

MinterEllison

3 December 2021

ASX Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Off-market takeover bid by Andromeda Metals Limited (ASX:ADN) for Minotaur Exploration Limited (ASX:MEP) (Offer)

We act for Andromeda Metals Limited ACN 061 503 375 (**Andromeda**).

In accordance with item 5 of section 633(1) of the *Corporations Act 2001* (Cth) (**Act**), we enclose a copy of Andromeda's Bidder's Statement dated 3 December 2021 in relation to Andromeda's off-market takeover bid for all of the ordinary shares in Minotaur Exploration Limited ACN 108 483 601.

A copy of the Bidder's Statement was lodged with the Australian Securities and Investments Commission and sent to Minotaur Exploration Limited earlier today.

For the purposes of sections 633(2) and 633(4) of the Act, Andromeda has set 7.00pm (AEDT) on 3 December 2021 as the register date.

Yours faithfully
MinterEllison



Andrew Corletto
Partner

Partner Andrew Corletto T: +61 8 8233 5420
OUR REF: 1360569
enclosure





Andromeda

Bidder's Statement

ACCEPT

the Offer by Andromeda Metals Limited
to acquire all of your shares in
Minotaur Exploration Limited
for 1.15 Andromeda Shares for every
Minotaur Share you hold

MinterEllison.



TAYLOR COLLISON

This Offer opens on 8 December 2021 and will
close at 7.00pm (AEDT) on 31 January 2022,
unless extended or withdrawn.

The Minotaur Directors unanimously recommend
that you **ACCEPT** the Andromeda Offer, in
the absence of a superior proposal.

THIS IS AN **IMPORTANT DOCUMENT** AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT,
YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISER.

Important Information

Nature of this document

This document contains a Bidder's Statement issued by Andromeda to Minotaur under Chapter 6 of the Corporations Act in relation to the Offer contained in section 14 of this Bidder's Statement.

This Bidder's Statement is dated 3 December 2021, being the date that a copy of this Bidder's Statement was lodged with ASIC and given to ASX. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the content of this Bidder's Statement.

No account of your personal circumstances

This Bidder's Statement and the recommendations contained herein should not be taken as personal advice (financial or otherwise), as they do not take into account the individual investment objectives, financial and tax situation and particular needs of any Minotaur Shareholder. Accordingly, before making a decision whether or not to accept the Offer, you should obtain independent legal, financial and tax advice.

Disclaimer as to forward looking statements

Statements contained in this document may contain forward-looking statements including statements with respect to Andromeda's current intentions (which include those in section 9), statements of opinion and predictions of possible future events. Statements in this document that are not historical facts are "forward-looking statements".

Forward-looking statements relate to future matters and are subject to inherent risks and uncertainties. These risks and uncertainties include risks that are specific to the mineral resources industry as well as matters such as general economic conditions, prevailing exchange rates and conditions in the financial markets. Many of these risks are outside the control of Andromeda and its directors. These factors may cause the actual results, performance or achievements of Andromeda to differ, perhaps materially, from the results, performance or achievements expressed or implied by those forward-looking statements.

The past performance of Andromeda is not a guarantee and not an indicator of future performance.

The forward-looking statements do not constitute a representation that future profits (or any other matter) will be achieved in the amounts or by the dates indicated and are presented as a guide to assist Minotaur Shareholders in assessing the Offer. The financial information and other forward-looking statements are based on information available to Andromeda at the date of this Bidder's Statement and should be read in conjunction with the assumptions underlying their preparation as set out elsewhere in this Bidder's Statement.

None of Andromeda, or its officers, or persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any intentions or outcomes expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement having regard to the fact that the outcome may not be achieved.

Disclaimer as to Minotaur information

The information in this Bidder's Statement concerning Minotaur, Minotaur Group and Minotaur Shares has been prepared by Andromeda using publicly available information and has not been independently verified by Andromeda or its directors. Accordingly, subject to the Corporations Act, Andromeda makes no representation or warranty, express or implied, as to the accuracy or completeness of such information.

To the extent that any other information in this Bidder's Statement incorporates or reflects information on Minotaur, Minotaur Group or Minotaur Shares, that information is subject to the same disclaimer. Further information relating to the Minotaur Group may be included in Minotaur's Statement which Minotaur must

provide to Minotaur Shareholders in response to this Bidder's Statement, and reference should be made to that information.

Foreign jurisdictions

The release, publication or distribution of this Bidder's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Bidder's Statement has been prepared in accordance with Australian law and the information contained in this Bidder's Statement may not be the same as that which would have been disclosed if this Bidder's Statement had been prepared in accordance with the laws and regulations outside Australia. The availability of the Offer to persons who are not resident in and citizens of Australia may be affected by the laws of the relevant jurisdictions in which they are located. This Bidder's Statement does not constitute an offer of securities in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify Andromeda or to otherwise permit a public offering of Andromeda Shares outside Australia.

