</b>	<b>154,875,934</b>	<b>160,925,934</b>

### Notes

1. Decrease in Trade and Other Receivables due to the FY23 R&D Tax Incentive which was booked as a receivable as at 31/12/2023, and received in January 2024.
2. Decrease in Assets Classified as Held for Sale due to the finalisation of the sale of Wudinna Gold and Moonta Copper Gold projects in April 2024 and January 2024 respectively. Andromeda received shares and cash in return.
3. The pro-forma statement of financial position includes the \$6.5 million being raised under the Placement (\$3.4 million) and the Offer (\$3.1 million) (assuming full subscription) after deducting the estimated expenses of the Placement and the Offer.

### Basis of preparation

The basis of preparation for the Historical Financial Information is in accordance with the company's accounting policies, as described in its financial reports, and the recognition and measurement principles of the Australian Accounting Standards.

The Historical Financial Information is based on the unaudited balance sheet as of 30 June 2024.

The stated basis of preparation for the Pro Forma Historical Financial Information is in a manner consistent with the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described below, as if those events or transactions had occurred as of 30 June 2024.

### Pro forma cash as at 30 June 2024

The pro forma cash position based on the unaudited 30 June 2024 cash balance is approximately \$11.5 million, reflecting the amount raised under the Placement, an estimated amount to be raised under the Entitlement Offer of \$3,100,000 and \$450,000 estimated costs of the Placement and the Offers.

## 5.4 The effect of the Entitlement Offer and Placement on the capital structure

The effect of the Entitlement Offer and the Placement on the Company's capital structure is set out in the table below.

Shares	Number <sup>(1)</sup>
Shares on issue following New Shares issued under the Placement	3,393,604,276
New Shares offered under the Entitlement Offer (approximate) assuming all Entitlements are taken up.	261,046,482
<b>Total Shares on issue after completion of the Capital Raising<sup>(2)</sup></b>	<b>3,654,650,758</b>
Options	
Options on issue as at the date of this Prospectus	1,650,000
New Options offered under the Entitlement Offer and Placement Options offered under the Placement Option Offer (approximate) and the Broker Option Offer	564,379,826
<b>Total Options after completion of the Capital Raising</b>	<b>566,029,826</b>

Note:

(1) Ignores impact of rounding.

(2) Assuming no existing unquoted options are exercised.

## 5.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, no shareholders have a relevant interest in 5% or more of the Shares on issue

## 5.6 Effect of the Capital Raising on control of the Company

As no Shareholder is expected to increase their shareholding in the Company above 20% as a result of the Capital Raising, the Capital Raising is not expected to have a material effect on control of the Company.

## 6. RISK FACTORS

As with any share investment, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and general nature. Some can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated.

This Section 6 identifies and highlights some of the risks that potential investors should consider prior to entering into the investment opportunity referred to in this Prospectus. However, the following is not, and does not purport to be, a comprehensive statement of all relevant risks and is not listed in order of importance. Additional risks (including those that the Company, the Directors and Management are currently unaware of) also have the potential to have a material adverse effect upon the Company's business, financial condition, development, operating and financial performance, growth, and or the value if its New Securities and all other Securities. This summary of key risks should be considered in the context of previous disclosures made by Andromeda in accordance with its periodic and continuous disclosure obligations

Before subscribing for New Securities, Eligible Shareholders should carefully consider and evaluate the Company and its business and whether the New Securities are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the risk factors set out below,

Potential investors should seek their own financial or other professional advice in relation to the risks and must make their own assessment regarding an investment in the Company.

### 6.1 Company Specific Risks

#### Future Funding Requirements

Until the Company realises a profit from its operations it will continue to rely on external sources of funding.

There is no guarantee that the Entitlement Offer will be fully subscribed and there is a risk the Company may not raise sufficient funds to undertake its planned activities.

In parallel with the Placement and Entitlement Offer, alternative sources of funding are also being investigated, including equity placement, debt or convertible debt facilities (**Additional Funding**).

If the Company is unable to raise sufficient funds from the Placement, Entitlement Offer and/or Additional Funding (or in the future), it may be required to scale back its activities, dispose of assets or consider funding alternatives, which could include additional equity funding, debt funding, joint venture or farm-out arrangements, sale of assets or other funding arrangements such as streaming finance or convertible loans. Any additional equity or convertible debt funding may have a dilutionary impact on a shareholder's holding in the Company, or a negative impact on the Company's share price. It may also be subject to shareholder approval (and there is a risk this may not be obtained). Any debt funding or funding alternatives, if available, may involve restrictions on the Company's activities or the grant of security over the Company's assets.

In order to bring the Great White Project into development, the Company will need significant funding in addition to that sought under the Placement, Entitlement Offer and Additional Funding, for which the Company is considering a combination of secured debt and equity. Any additional equity funding may have a dilutionary impact on a shareholder's holding in the Company, or a negative impact on the Company's share price. Any debt funding, if available, may involve restrictions on the Company's activities and the grant of security over the Company's assets. There is no guarantee that the Company will be able to secure the additional funding required for project development via secured debt and/or equity, in which case, again, the Company may consider funding alternatives, such as those mentioned above.

Any delay in securing the project development funding will result in a delay in the development of the Great White Project, which will also impact on timing or the availability of product for sale under

any offtake agreements, which could adversely impact on the Company's performance, reputation, financial position and prospects.

If a secured debt facility is obtained and the Company defaults in its obligations in relation to that debt facility, the security over the Company's assets could be enforced, which could result in loss of assets and have adverse effects on the Company and its operations.

### **Dilution of existing shareholders**

Shareholders that do not take up their Entitlements in full will have their percentage interest in the Company diluted. The level of dilution will depend on the level of shareholder participation and the placement of any Shortfall.

