



1 November 2018

Grant of ASX Waiver

Resolutions 7 and 8 contained within the Notice of Meeting (**Notice**) for the 2018 Annual General Meeting (**Meeting**) of Andromeda Metals Limited (**Company**) to be held on 15 November 2018 and despatched to Shareholders on 12 October 2018 made reference to the fact that the Company had applied to the ASX for a waiver to Listing Rule 10.13.3 to allow for the issue of shares more than one month after the date of the Meeting, to Non-Executive Directors Mr Rhoderick Grivas and Mr Andrew Shearer in lieu of payment of a proportion of their director fees from 1 December 2018 to 30 November 2019.

ASX has advised the Company that it has been successful with the application and has accordingly granted a waiver to LR 10.13.3 and 10.13.5. A copy of the waiver notification received from ASX is attached.

As a result, Resolutions 7 and 8 will be put to Shareholders at the Meeting that approval is sought for the issue of shares to:

- a) Mr Rhoderick Grivas to the value of \$20,000 in lieu of 40% of his director fees payable from 1 December 2018 to 30 November 2019; and
- b) Mr Andrew Shearer to the value of \$17,500 in lieu of 50% of his director fees payable from 1 December 2018 to 30 November 2019.

If approved by Shareholders, the shares will be issued to Mr Grivas and Mr Shearer on 30 November 2019 at a deemed price equal to the Volume Weighted Average Price (**VWAP**) of the Company's shares over the 30 calendar days preceding the date of issue.

A handwritten signature in black ink, appearing to read "Nick Harding", is written over a faint, circular stamp or watermark.

Nick Harding

Executive Director and Company Secretary



31 October 2018

Ms Jenifer Tobin
Senior Corporate Counsel
Minter Ellison
25 Grenfell Street
Adelaide SA 5000

By email:

Dear Ms Tobin

Andromeda Metals Limited ('ADN'): Waiver Decision

I refer to your letter dated 22 October 2018 applying on behalf of ADN for waivers from ASX Listing Rules 10.13.3 and 10.13.5.

I am pleased to advise that ASX Limited ('ASX') has decided to grant the waivers you have requested.

ASX's formal decision is as follows:

DECISION

1. *Subject to resolution 2 and based solely on the information provided, ASX Limited ("ASX") grants Andromeda Metals Limited (the "Company") a waiver from listing rules 10.13.3 and 10.13.5 to the extent necessary to permit the Company's notice of annual general meeting (the "Notice") seeking shareholder approval for the issue of \$20,000 worth of shares to Mr Rhoderik Grivas and \$17,500 worth of shares to Mr Andrew Shearer in lieu of director's fees for the period 1 December 2018 to 30 November 2019 (collectively, the "Shares"), to not include an issue price and to state that the Shares will be issued later than one month after the date of the shareholders' meeting, subject to the following conditions.*
 - 1.1 *The Shares are issued by 30 November 2019.*
 - 1.2 *The Notice states that the number of Shares to be issued will be calculated by dividing the director's fees payable with the VWAP of the Company's shares calculated over the 30 calendar days preceding their date of issue.*
2. *The Company releases the terms of the waiver to the market immediately.*
3. *ASX has considered listing rule 10.13.3 and 10.13.5 only and makes no statement as to the Company's compliance with other listing rules.*

BASIS FOR DECISION

Listing Rule 10.13.3

Underlying Policy

1. *Listing rule 10.11 protects a listed entity's security holders by preventing a related party from obtaining shares on advantageous terms and increasing the related party's holding proportionate to other holdings. Unless one of the exceptions under listing rule 10.12 applies, a listed entity must seek*

shareholder approval before it can issue shares to a related party. Listing rule 10.13 sets out the information required to be included in the notice of meeting seeking approval for the issue of the securities to a related party. In particular, listing rule 10.13.3 requires the date by which the entity will issue the securities and this date must be no later than 1 month after the date of the meeting. This rule ensures that an issue of securities to a related party that has been approved by security holders is made within a reasonable timeframe following the approval, so that that it is less likely that the circumstances in which the issue is made will have changed materially from those prevailing at the time the approval was given.

Facts and Reasons for Granting Waiver

- 2. Shareholder approval is being sought to issue of \$17,500 and \$20,000 worth of shares to Mr Shearer and Mr Grivas respectively, in lieu of part of their director's fees for the period 1 December 2018 to 30 November 2019. The Notice states the shares will be issued on 30 November 2019 at the volume weighted average price of shares over the 30 calendar days immediately preceding the date of the share issue.*
- 3. Based upon the current market price, in aggregate the shares equate to approximately 0.49% of the number of fully paid ordinary shares currently on issue. The degree of dilution is not expected to be excessive and there is adequately information within the notice of meeting for shareholders to provide their informed consent.*

Listing Rule 10.13.5

Underlying Policy

- 4. Listing rule 10.11 protects a listed entity's security holders by preventing a related party from obtaining shares on advantageous terms and increasing the related party's holding proportionate to other holdings. Unless one of the exceptions under listing rule 10.12 applies, a listed entity must seek shareholder approval before it can issue shares to a related party. Listing rule 10.13 sets out the information required to be included in the notice of meeting seeking approval for the issue of the securities to a related party. Listing rule 10.13.5 provides certainty to a listed entity's security holders by requiring a notice of meeting containing a resolution in accordance with listing rule 10.11 to state the issue price and terms of issue of securities that are intended to be issued to each of the relevant persons for whom approval is being sought.*

Facts and Reasons for Granting Waiver

- 5. The Notice provides a formula for calculating the issue price of securities, calculated as the VWAP over the over the 30 calendar days immediately preceding the date of the share issue.*
- 6. Based upon the current market price, in aggregate the shares equate to approximately 0.49% of the number of fully paid ordinary shares currently on issue. The degree of dilution is not expected to be excessive in the context of the Company's issued capital. The inclusion of sufficient information in the Notice about the method of calculating the issue price of the relevant securities is considered not to offend the policy of the rule in providing certainty to security holders.*

Conditions of waivers

As you will see, the waivers are subject to certain conditions. Under Listing Rule 18.1.1, these conditions must be complied with for the waivers to be effective.

ASX's power to vary or revoke waiver

It should be noted that under ASX Listing Rule 18.3, ASX may vary or revoke the waivers at any time.

Enquiries

If you have any further enquiries in relation to this matter, please do not hesitate to contact me.

Yours sincerely

Adrian Smythe
Manager, Listings Compliance