In offering Andromeda Shares under the Offer to Minotaur Shareholders in New Zealand, Andromeda is relying on the *Securities Act (Overseas Companies) Exemption Notice 2013*. This document is not a prospectus or an investment statement under New Zealand law and may not contain all the information that a prospectus or investment statement under New Zealand law is required to contain.

Minotaur Shareholders who are residents outside of Australia or New Zealand should refer to section 13.7 of this Bidder's Statement for further details.

Privacy

Andromeda has collected your information from the Minotaur Register for the purpose of making the Offer and, if accepted, administering acceptance over your holding of Minotaur Shares and paying the Offer Consideration. The

type of information Andromeda has collected about you includes your name, contact details and information on your holding of Minotaur Shares or holding of securities convertible in shares to Minotaur (as applicable). Without this information, Andromeda would be hindered in its ability to carry out the Offer. The Corporations Act requires the name and address of holders of Minotaur Shares and holders of securities convertible into Minotaur Shares to be held in a public register. Your information may be disclosed on a confidential basis to Andromeda's related bodies corporate and external service providers (such as the share registry of Andromeda and Minotaur, print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Andromeda, please contact company secretary Andrea Betti at the address shown below. Andromeda's privacy policy is available at

<https://www.andromet.com.au/assets/Documents/Policies/Privacy-Policy-2021Final.pdf>. The registered address of Andromeda is 69 King William Road, Unley, South Australia 5061.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears or the context requires otherwise, such terms are defined in section 15 of this Bidder's Statement (and in various other locations throughout this document).

Unless the contrary intention appears or the context requires otherwise, words and phrases used in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act. All amounts are in Australian dollars unless otherwise stated.

Maps and diagrams

Diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps, graphs and tables is based on information available at the date of this Bidder's Statement.

Key Dates

Date of announcement	10 November 2021
Date of Bidder's Statement	3 December 2021
Offer opens	8 December 2021
Offer closes, unless extended or withdrawn	7.00pm (AEDT) on 31 January 2022

How to Accept the Offer

You may only accept the Offer in respect of all your Minotaur Shares. Acceptances must be received before the Offer closes. To accept the Offer, you should proceed as follows:

1. Read	Read this document in full.
2. Consult	Consult your legal, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer.
3. For Issuer Sponsored Holdings	Securityholder Reference Number beginning with "I"), you may accept the Offer online or by using the Issuer Acceptance Form. (1) Online acceptance: to accept the Offer online, you must log in to www.andromedaoffer.com.au, follow the instructions, select the 'Accept' option and submit your acceptance of the Offer before the Offer closes; or (2) Acceptance Form: to accept the Offer using a physical acceptance form, complete the Issuer Acceptance Form in accordance with the instructions on it and return it by post to the address on the Issuer Acceptance Form so that it is received before 7.00 pm (AEDT) on the last day of the Offer Period.
4. For CHES Holdings	(Holder Identification Number beginning with "X"), you may accept the Offer online, by using the CHES Acceptance Form, or by contacting your Controlling Participant. To accept the Offer, you must comply with the ASX Settlement Operating Rules by doing one of the following: (1) Online acceptance: to accept the Offer online, you must log in to www.andromedaoffer.com.au, follow the instructions, select the 'Accept' option and submit your acceptance of the Offer before the Offer closes. For your online acceptance to be an effective acceptance of the Offer, it must be received in time for the Registry to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period;

(2) **Acceptance Form:** to accept the Offer using a physical acceptance form, complete the CHES Acceptance Form in accordance with the instructions on it and return it by post to the address on the CHES Acceptance Form. For return of a CHES Acceptance Form to be an effective acceptance of the Offer, it must be received in time for the Share Registry to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period; or

(3) **Contact your Controlling Participant:** contact your Controlling Participant (usually your Broker) and instruct them to accept the Offer on your behalf so that it is processed before 7.00pm (AEDT) on the last day of the Offer Period.

The website for lodgement of online acceptances is

<http://www.andromedaoffer.com.au>

Offer Information Line

If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the Offer Information Line on 1300 395 837 (within Australia) or +61 3 9415 4064 (from outside Australia) from 8.30am – 5.00pm (AEDT) on Business Days.

ACCEPT NOW

Andromeda believes its Offer of 1.15 Andromeda Shares for every Minotaur Share held provides you with an outstanding opportunity to realise an attractive price for your Minotaur Shares.

The Andromeda Offer has been unanimously recommended by the Minotaur Directors, in the absence of a superior proposal.



Letter from the Chair

Dear Minotaur Shareholder,

It is my pleasure, on behalf of the Board of Directors of Andromeda Metals Limited (**Andromeda**), to present you with this offer of 1.15 Andromeda Shares for every 1 of your shares in Minotaur Exploration Limited (**Minotaur**) (the **Offer**).

The purpose of the Offer is to consolidate the ownership of the Great White Kaolin Project and Natural Nanotech into one enlarged single entity, that will be better positioned to optimise, fund and develop these assets and initiatives. The combination of Andromeda and Minotaur will create a leading Australian industrial minerals and technology company with Minotaur shareholders to retain exposure through an approximate 19.4% holding in the combined entity.