If the Entitlement Offer is fully subscribed, the number of shares on issue will increase from 3,110,270,932 (before the Placement) to 3,654,650,758 (following the Placement and Entitlement Offer) and the number of Options on issue will increase from 1,650,000 to 564,379,826 (inclusive of the Broker Options). Shareholders that do not take up their Entitlement will have their percentage interest in the Company reduced by 15% as compared to their percentage interest in the Company immediately prior to issue of the Placement Shares (or up to 26% if all New Options are Exercised).

### **Mine Development and Operational risks**

The business of mining and mineral exploration, development and production by its nature involves significant risks.

In the event the Company commences development of the Great White Project, the Company's financial performance will substantially depend on the accuracy of the cost estimates for the proposed development and other factors such as working capital requirements and time taken in construction and development activities. There is no guarantee that the financial projections in the 2023 Definitive Feasibility Study (or the Stage 1 A+ update) will be realised.

Factors that may impact on development and operations include:

- delays in delivery of key items of plant or equipment
- difficulties in commissioning and operating plant and equipment;
- failure to achieve predicted grades in exploration and mining;
- operational and technical difficulties encountered in mining;
- poor performance levels from external contractors;
- availability of suitable plant and expertise from contractors and consultants;
- mechanical failure or plant breakdown;
- unanticipated processing problems which may affect extraction rates and costs;
- adverse weather conditions;
- unusual or unexpected geological conditions;
- fires, explosions, accidents or other external force majeure events;
- environmental hazards;
- industrial and environmental accidents;
- industrial disputes;
- availability and economic supply of water and power;
- availability and economic supply of transport and logistics options;

- unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- cost overruns.

The occurrence of any of these things (or other things including those that result in interruption, delays or increased costs) could negatively impact the Company's operations and financial performance.

There is a risk that the Company will be unable to deliver the Great White Project within the anticipated budget or timeframes. Delays or inaccuracies in scheduling could lead to project overruns or delays in bringing the Great White Project into production, which may adversely impact the Company. Such overruns and delays could also limit the Company's ability to rely on any warranties for key items of plant and equipment if these expire before commissioning and stable operation.

No assurance can be given that the Company will achieve commercial viability through development or mining of its projects and treatment of ore. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

### **Approvals, Permits and Licences**

Whilst the Company has a granted Mining Lease and approved Program for Environment Protection and Rehabilitation (**PEPR**) necessary to commence initial construction and development works for the Great White Project, it may need additional approvals to accommodate delays, changes in mine plan, operations, processing or any expansion.

Further PEPRs or updates to existing PEPR may be required for the expansion of the Great White Project beyond 150,000 tonnes of production per annum and for the sale of extractive minerals. The Company will also need to apply for a 'change in operations' to obtain the requisite authorisations for the sale of any sand co-product that constitutes an 'extractive mineral'.

Delays or difficulties obtaining relevant approvals or obtaining conditional or limited approvals, may interfere with the Company's current or planned operations which could impact on the financial position and/or performance of the Company.

### **Water Supply**

There is a risk that if water restrictions are introduced for drinking water consumers on the Eyre Peninsula in the future, this could impact on the Company's mains water supply. If this occurs, the Company would need to scale back, cease or delay activities on site at the Great White Project and/or investigate other water sources, including groundwater sources near site and desalination options. This could delay the Project or substantially increase costs. There is no guarantee that an alternative economic water source could be secured.

### **Product specification**

There is a risk that the Company will be unable to produce kaolin products with the technical specifications required under its offtake contracts, which could adversely impact the price at which it can sell the product at and in turn the financial performance of the Company.

### **Product development**

The Company has several products or applications under commercialisation and development, including Great White HRM™, HPA and zircon displacement applications. It is noted that the funding for the development of the Great White Project will not rely on revenues derived from Great White HRM™, HPA or zircon displacement applications and the financial projections, including the net present values in the 2023 DFS and Stage 1A+ update, do not any premium pricing being obtained for Great White HRM™, HPA or zircon displacement applications.

Notwithstanding this, there is a risk that

- commercialisation of Great White HRM™ will not be successful, and this product will not be accepted by end users in the market;
- the Company will be unable to commercialise the use of its products in the displacement of zircon in various applications; and
- the Company will not be able to prove up its novel flow sheet for the production of HPA or be able to commercially produce HPA.

If that occurred, the Company would not have the benefit of the premium pricing that could be secured for these products or applications.

There is also a risk that the Company will be unable to sell the co-product sand at the pricing assumed in the 2023 DFS, or at all, which would impact on the financial projections in the 2023 DFS.

### **Counterparty risk**

The ability of the Company to achieve its objectives will depend on the performance of the counterparties to its key contracts, including its offtake agreements and key construction, services and supply contracts. There is a risk of default by a counterparty or a risk of financial failure or managerial failure by any of the counterparties, which may adversely affect the Company's activities.

In the case of default by, or dispute with, a counterparty, it may be necessary for the Company to seek or defend legal remedies including through arbitration or court action. Legal action can be costly and there can be no guarantee that a legal remedy would ultimately be granted to the Company on the appropriate terms (if at all)

### **Offtake Agreements**

The Company's expansion plans will be contingent on securing additional offtake agreements for its kaolin products with credit worthy counterparties as there is no spot market for kaolin that can readily be accessed.

Due diligence investigations are continuing on the counterparties for offtake agreements secured to date. There is a risk that the outcome of those due diligence investigations will not be satisfactory, or that financiers will not deem the counter parties as sufficiently credit worthy, which may mean that further offtake agreements will need to be secured to support full production of Stage 1A+.

There is a risk that additional offtake agreements will not be secured at the assumed pricing, on favourable terms or at all.

There are a wide range of jurisdictions for certain products that are exclusive to existing offtake partners. This means that the Company will be unable sell the relevant product itself into these jurisdictions, limiting the markets in which it can sell into.

If the Company is unable to secure the additional offtake agreements required this could have an adverse impact on the level of debt funding that can be secured (if any) or the terms of which it can be secured.

As noted above, the ability of the Company to achieve its objectives will also depend on the performance of the counterparties to its offtake agreements. If an offtake partner defaults in relation to its obligations or suffers financial failure, this could have adverse implications for the Company's finances and its ability to repay any project finance or accrued interest. If the Company is unable to repay any secured debt when it falls due, security over the Company's assets could be enforced, resulting in loss of assets.

There is also a risk that debt financiers for project finance could view the terms and conditions of, or the counterparties to, the offtake agreements, negatively, which could impact on the total level

of debt that can be obtained for project financing in the future, or the terms on which it can be secured.

There is also a risk that off-spec product is subject to a price adjustment or is rejected. Whilst the Company can manage this risk, if a price adjustment or rejection of product occurred, this could have a material adverse effect on the financial position of the Company and its ability to service any debt repayments.

### **Traxys Offtake**

There are a number of risks specific to the offtake agreement with Traxys Europe S.A (**Traxys Offtake**), given the volumes to be sold under the agreement and the complexity of the terms. The Traxys Offtake is for 50% of the production of the Great White Project. Therefore the counterparty risks noted above are concentrated in relation to one party.

Whilst the price under the Traxys Offtake is fixed, if the on-sale price of Great White CRM™ secured by Traxys is less than the contract price, half of the difference will accrue in a facility that will be a debt owing by the Company to Traxys. This will be subordinated to project finance (with a second ranking security) and will accrue interest at a rate of 15% per annum. It must be repaid within 5 years and can be converted to shares in the Company at Traxys' option, subject to any regulatory of shareholder approval that is required. The maximum facility limit is US\$5m.

The price at which the on-sale of product occurs is outside of the control of the Company (due to re-sale price maintenance restrictions under competition laws) and so the Company has no control over the incurring and accrual of the debt, other than the maximum facility limit. If the facility limit is reached this could have adverse implications for the Company.

### **Aboriginal heritage, native title and land access**

Cultural heritage legislation may require cultural heritage surveys and clearances before certain activities are undertaken on the Company's tenements and may require agreement with Traditional Owner groups that may delay proposed activities and result in increased costs. Where designated cultural heritage sites are identified within tenements, the Company must ensure that its operations do not interfere with or impact upon those sites without requisite consents or approvals and such sites may lead to restrictions on the areas that the Company will be able to explore and mine.

Although the Company owns the underlying freehold for ML 6532 and native title has been extinguished in relation to this land, conducting operations on other sites may require third-party consents and/or the payment of compensation.

If native title is found to exist or native title rights are determined over areas covered by the Company's tenements, the ability of the Company to gain access to mineral tenements for exploration, or to progress from the exploration phase to the development and mining phases of operations may be materially adversely affected. This could impact the Company's activities.

### **Executive Management and Key Personnel**

The responsibility of overseeing the day-to-day operations and the Company's strategic management depends substantially on its Directors and senior management. There can be no assurance that there will be no detrimental impact on the Company if one or more of these persons cease their involvement with the Company. The ability of the Company to achieve its objectives depends on the access to personnel and external contractors who have the required skills and qualifications or who can provide technical expertise and other services. If the Company cannot secure personnel or external contractors or if the services of the present personnel and external contractors cease to become available to the Company, this may affect the Company's ability to achieve its objectives.



## **6.2 GENERAL RISKS**

### **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) introduction of tax reform or other new legislation;
- (c) interest rates and inflation rates;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. There is no guarantee that the market price for the Company's shares will equal or exceed the exercise price of the New Options during the term of the New Options.

Market conditions can fluctuate widely and are affected by numerous factors beyond the Company's control, including world GDP growth, international economic conditions, economic and political conditions of commodity producing countries where there is strong demand for commodities, expectations of inflation, currency exchange rates and interest rates.

If there is a sustained decrease in the price of kaolin products, the Company's cash flow from mining operations and the value of its assets, are likely to be materially adversely effected. Furthermore, the Company's offtake agreements are denominated in United States dollars and Euros, whereas the expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar or Euro and Australian dollar, as determined in international markets. The Company intends to mitigate some of these risks through the use of financial derivatives.

### **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates and supply and demand may have an impact on operating costs, product prices and stock market prices. This may have an adverse effect on the Company's share price and its exploration, proposed development and production activities, as well as on its ability to fund those activities.

### **Regulatory and government risks**

The exploration and mining industry is subject to extensive legislation, regulation and supervision by a number of federal, state and regulatory bodies, including regulations regarding exploration, mining, health and safety, employment, workers' compensation, native title and heritage and environmental matters, taxes and royalties. Adverse changes in government policy or laws, including additional compliance obligations, may result in delays, additional time commitment and compliance costs. Further changes in tax laws or royalties in Australia may affect the taxation treatment of the holding or disposal of the Company's securities and may adversely affect the financial performance of the Company in the future. Failure to observe all relevant regulations could expose the Company to penalties or require the Company to cease or suspend operations or be subject to increased compliance costs and accordingly may adversely affect the operations, financial position and/or performance of the Company and the market price of its Shares.

Mineral exploration, development and mining activities may be adversely affected by political and economic instability. There can be no guarantee that changes in governments or the laws within the jurisdictions in which the Company's assets are located will not adversely impact the Company's operations and activities in the future.

#### **Changes in political environment and international conflicts**

The Company's share price and ability to generate returns to investors can be affected by changes in legislation, domestic or foreign governments and government policy. Events may occur within or outside Australia that could impact upon the world economy, the operations of the Company and the market price of the Company's securities. These events include pandemics, war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, floods, fires and poor weather.