In addition to Andromeda's Offer, Minotaur is separately demerging its copper and gold assets into Minotaur subsidiary, Demetallica (formerly Breakaway Resources), which it intends to seek to change to list on the ASX. Should the Offer and demerger be successful, Minotaur Shareholders will receive shares in Demetallica, in addition to the Andromeda Shares they receive under the Offer. The demerger is subject to Minotaur Shareholder approval and this Offer is subject to Minotaur Shareholders approving the demerger.

Minotaur's Board has **unanimously recommended** that all Minotaur shareholders accept this Offer, in the absence of a superior proposal and has committed to accepting the Offer for all of the shares they own or control.

Transaction rationale and benefits to Minotaur shareholders

The Offer provides you with a substantial premium to the Minotaur Share price prior to the Announcement Date, with an implied value of:¹

- **A\$0.230 per Minotaur Share** based on the Andromeda Share price as at 8 November 2021, the last trading day prior to the Announcement Date, of A\$0.200. This represents a **76.9% premium** to the closing price of Minotaur Shares on that date of A\$0.130;
- **A\$0.208 per Minotaur Share** based on the 5-day VWAP of Andromeda Shares prior to the Announcement Date of A\$0.181. This represents a **55.1% premium** to the VWAP of Minotaur Shares over the same period of A\$0.134; and
- **A\$0.209 per Minotaur Share** based on the 30-day VWAP of Andromeda Shares prior to the Announcement Date of A\$0.181. This represents a **68.4% premium** to the VWAP of Minotaur Shares over the same period of A\$0.124.

In Section 2 of this Bidder's Statement we have outlined, in detail, the compelling reasons for you to accept the Offer. In addition to receiving a substantial premium and increased

¹ The exchange ratio of 1.15 Andromeda Shares for every 1 Minotaur Shares is a 'fixed' ratio and therefore the implied value per Minotaur Share will vary as the market value of Andromeda Shares varies. For further information regarding the premium which the Offer represents see section 2.1 of this Bidder's Statement.



liquidity for your Minotaur Shares, consolidating ownership of the Great White Kaolin Project and Natural Nanotech presents an attractive way to invest in the Great White Kaolin Project development story and the broader kaolin value chain. By combining Minotaur with Andromeda, the key outcome will be the streamlined ownership (including opportunities to reduce overhead costs) of the Great White Kaolin Project, allowing Andromeda to optimise the design, funding mix and timetable for development, to the benefit of both sets of shareholders.

In addition, Andromeda has a strong balance sheet, proven access to capital, a strong market following and experienced leadership in the kaolin and related product sectors, with a plan to develop a leading business across the kaolin products value chain.

By accepting the Offer, Minotaur Shareholders will no longer be exposed to the funding risks and challenges Minotaur faces as a minority joint venture partner and standalone entity. It will also allow for your investment to be separated between the kaolin assets (Andromeda Shares) and copper and gold assets (Demetallica shares).

As at the date of this Bidder's Statement, Andromeda is not aware of any Superior Proposal having been received by Minotaur and Minotaur has not made Andromeda aware of any party having an intention to make such a proposal.

Other Information about the Offer

Details of the Offer, including its terms and conditions are set out in section 14 of this Bidder's Statement. The Conditions to the Offer include Andromeda achieving a Relevant Interest in excess of 90% of Minotaur Shares. I encourage all Minotaur Shareholders to read this Bidder's Statement thoroughly and accept the Offer.

To accept the Offer, please follow the instructions set out in the accompanying Acceptance Form. If you require additional assistance, please call the Offer Information Line on 1300 395 837 (within Australia) or +61 3 9415 4064 (from outside Australia).

As Chair of Andromeda, I am excited by the future opportunities for a combined Andromeda and Minotaur business and look forward to welcoming you as a shareholder in Andromeda.

Yours sincerely,

Rhoderick Grivas
Chair

Reasons why you should accept the offer

- 1** The Offer is unanimously recommended by Minotaur Directors
- 2** Compelling premium for Minotaur Shareholders
- 3** Offer provides attractive liquidity
- 4** Continued exposure to Andromeda and the benefits of ownership consolidation (particularly of the Great White Kaolin Project)
- 5** Minotaur Shareholders to receive shares in Demetallica (via the Demerger)
- 6** The Offer has the support of Minotaur Shareholders together holding 12.7% of the Minotaur Shares on issue
- 7** Potential risks and value reduction by not consolidating the Great White Kaolin Project ownership
- 8** No superior proposal has emerged
- 9** If the Offer is not completed, the Minotaur Share price may fall and Minotaur will need to repay any loan amounts drawn down from Andromeda loan facilities

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1 Summary of the Offer

This summary gives an overview of the Offer. Section 14 of this Bidder's Statement contains the full terms and conditions of the Offer. You should read this Bidder's Statement in full before deciding whether to accept the Offer.

Capitalised terms not otherwise defined have the meanings given in section 15 of this Bidder's Statement.

The Bidder	Andromeda Metals Limited.
The Offer	Andromeda is offering to acquire all Minotaur Shares. The Offer also extends to any Minotaur Shares issued before the end of the Offer Period on the exercise of Minotaur Options that are on issue as at the Register Date.
Offer closing date	The Offer is scheduled to close at 7.00 pm (AEDT) on 31 January 2022, unless the Offer is extended or withdrawn.
Offer Consideration	1.15 Andromeda Shares for every 1 Minotaur Share held.
Key conditions to the Offer	The Offer is subject to the Conditions set out in section 14.7 which include (in summary): • Andromeda acquiring a Relevant Interest in excess of 90% of all Minotaur Shares; • the Demerger is approved by Minotaur shareholders; • no Regulatory Action with respect to the Offer, Minotaur or a controlled entity of Minotaur; • no material adverse event in relation to Minotaur; • no material acquisitions, disposals or commitments by Minotaur; • no material litigation on foot or pending; and • no Prescribed Occurrences.

2 Why you should accept the Offer

2.1 The Offer is unanimously recommended by Minotaur Directors

The Minotaur Board of Directors unanimously recommend that Minotaur Shareholders accept the Offer, in the absence of a Superior Proposal.

Additionally, Minotaur Directors who own or control Minotaur Shares have confirmed that they will accept or procure the acceptances of the Offer in respect of the Minotaur Shares that they own or control within 5 business days after the Offer has opened, in the absence of a Superior Proposal.

Collectively, the Minotaur Directors own or control 9,240,295 Minotaur Shares, representing approximately 1.84% of all Minotaur Shares (excluding Minotaur Options) as at the date of this Bidder's Statement.

2.2 Compelling premium for Minotaur Shareholders

The Offer Consideration represents a compelling premium to Minotaur's recent trading values and the Offer Consideration is in addition to any shares received in Demetallica.

Under the Offer, Minotaur Shareholders will receive 1.15 Andromeda Shares for every 1 Minotaur Share held, which implies a value of \$0.208 per Minotaur Share based on Andromeda's 5-day VWAP prior to the Announcement Date.

The chart below illustrates the implied premiums represented by the implied Offer Consideration on a 'like for like' basis relative to historical trading prices of Minotaur Shares and Andromeda Shares on the ASX prior to 10 November 2021, being the Announcement Date.

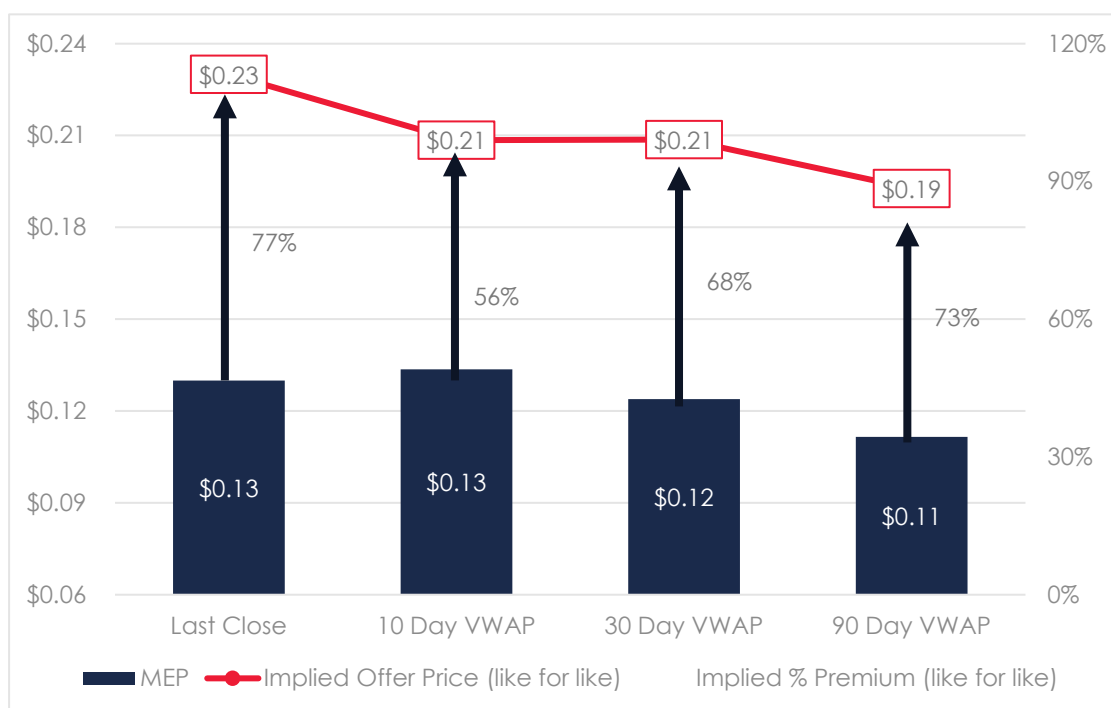


Figure 1: Implied Offer Price & Premium

2.3 Offer provides attractive liquidity

In addition to the attractive premium, the Offer provides Minotaur Shareholders with significantly increased liquidity and therefore ability to crystallise all or part of their investment if they so choose.