#### **Import Restrictions or Tariffs**

Any changes to laws, the introduction of any import restrictions or tariffs or changes to trade policies or international free trade agreements affecting any of the jurisdictions in which the Company exports its products to could prevent the Company from selling its products into those jurisdictions or increase the costs of doing so, which could have a material negative impact on the financial position of the Company.

#### **Unforeseen Expenditure**

Expenditure may need to be incurred that has not been taken into account in this document. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

#### **Tenement risks**

The mineral tenements and permits held by the Company are subject to the applicable mining acts and regulations in South Australia and federal legislation.

Mineral tenements and permits are also subject to periodic renewal. There is no guarantee that current or future mineral tenements and mining properties or future applications for production mineral tenements and mining properties will be approved. Further, if renewed, renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the mineral tenements and mining properties comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Mineral tenements, PEPRs and permits may carry annual expenditure and work commitments and reporting obligations, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interests in, or lose the ability to operate under, one or more of its tenements if conditions are not met or if sufficient funds are not available to meet work and expenditure commitments.

#### **Mineral Resources and Reserves**

The Company's mineral resources and ore reserves estimates are based on a number of assumptions in accordance with the JORC Code. There can be no assurance that the Company's mineral resources and ore reserves will be recovered in the quantities, qualities or yields presented to the market.

Mineral resources and ore reserves estimates are inherently prone to variability. They involve expressions of judgment with regard to the presence and quality of mineralisation and the ability to extract and process the mineralisation economically. These judgments are based on a variety of factors, such as knowledge, experience and industry practice. The accuracy of these estimates may be affected by many factors, including the quality of the results of drilling and sampling of the mineral deposits and analysis of the mineral samples and the procedures adopted and experience of the person(s) making the estimates.

There are risks associated with such estimates, including that the mineral mined may be of a different or inferior quality, volume, overburden strip ratio or stripping cost from the mineral resource estimates. Such estimates may also be revised following actual production, further exploration or analysis.

If the Company encounters mineralisation or geological or mining conditions different from those predicted by drilling, sampling and similar examinations, it may have to adjust its mining plans in a way that may materially and adversely affect its business, prospects, financial condition and results of operations and reduce the estimated amount of mineral resources and ore reserves available for production and expansion plans.

### **Exploration risk**

The exploration tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. Exploration activities require substantial expenditure on exploration surveys, drilling, sampling, analysis, studies to establish the presence, extent and estimate grade of mineralisation. Even if significant mineralisation is discovered, it may take additional time and substantial financial investment to determine whether sufficient Ore Reserves exist to support a development decision on these exploration tenements. There can be no assurance that exploration of the Company's exploration tenements, or any other exploration tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified on the Company's mineral tenements, there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, availability of equipment, services and skilled personnel, native title or indigenous process, changing government regulations and many other factors beyond the control of the Company. Losses resulting from any of these risks could have a material adverse effect on the Company's financial resources or could result in a total loss of the assets affected, and accordingly, may affect the market price of the Company's securities.

In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the mineral tenements and mining properties and possible relinquishment of the mineral tenements and mining properties.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and the effects of inflation and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

### **Operations risk**

In the event the Company commences operations at the Great White Project, the Company's assets and mining operations and its ability to achieve any production, development, operating cost and capital expenditure estimates, as any others, will be subject to uncertainty with respect to (among other things): ore tonnes, mine grade, ground conditions, metallurgical recovery or unanticipated metallurgical issues (which may affect extraction costs), in-fill resource drilling, mill performance, availability and the cost of labour, the level of experience of the workforce, input prices (some of which are unpredictable and beyond the Company's control), operational environment, funding for development, regulatory changes, accidents and other unforeseen circumstances such as supply chain disruptions, unplanned mechanical failure of plant or equipment, storms, floods, bushfires or other natural disasters.

The occurrence of any of these circumstances could result in the Company not realising its operational or development plans, or plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Company's financial and operational performance.

## **Insurance**

The future viability of and profitability of the Company is also dependent on a number of other factors which affect the performance of all industries, and not just mineral exploration and mining, such as pandemic risks, cyber security risks, industrial disputation, litigation, natural disasters and extreme weather conditions and acts of war and terrorism or the outbreak or escalation of international hostilities and tensions. No assurance can be given that the Company will be able to obtain insurance cover for all risks faced by the Company at reasonable rates or that the insurance cover it arranges will be adequate and available to cover all possible claims. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

## **Environment risks**

The operations and proposed activities of the Company are subject to both Australian federal and state laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds and may cause environmental harm.

The Company endeavours to conduct its activities to the highest standard of environmental obligations, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. Nevertheless, there are inherent risks in the Company's activities associated with safety and damage to the environment, including accidental leakages, spills, or other unforeseen circumstances that could subject the Company to extensive liability (including for damages, clean-up costs or penalties).

Further, the Company may require approval from the relevant authorities before undertaking activities that are likely to impact on the environment. If the Company fails to obtain such approvals it will be prevented from undertaking those activities. The Company cannot predict what future legislation and regulations may govern mining, and may impose significant environmental obligations on the Company.

Following cessation of any production from any future operations, the Company will be required to participate in rehabilitation programs, removal of disused plant and equipment and where necessary, restoring the environment that has been disturbed in the course of operations. The cost of that participation may be considerable if operations result in significant environmental liabilities being incurred. In such a case, any allowance made for rehabilitation may possibly be inadequate.

## **Safety**

Safety is of critical importance in the planning, organisation and execution of the Company's exploration and operational activities. Although the Company is committed to providing and maintaining a working environment in which its employees are not exposed to hazards that will jeopardise an employee's health and safety, or the health and safety of others associated with its business, the Company is unable to guarantee that it can completely eliminate hazards. Any workplace incidents (including loss of life incidents) may adversely affect the reputation of the Company and its exploration and operational activities, may lead to significant fines and penalties and could result in an indefinite shut down of a project if deemed serious enough. If any injuries or accidents occur on a worksite, this could have adverse financial implications including legal claims for personal injury, wrongful death, amendments to approvals, potential production delays or stoppages, any of which may have a material adverse effect on the financial performance and/or financial position of the Company.

## **Social and climate change risks**

Establishment of strong relationships with the community and other stakeholders is fundamental to the long term success of the Company's business. Although the Company endeavours to conduct its business in a manner which respects those communities and ensures mutually beneficial outcomes, the Company's activities may have or be perceived to have an adverse impact on local communities, cultural heritage, the environment, or other matters which may result in community concern, adverse publicity, activism, litigation or other adverse actions taken by community, environmental or other action groups. Failure to maintain and build strong relationships and such

adverse actions could affect the company's social licence to operate, its reputation and lead to delays and increase costs which may adversely impact on the Company's operations, financial position and/or performance and the market price of its Shares.

Any future mining activities of the Company may be exposed to risks associated with the transition to a lower-carbon economy, including policy and legal risks, technology risks, market risk and reputation risk. Further climate change may result in physical risks, such as changes in water availability and extreme weather changes which may affect the Company's operations, supply chains, transport needs and employee safety.

### **Litigation Risks**

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims, environmental claims, and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

### **Cyber risks**

The Company, as with all organisations, is reliant on information technology for the effective operation of its business. Any failure, unauthorised or erroneous use of the Company's information and/or information systems may result in financial loss, disruption or damage to the reputation of the Company.

### **Pandemic Risk**

COVID-19 caused substantial disruption to businesses and operations during 2020 and 2021 and impacted global economic markets. Any future global pandemic may also result in economic uncertainty and impact the health of personnel or impact on global supply chains, causing potential disruption to operations and increased costs. Further, any governmental or industry measures taken in response to a pandemic may adversely impact the Company's operations, and availability of personnel and are likely to be beyond its control.

## **7. ADDITIONAL INFORMATION**

### **7.1 Continuous disclosure obligations**

As the Company is admitted to the Official List, the Company is a 'disclosing entity' for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through the ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to the ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a 'transaction-specific' prospectus in respect of the Offers.

In general terms, a 'transaction-specific prospectus' is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a securities exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report of the Company for the financial year ended 30 June 2023;
  - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC; and
  - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offers. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with the ASX prior to the date of this Prospectus in respect of the Company since the lodgement of the annual financial report for the year ended 30 June 2023 with ASX on 29 September 2023.

Date	Title
29 September 2023	2023 Annual Corporate Governance Statement
4 October 2023	Negotiations for offtake for Chinese market are ongoing

Date	Title
10 October 2023	Executive and Board changes
11 October 2023	Appendix 3Z – Final Director's Interest Notice
18 October 2023	Binding Offtake Agreement signed for Chinese market
20 October 2023	Letter to shareholders – AGM Notice & Proxy Form
20 October 2023	Notice of Annual General Meeting/Proxy Form
31 October 2023	Quarterly Activity Report – September 2023
6 November 2023	Investor Update – presentation and webcast details
8 November 2023	Executive Changes
9 November 2023	Heads of Agreement signed for Indian and global markets
9 November 2023	Notification of cessation of securities
14 November 2023	Sale of Drummond Epithermal Gold Project completes
15 November 2023	Sale of remaining 25% interest in Wudinna Gold project
16 November 2023	Strategic Alliance Agreement signed with Hallett Group
16 November 2023	Chairlift Kaolin Deposit Mineral Resource Estimate
16 November 2023	Andromeda The Great White Mineral Company – Investor Update
20 November 2023	Notification of cessation of securities
21 November 2023	Non-binding Heads of Agreement signed with Traxys
22 November 2023	Chairman's Address – 2023 Annual General Meeting of Shareholders of Andromeda Metals Limited
22 November 2023	Andromeda The Great White Mineral Company – Annual General Meeting – Managing Director's Report
22 November 2023	Result of Annual General Meeting
22 November 2023	Constitution
29 November 2023	Notification of cessation of securities
18 December 2023	EnviroCopper Ltd to Acquire Alford West Tenement
18 December 2023	Sale of Moonta Copper Gold Project
3 January 2024	Notification of cessation of securities
19 January 2024	Binding Sales and Distribution Agreement Signed with IberoClays
24 January 2024	Notification of release of shares from escrow
24 January 2024	Application for quotation of securities
24 January 2024	Completion of Sale of Moonta Copper Gold Project
25 January 2024	Andromeda receives \$3.1 million R&D tax refund
25 January 2024	Issue of Shares in Cobra Resources Plc
31 January 2024	Quarterly Activity Report – December 2023
2 February 2024	Resignation of Non-Executive Director
2 February 2024	Appendix 3Z – Final Director's Interest Notice
21 February 2024	Appointment of Independent Non-Executive Director
21 February 2024	Appendix 3X – Initial Director's Interest Notice