Over the 6 months of trading on the ASX up to and including 8 November 2021 (the last trading day prior to the Announcement Date), an average of \$42 million of Andromeda Shares traded per month. This average monthly traded amount is equivalent to approximately 63% of Minotaur's market capitalisation of approximately \$68 million on the last trading day prior to the Announcement Date. In comparison, approximately \$3 million of Minotaur Shares traded per month in the same time period, equivalent to approximately 4% of the same \$68 million implied Minotaur market capitalisation.

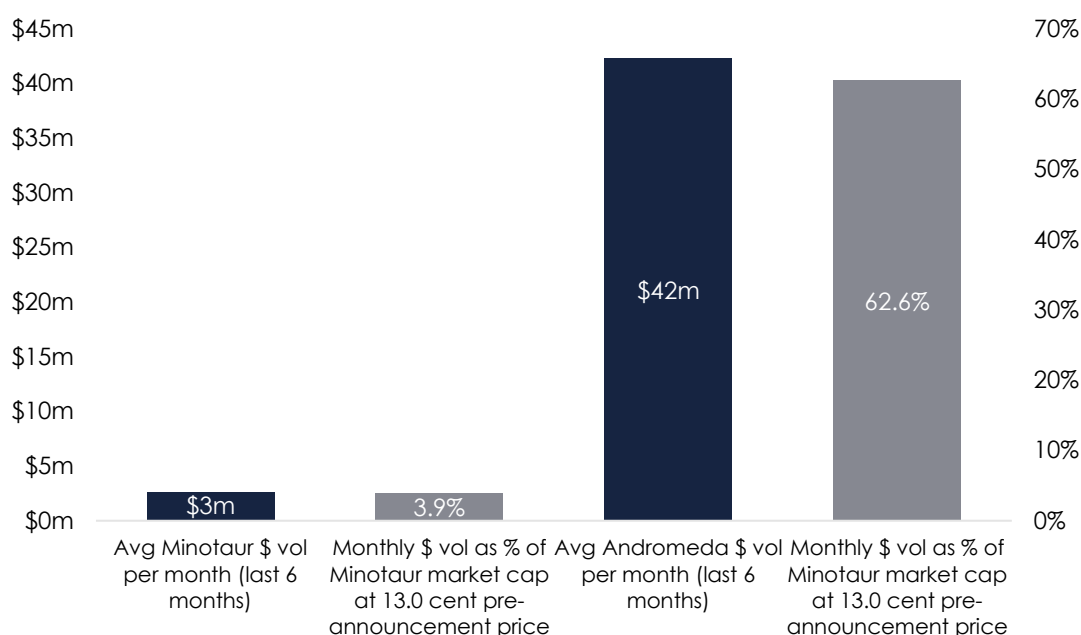


Figure 2: Liquidity – Minotaur vs Andromeda

Source: IRESS. Minotaur's and Andromeda's average monthly traded value in the 6 months up to and including 8 November 2021 and what proportion each average monthly traded value is of Minotaur's market capitalisation on the trading day prior to the Announcement Date.

The reduced liquidity in the trading of Minotaur Shares relative to the liquidity of Andromeda Shares is a significant benefit for Minotaur Shareholders, particularly in volatile markets. With an average turnover of only approximately \$123,000 per day over the last 6 months prior to Announcement Date, it would only require a small number of Minotaur Shareholders to exit to result in a material impact on Minotaur's Share price.

In volatile markets, the substantial liquidity, at a strong price, provided by the Offer should be a significant consideration for Minotaur Shareholders.

2.4 Continued exposure to Andromeda and the benefits of ownership consolidation

Should Minotaur Shareholders accept the Offer and Andromeda successfully acquires Minotaur, Minotaur Shareholders will hold approximately 19.4%² of the ordinary shares of Andromeda and benefit from direct exposure to a leading Australian kaolin/halloysite and technology company with the following key attributes:

✓ **Size, Scale and Market Relevance**

- Pro-forma market capitalisation of around \$556³ million and approximately 16 times the liquidity of Minotaur.⁴

✓ **Financial Strength**

- Strong balance sheet with Andromeda having a 30 September 2021 cash position of \$46 million and no debt.
- Well placed to fund long lead capex items at the Great White Kaolin Project along with further activity on its other initiatives including HPA, concrete and cosmetics, providing potential value upside for all shareholders.

✓ **Simplified Ownership and Full Project Control**

- Andromeda to benefit from 100% ownership of the Great White Kaolin Project, 100% ownership of Natural Nanotech and a large strategic tenement position surrounding the Great White Kaolin Project, including Mount Hope (100% Andromeda) and the Eyre Kaolin Joint Venture (Andromeda earning 80%).
- Consolidation of the Great White Kaolin Project under one listed entity will remove complicated joint venture structures, enhance development optionality, optimise the project design, funding mix and development timetable, streamline management, avoid potential future conflicts and provide cost synergies by removing duplicate cost items from two publicly listed companies.
- Consolidating ownership of Natural Nanotech will enable enhanced development and commercialisation of any future intellectual property in relation to new technology created for halloysite applications and uses, including battery technology, water purification and carbon capture.