Date	Title
22 February 2024	ICerS Raw Materials for Ceramic Tile Conference Presentation
14 March 2024	Andromeda Metals – Financial Report For the Half Year Ended 31 December 2023
19 March 2024	Appendix 3G – Notification of issue, conversion or payment up of unquoted equity securities
25 March 2024	Settlement of The Great White Project Land Purchase
23 April 2024	Completion of sale of interest in Wudinna Gold Project
30 April 2024	Quarterly Activity Report – March 2024
1 May 2024	Executive Management Changes
6 May 2024	Andromeda expansion plans for The Great White Project
6 May 2024	Clarification of expansion plans for The Great White Project
7 May 2024	Presentation at RIU Sydney Resources Roundup
13 June 2024	Andromeda sells shares in Trigg Minerals
13 June 2024	Form 605 – Notice of ceasing to be a substantial holder
18 June 2024	Report finds Great White CRM™ can displace up to 20% zircon
20 June 2024	Andromeda progresses HPA product development
28 June 2024	Andromeda The Great White Mineral Company – Investor Presentation
2 July 2024	Appendix 3H – Notification of cessation of securities
15 July 2024	Andromeda earns 51% interest in Eyre Kaolin Koint Venture
17 July 2024	Binding Offtake Agreement signed with Traxys
31 July 2024	Notification regarding unquoted securities - ADN
31 July 2024	Quarterly Activities/Appendix 5B Cash Flow Report
1 August 2024	Final Director's Interest Notice
6 August 2024	Initial Director's Interest Notice
16 August 2024	Trading Halt
20 August 2024	Suspension from Quotation
21 August 2024	Placement and Entitlement Offer
21 August 2024	Investor Presentation – Capital Raising
21 August 2024	Proposed issue of securities - ADN
21 August 2024	Reinstatement to Quotation
26 August 2024	Update- Proposed issue of securities - ADN
26 August 2024	Application for quotation of securities - ADN
26 August 2024	Successful completion of \$3.4 million Placement
26 August 2024	Ceasing to be a substantial holder
26 August 2024	Proposed issue of securities - ADN



## 7.2 Design and distribution obligations

The new product design and distributions obligations under the Corporations Act (**DDO Obligations**) took effect from 5 October 2021. The DDO Obligations are intended to help consumers obtain appropriate financial products by requiring issuers and distributors to have a consumer-centric product. The DDO Obligations require product issuers to make publicly available a target market determination that explains the target market for certain securities, any distribution conditions and any information related to reviewing and monitoring conduct in relation to the target market determination.

The Company has prepared a target market determination in respect of the Options which is available on the Company's website at <https://www.andromet.com.au/>.

## 7.3 International offer restrictions

### Entitlement Offer

The Entitlement Offer is not being extended to any Shareholder outside Australia and New Zealand other than to certain sophisticated, institutional, or other limited numbers of Shareholders with a registered address in jurisdictions where the Company is satisfied that it is lawful to make the Entitlement Offer and issue the New Securities under the Entitlement Offer.

The New Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of the New Securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The Company is issuing the New Options to Shareholders of the Company who will be issued New Shares.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### Placement Option Offer and Broker Option Offer

This Prospectus and the Placement Option Offer and Broker Option Offer do not constitute an offer of Placement Options or Broker Options in any jurisdiction in which it would be unlawful. In particular, this Prospectus and the Placement Option Offer and Broker Option Offer may not be distributed or made to any person other than the Placement participants.

The Placement Option Offer is not being extended to any Shareholder except those in Australia, New Zealand, and certain jurisdictions where the Company is satisfied that it is lawful to make the Placement Option Offer, who participated in the Placement. The Broker Option is only being extended to the Joint Lead Managers and their nominees in Australia.

#### (a) Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). Accordingly, this Prospectus may not be distributed, and the new Securities or Placement Options may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Placement Options or the underlying ordinary shares has been or will be issued, or has been or will be in the

possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Securities or Placement Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted the New Securities or Placement Options may sell, or offer to sell, such securities or the underlying ordinary shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

**(b) New Zealand**

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (**FMC Act**).

The New Securities and Placement Options are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

**(c) Singapore**

This Prospectus and any other materials relating to the New Securities and Placement Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the new Securities and the Placement Options, may not be issued, circulated or distributed, nor may the New Securities nor Placement Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (**SFA**) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the New Securities or Placement Options or the underlying securities being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire the Placement Options or underlying ordinary shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **7.4 Litigation**

The Company is not currently engaged in material litigation and, as at the date of this Prospectus, the Directors are not aware of any material legal proceedings pending or threatened against, or any material legal proceedings affecting, the Company.

## **7.5 Rights and liabilities attaching to the New Shares**

The following is a general description of the more significant rights and liabilities attaching to the New Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the New Shares are contained in the Corporations Act, ASX Listing Rules and the Constitution (a copy of which is available for inspection at the Company's registered office during normal business hours).

### **(a) Ranking of New Shares**

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Specifically, the New Shares issued under this Prospectus will rank equally with the Existing Shares.

### **(b) Voting rights**

Subject to any rights or restrictions, at general meetings:

- every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative; and
- has one vote on a show of hands; or
- has one vote for every fully paid share held, on a poll.

### **(c) Dividend rights**

Shareholders will be entitled to participate in a dividend equally, in respect of all fully paid Shares on which any dividend is declared or paid.

Shareholders may be paid interim dividends or bonuses at the absolute discretion of the Directors. The Directors may set aside a sum out of the profits of the Company, as reserves, before recommending dividends of the profits.

### **(d) Variation of rights**

The rights attaching to the New Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

### **(e) Transfer of Shares**

New Shares can be transferred through the financial market operated by the ASX or by a proper instrument of transfer. The instrument of transfer must be in writing in a usual form or any other form approved by the Directors, and signed by or on behalf of the transferor and the transferee. Except where the operating rules of an applicable CS facility licensee, being the ASTC Operating Rules provide otherwise, until the transferee has been registered, the transferor is deemed to remain the holder of the Shares, even after signing the instrument of transfer.

In some certain prescribed circumstances, the Directors may refuse to register a transfer of New Shares.

(f) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion.

(g) **Non-marketable parcels**

The Constitution provides for the sale of non-marketable parcels subject to any applicable laws and provided a notice is given to the relevant Shareholder stating that the Company intends to sell their relevant New Shares unless the relevant Shareholder advises the Company by a specified date that they wish to retain the Shares.

(h) **Rights on winding up**

If the Company is wound up, the liquidator may with the sanction of a special resolution, divide the assets of the Company amongst Shareholders as the liquidator sees fit. The liquidator may not require a Shareholder to accept any New Shares or other securities in respect of which there is any liability.

## **7.6 Rights and liabilities attaching to the Options**

The Options to be issued under the Offers will be issued on the following terms and conditions:

(a) **Entitlement**

Each Option entitles the holder to acquire by way of issue one Share on exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (h) below, the exercise price of the Options will be \$0.0175(**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (AEST) on 30 September 2027 (**Expiry Date**). An Option not exercised by the Expiry Date will automatically lapse at that time at that time.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the applicable Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

A minimum of 100,000 Options may be exercised under each Notice of Exercise. If a Shareholder holds less than 100,000 Options, all of the Options held by them must be exercised in one Notice of Exercise.

(f) **Timing of issue of Shares on exercise**

As soon as practicable after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
  - (ii) if admitted to the Official List at the time, apply for official quotation on ASX of Shares issued on the exercise of the Options.
- (g) **Shares issued on exercise**

Shares issued on exercise of the Options will rank equally in all respects with the then issued Shares.
- (h) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder of Options are to be changed in a manner consistent with the Corporations Act, the ASX Listing Rules and any other applicable laws or regulations at the time of the reconstruction.
- (i) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options and unless Shares have been issued in respect of the Options before the record date for determining entitlements to the issue.
- (j) **Change in Exercise Price**

There will be no change to the applicable Exercise Price of an Option or the number of Shares over which an Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a Bonus Issue).
- (k) **Bonus issue**

If before the expiry of any Options, the Company makes a pro rata issue of Shares to Shareholders for no consideration (**Bonus Issue**), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue.
- (l) **Transferability**

The Options are transferable.

(m) **Voting**

Holders of Options have no voting rights until the Options are exercised and Shares issued on exercise of those Options in accordance with the ASX Listing Rules.

## **7.7 Interests of Directors, experts and advisors**

(a) Other than as set out below or elsewhere in this Prospectus, no:

- (i) Director or proposed Director;
- (ii) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (iii) promoter of the Company; or
- (iv) financial services licensee named in this Prospectus as a financial services licensee involved in the Offers,

holds, or has held within 2 years before the date of this Prospectus, any interest in the Offers or in the formation or promotion of, or in any property acquired or proposed to be acquired by, the Company in connection with its formation or promotion or the Offers.

(b) Other than as set out in Section 7.8 or elsewhere in the Prospectus, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (i) to a Director or proposed Director to induce them to become, or to qualify them as, a director of the Company; or
- (ii) for services provided in connection with the formation or promotion of the Company or the Offers by any Director or proposed Director, any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, any promoter of the Company, or financial services licensee named in this Prospectus as a financial services licensee involved in the Offers.

## **7.8 Details of interests**

(a) **Directors' security holdings**

The relevant interests of the Directors in securities of the Company as at the date of this Prospectus are as follows:

<b>Director</b>	<b>Shares</b>	<b>Options</b>	<b>Performance Rights</b>
Luke Anderson	Nil	Nil	15 million
Michael (Mick) Wilkes	3,533,195	Nil	Nil
Austen Perrin	939,598	Nil	Nil
Sue-Ann Higgins	Nil	Nil	Nil

(b) **Directors' participation**

Board members Mick Wilkes and Austen Perrin have committed to take up their Entitlements in full.

Board member, Sue-Ann Higgins, is not currently a Shareholder of the Company and is therefore not an Eligible Shareholder. Ms Higgins has advised of her intention to apply for New Securities if there is any Shortfall, subject to shareholder approval at the EGM.

(c) **Directors' remuneration**

The Directors' remuneration is set out in the table below:

Director	Fees (inclusive of superannuation) per annum	Securities
Michael Wilkes	\$200,000 <sup>1</sup>	Nil
Sue-Ann Higgins	\$116,000	Nil
Austen Perrin	\$116,000	Nil
Luke Anderson	\$550,000	15 million performance rights, each exercisable for a Share subject to satisfaction of vesting conditions

Mr Anderson is also entitled to participate in short term incentive plan set at between 75-150% of total fixed remuneration (TFR), payable each based on KPIs set by the board, and the long term incentive plan, with maximum participation set at 120% of TFR, measure against per group companies for total shareholder return over a three year period.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company. The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

(d) **Related party arrangements**

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<sup>1</sup> Mr Wilkes has proposed to the Company that 33% of his director fees be paid as zero exercise price options, subject to shareholder approval at the AGM, and has not claimed any fees from the company since July 2024.

Shareholder approval will be sought for the issue of 10,138,200 performance rights to Mr Katsioularis under the employee incentive plan.

## 7.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

### (a) Consenting parties

Henslow Pty Ltd and PAC Partners Securities Pty Ltd have each given and have not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as joint lead manager of the issue of New Securities under the Placement and the Entitlement Offer in the form and context in which it is named.

MinterEllison has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as legal adviser to the Company in respect of the Capital Raising in the form and context in which it is named.

Computershare Investor Services Pty Limited has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as share registry to the Company in respect of the Capital Raising in the form and context in which it is named.

### (b) Basis of consents

Each of the persons named as providing consents above:

- (i) did not authorise or cause the issue of this Prospectus;
- (ii) does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this Section 7.9; and
- (iii) to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified in this Section 7.9.

## 7.10 Expenses of the Offers

The total expenses of the Capital Raising are estimated to be approximately \$450,000 (excluding GST), as set out in the table below.

Item of Expenditure	Amount (\$)
ASX and ASIC fees	\$27,000
Joint Lead Manager fees (excluding on any placement of shortfall)	\$262,000
Legal fees	\$55,000
Miscellaneous	\$22,000
Administration	\$84,000
<b>TOTAL</b>	<b>\$450,000</b>



## **7.11 Governing law**

The information in this Prospectus, the Offers, and the contracts formed on acceptance of the Entitlement and Acceptance Form are governed by the law applicable in South Australia. Any person who applies for Securities under the Offers submits to the non-exclusive jurisdiction of the courts of South Australia.