✓ **Access to Equity Capital**

- In June and July 2021, Andromeda successfully raised \$45m through a placement to institutional and sophisticated investors and an oversubscribed Share Purchase Plan (SPP).

✓ **Access to Debt Finance**

- Andromeda's greater size, simplified ownership structure and shareholder support are all factors which will enhance its ability to obtain debt finance on satisfactory terms. Debt providers typically prefer clean ownership structures and borrowers capable of raising substantial equity capital if required.

² 19.4% assumes 100% of Minotaur Shares are acquired and 519 million new Andromeda Shares are issued under the Offer and that the combined entity will have 3,081 million ordinary shares on issue following completion of the Offer.

³ Based on an implied Offer Price of \$0.208 per share and 3,081 million shares in the combined entity. The implied Offer Price is based on Andromeda's 5-day VWAP up to and including the 8 November 2021.

⁴ Liquidity based on the traded value of Andromeda and Minotaur over the 6 month period up to and including 8 November 2021, the last trading day prior to Announcement Date.

✓ **Optimised Project Value**

- Andromeda's strong access to both equity and debt capital provides increased optionality and flexibility (relative to maintaining the existing joint venture structure) over the development strategy of the Great White Kaolin Project as well as the initiatives of Natural Nanotech. As such, Andromeda will have the ability to consider additional development options with both Andromeda and Minotaur shareholders to benefit from any project value optimisation.

2.5 Minotaur Shareholders to receive shares in Demetallica

In addition to Andromeda's takeover Offer, Minotaur is seeking to separately demerge its copper and gold assets into Minotaur's wholly owned subsidiary, Demetallica, which it intends to list on the ASX (subject to receipt of necessary approvals).

Under the proposed Demerger, Minotaur Shareholders will receive shares in Demetallica on a pro-rata basis for the Minotaur shares they hold at the record date of the Demerger.

Key details of Demetallica are summarised below:

- A copper and gold exploration focused company;
- An asset portfolio primarily consisting of Minotaur's existing copper and gold exploration projects and joint venture interests located in Queensland and South Australia;
- Minotaur's current board, management and staff will transfer to Demetallica; and
- Cash of \$2 million (pre-costs of the IPO) on completion of the Demerger.

The proposed Demerger will entail a capital reduction and in-specie distribution of shares in Demetallica to eligible Minotaur Shareholders to effect the Demerger. The Demerger is subject to Minotaur Shareholder approval. The Andromeda Offer is also subject to Minotaur Shareholders approving the Demerger. The Andromeda Offer has been structured so that Minotaur Shareholders who accept the Offer can still vote their Minotaur shares to approve the Demerger and participate in the Demerger.

Further information in relation to the Demerger will be provided to Minotaur Shareholders through separate Minotaur announcements and Minotaur's Notice of Meeting.

2.6 The Offer has the support of Minotaur Shareholders together holding 12.7% of the Minotaur Shares on issue

Minotaur has advised Andromeda that several of Minotaur's largest shareholders, representing 12.7%⁵ of Minotaur's issued shares, have indicated to Minotaur their intention to accept the Offer for all the shares they currently own or control, in the absence of a Superior Proposal and the conditions of the Offer being fulfilled.

The Minotaur shareholders are listed below and they have consented to the inclusion of this intention statement in this Bidder's Statement.

- Yarraandoo Pty Ltd, Minotaur's largest shareholder, with a holding of 26,441,569 Minotaur shares, representing 5.3% of Minotaur shares on issue;
- Mr Craig Alex Barrett, Minotaur's second largest shareholder, with a holding of 10,433,368 Minotaur shares, representing 2.1% of Minotaur shares on issue;

⁵ This percentage is based on 501.3 million Minotaur Shares on issue, excluding Minotaur Shares issued to and held by Sandfire Resources as part consideration for the August 2021 acquisition by Minotaur of Sandfire's interest in the Altia Project and regional tenement package. See Section 6.2(c) of this Bidders Statement.

- Chetan Enterprises Pty Ltd and related entities with a combined holding of 8,479,000 Minotaur shares, representing 1.7% of Minotaur shares on issue;
- Surpion Pty Ltd and related entities, with a combined holding of 8,250,000 Minotaur shares, representing 1.6% of Minotaur shares on issue;
- Mr William (Bill) McArthur with a holding of 5,137,400 Minotaur shares, representing 1.0% of Minotaur shares on issue; and
- Mr Peter Francis Hasenkam with a holding of 4,780,496 Minotaur shares, representing 1.0% of Minotaur shares on issue.

2.7 Potential risks and value reduction by not consolidating the Great White Kaolin Project

Developing the Great White Kaolin Project and delivering maximum value to stakeholders requires decision making flexibility, access to capital and a number of inter-related workstreams to come together. Trying to align joint venture parties of vastly different size, financial strength and asset focus, could create a number of issues which all have potential to negatively impact value for both sets of shareholders. Key issues include:

- **Minotaur Funding Risk:** Should the Offer not be successful, Minotaur could face the funding risks and challenges of a minority joint venture partner and standalone company.
- **Project Finance and Optimal Project Design:** The complexities of the existing joint venture ownership structure of the Great White Kaolin Project could impact the optimal finance mix and lead to a sub-optimal project design and lower value for shareholders.
- **Long Lead Capex Items:** The Great White Kaolin Project requires a commitment to certain long lead capex items to remain on schedule. However, under the current Joint Venture it is possible for long lead capex items to be subject to different views between Andromeda and Minotaur, potentially leading to a delay in project start-up.
- **Timetable:** Any matters requiring Joint Venture approval, such as approving a Decision to Mine, may cause a delay in project start-up.

Any of the above issues could result in value destruction for both Minotaur and Andromeda Shareholders.

2.8 No superior proposal

As at the date of this Bidder's Statement, Andromeda's Board is not aware that any Superior Proposal exists and given Minotaur is a minority joint venturer in the Great White Kaolin Project, this may reduce the likelihood of a third party putting forward a Superior Proposal.

In addition, the Bid Implementation Agreement prohibits the solicitation of any third party proposals during the term of the Bid Implementation Agreement and should Minotaur Directors change their recommendation in response to an unsolicited proposal, Minotaur may be obliged to pay a reimbursement fee of \$1,000,000 to Andromeda, as well as repay any amounts drawn under the Andromeda \$4,000,000 loan facilities.

2.9 If the Offer is not completed, the Minotaur Share Price may fall

The implied Offer Consideration of \$0.208 per Minotaur Share is significantly above the \$0.130 closing price of Minotaur Shares prior to the Announcement Date and provides Minotaur Shareholders with the opportunity to realise attractive value for all of their Minotaur Shares.

After the Announcement Date, Minotaur's Share Price increased 38% from its pre-announcement share price of \$0.130 on 8 November 2021 to \$0.180 on 2 December 2021, being the last trading day prior to the date of this Bidder's Statement.

Should the Offer not be successful and no Superior Proposal emerges, the Minotaur Share price may decline back to pre-announcement levels. Minotaur may need to raise significant equity capital at a discount to its pre-Offer share price. Given Minotaur's potential upcoming funding requirements as a minority joint venture partner in the Great White Kaolin Project, the likely required equity raise to fund this expenditure may lead to significant shareholder dilution and a potential further fall in share price. In addition, should the takeover not be successful, Minotaur will be required to repay any amounts drawn under the Andromeda \$4,000,000 loan facilities, which may require a more immediate equity raise. Whilst as at the date of this Bidder's Statement, Minotaur has not drawn down on the Andromeda loan facilities, Minotaur has provided a budget to 31 January 2022 which indicates that draw downs will occur.

2.10 Risks of not accepting the Offer

If you do not accept Andromeda's Offer for Minotaur, and no Superior Proposal is received, there are factors that you should consider, including:

- As outlined in section 2.9 above, Minotaur Shares may fall to the price at which they were trading before the Offer was announced (or possibly even lower). This may be the case notwithstanding the fact that the price of Minotaur Shares has risen since the Announcement Date of the Offer.
- If Andromeda elects to waive the 90% minimum acceptance condition of the Offer, there is a risk that Andromeda acquires more than 50% but less than 90% of Minotaur Shares. If Andromeda acquires a majority shareholding in Minotaur and does not become entitled to acquire the Minotaur Shares that have not been accepted into the Offer, Minotaur Shareholders who do not accept the Offer will become minority Minotaur Shareholders.
- As outlined in Section 2.9 above, should the Offer not be successful, Minotaur will likely need to raise equity capital in the first half of 2022 to cover committed exploration expenditure, any repayments to Andromeda required under the \$4,000,000 loan facilities, corporate costs and its proportion of future Great White Kaolin Project development expenditure. Any equity capital raise could be conducted at a discount to Minotaur's prevailing share price and be dilutive to existing Minotaur Shareholders.

2.11 Consideration of Risk Factors

When considering the reasons to accept this Offer in this section 2, you should also consider the risk factors summarised in section 3 and set out in full in section 11.

3 Frequently asked questions

The information set out in this section is intended to provide you with an overview of Andromeda, the Offer and the risks that you should consider in deciding whether or not to accept the Offer.

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the detailed information contained in the other sections of this Bidder's Statement.

The full terms and conditions of the Offer are contained in section 14.

Part 3 of this section 3 below provides a summary of the key risk factors which you should consider in deciding whether to accept the Offer. This list is not exhaustive and is not a substitute for careful consideration of section 11 which describes both these risk factors, and other risk factors in detail.