## 8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company on 27 August 2024.



**Mr Mick Wilkes**  
**Non Executive Chair**  
**Andromeda Metals Limited**

## 9. DEFINITIONS

Definitions used in this Prospectus are as follows:

**Applicant** means a person who submits an Application.

**Application** means an application for New Shares and/or Options under this Prospectus.

**Application Monies** means monies equal to the value of New Shares at the Offer Price applied for by an Eligible Shareholder.

**ASIC** means the Australian Securities and Investments Commission.

**ASX Listing Rules** means the official listing rules of ASX Listing Rules as amended or waived.

**ASX** means ASX Limited ACN 008 624 691 or the financial market known as the 'Australian Securities Exchange' operated by it, as the context requires.

**ASTC Operating Rules** means the operating rules of ASTC in its capacity as a CS facility licensee, except to the extent of any relief given by ASTC in their application to the Company.

**Australian Accounting Standards** means the Australian accounting standards issued by the Australian Accounting Standards Board.

**Beneficiary** means a person who resides in either Australia or New Zealand for whom a custodian (being an Eligible Shareholder) held Shares on behalf of on the Record Date.

**Board** means the board of Directors of the Company.

**Broker Options** means the 20 million Options the Joint Lead Managers are entitled to as part of their fees for acting as joint lead managers to the Capital Raising.

**Broker Option Offer** means the offer of Broker Options under this Prospectus.

**Capital Raising** means the Placement, the Entitlement Offer and the Option Offer.

**Chair** means the Chair of the Board.

**CHES** means Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

**Closing Date** means the date that the Offers close which is 5.00pm (AEST) on 23 September 2024 or such other time and date as the Directors determine, being the last day on which Applications will be accepted.

**Company** or **Andromeda** means Andromeda Metals Limited ACN 061 503 375.

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**EGM** means a general meeting of the Company to be held on 10 October 2024.

**Eligible Shareholder** has the meaning given in Section 2.4.

**Entitlement** means the number of New Shares and New Options each Eligible Shareholder is offered under the Entitlement Offer.

**Entitlement and Acceptance Form** means the personalised entitlement and acceptance form included in or accompanying this Prospectus for participation in the Entitlement Offer.

**Entitlement Offer** means the 1 for 13 pro-rata non-renounceable entitlement offer and offer of 1 New Option for every New Share issued to existing Shareholders, the details of which are set out in Section 2.

**Existing Shares** means Shares on issue at the Record Date.

**Expiry Date** means the expiry date of the Options offered under this Prospectus, as defined in Section 7.6.

**Henslow** means Henslow Pty Ltd ABN 38 605 393 137 AFSL 483168

**Ineligible Shareholder** has the meaning given in Section 2.4.

**Joint Lead Managers** means Henslow and PAC Partners.

**New Options** means the Options offered under the Entitlement Offer.

**New Securities** means the New Shares and New Options offered under the Entitlement Offer.

**New Shares** means the new Shares offered under the Entitlement Offer.

**Offers** means the Entitlement Offer, the Placement Option Offer and Broker Option Offer.

**Offer Period** means the period commencing on the Opening Date and ending on the Closing Date.

**Offer Price** means the offer price of \$0.012 per New Share under the Entitlement Offer.

**Official List** means the official list of the ASX.

**Opening Date** means the day that the Offers open, being Wednesday 4 September 2024.

**Option** means the right of the holder to be issued one new Share on payment of the applicable exercise price on the terms and conditions set out in Section 7.6.

**Option Offer** means the Placement Option Offer and the offer of New Options under the Entitlement Offer and the Broker Option Offer.

**PAC Partners** means PAC Partners Securities Pty Ltd ABN 68 623 653 912 AFSL 335374.

**Placement** means the issue of approximately 283 million New Shares to certain sophisticated and institutional investors under a placement announced by the Company to the ASX on 21 August 2024.

**Placement Options** means the Options offered under the Placement Option Offer.

**Placement Option Offer** means the offer of Options to participants in the Placement under this Prospectus.

**Prospectus** means this prospectus dated 27 August 2024 and lodged with ASIC, including any supplementary or replacement prospectus in relation to this prospectus.

**Record Date** means 7.00pm (AEST) on 30 August 2024, being the date on which Eligible Shareholders who are permitted to participate in the Entitlement Offer are determined.

**Section** means a section of this Prospectus.

**Securities** means all of the securities of the Company, including the New Shares, New Options and Placement Options and Broker Options offered under this Prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Computershare Investor Services Pty Limited ACN 078 279 277.

**Shareholder** means a holder of at least one Share.

**US or United States** means the United States of America.

**US Securities Act** means the United States Securities Act of 1933, as amended.

## **CORPORATE DIRECTORY**

### ***Directors***

Mr Mick Wilkes (Non Executive Chair)  
Mr Luke Anderson (Managing Director, CEO)  
Ms Sue-Ann Higgins (Non Executive Director)  
Mr Austen Perrin (Non Executive Director)

Mr Pascal Alexander-Bossy (CFO)

Ms Sarah Clarke (Company Secretary)

### ***Legal advisers to the Offer***

MinterEllison  
Level 10, 25 Grenfell Street  
Adelaide, SA, 5000

### ***Joint Lead Managers***

Henslow Pty Ltd ABN 38 605 393 137 AFSL 483168  
Level 7, 333 Collins Street MELBOURNE VIC 3000

PAC Partners Securities Pty Ltd ABN 68 623 653 912 AFSL 335374  
Level 29, 360 Collins Street MELBOURNE VIC 3000

### ***Share Registry***

Computershare Investor Services Pty Limited  
Level 5, 115 Grenfell Street  
Adelaide SA 5000