Part 1: Summary of the Offer

What is the Offer?

This Bidder's Statement relates to the Offer by Andromeda to acquire all of your Minotaur Shares.

The Offer also extends to any Minotaur Shares issued before the end of the Offer Period on the exercise of rights attached to Minotaur Options that are on issue as at the Register Date.

The full terms and conditions of the Offer are contained in section 14.

Why have I received this document?

You have received this Bidder's Statement because you are a Minotaur Shareholder.

It contains important information prepared by Andromeda to help you determine whether or not to accept the Offer. You should read this Bidder's Statement in full and seek independent advice if you have any queries in respect of the Offer.

Who is making the Offer?

Andromeda is offering to acquire all of your Minotaur Shares.

Andromeda is listed on ASX (code: ADN) and based in Adelaide, Australia, with a vision to supply the world with superior quality industrial minerals, starting with halloysite-kaolin.

For more information on Andromeda see section 4.

What is the Minotaur Directors' recommendation in relation to the Offer?

The Minotaur Directors unanimously recommend that all Minotaur Shareholders accept the Offer, in the absence of a superior proposal.

What are the intentions of the Minotaur Directors in relation to their own Shares?	Each Minotaur Director who holds or controls Minotaur Shares has stated that they intend to accept the Offer in respect of the Minotaur Shares they hold or control, in the absence of a superior proposal.
What will I receive if I accept the Offer?	If you accept the Offer and the Offer becomes unconditional, you will receive 1.15 Andromeda Shares for every 1 Minotaur Shares you hold, subject to the terms and conditions of the Offer (noting that you can only accept the Offer for all of the Minotaur Shares held by you). If you are an Ineligible Foreign Shareholder and accept the Offer, you will not receive any Andromeda Shares. Instead, the Andromeda Shares that you would have received will be sold by the Foreign Holder Nominee on your behalf. The amount of cash that you will be paid will depend on the price received for Andromeda Shares when they are sold (less selling expenses). See section 13.7 for further details of how you will be treated as an Ineligible Foreign Shareholder.
What is the current value of the Offer?	The implied value of the Offer is \$0.184 per Minotaur Share (based on the closing price of Andromeda Shares on ASX of \$0.160 as at 2 December 2021, being the end of the ASX trading day immediately before the date of this Bidder's Statement).
When does the Offer open and close?	The Offer opens on Wednesday 8 December 2021 and is scheduled to close at 7.00pm (AEDT) on Monday 31 January 2022, but may be extended or withdrawn in accordance with the Corporations Act.
Can the Offer Period be extended?	Yes. While the Offer is subject to the Conditions, Andromeda may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to in section 14.13). If all of the Conditions are fulfilled or waived, Andromeda may extend the Offer Period at any time before the end of the Offer Period. In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period, Andromeda improves the Offer Consideration, or Andromeda's Voting Power in Minotaur increases to more than 50%. If either of these events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.
How do I accept the Offer?	See the summary on page 4 and section 14.3 as well as the instructions on the accompanying Acceptance Form.
If I accept the Offer, when will I be issued with	If you validly accept the Offer and the Offer becomes unconditional, then you will be issued the Offer Consideration on or before the earlier of:

Andromeda Shares?

- one month after the date of your acceptance, or if at the time of your acceptance the Offer is subject to a Condition, one month after the Offer becomes or is declared unconditional; and
- 21 days after the end of the Offer Period.

Ineligible Foreign Shareholders will be provided with the cash proceeds from the sale of their Andromeda Shares to which they are entitled under the Offer at a different time.

See section 14.2(e) for further information as to when Andromeda Shares will be issued under the Offer.

Will my new Andromeda Shares be listed on ASX?

Andromeda will apply to ASX for Official Quotation of all Andromeda Shares issued under the Offer. Official Quotation of these Andromeda Shares will depend on ASX exercising its discretion. However, as Andromeda is already admitted to the official list of ASX and Andromeda Shares are already quoted, Andromeda's view is that quotation of Andromeda Shares issued under the Offer will be granted.

Will my new Andromeda Shares have the same rights and liabilities as all other Andromeda Shares

Yes.

Andromeda Shares issued under the Offer will rank equally with existing Andromeda Shares.

Can I withdraw my acceptance of the Offer?

You can only withdraw your acceptance in limited circumstances permitted under the Corporations Act. Such a withdrawal right will arise if, after you have accepted the Offer, Andromeda varies the Offer in a way that postpones, for more than one month, the time when Andromeda has to meet its obligations under the Offer (for example, if Andromeda extends the Offer for more than one month while the Offer remains conditional).

Can I accept the Offer for part of my holding of Minotaur Shares?

No. You cannot accept the Offer for part of your holding of Minotaur Shares. You may only accept the Offer for all of the Minotaur Shares held by you.

Do I pay brokerage or stamp duty if I accept the Offer?

If you accept the Offer, you should not pay Australian stamp duty on the sale of your Minotaur Shares to Andromeda under the Offer nor on the issue of Andromeda Shares to you as the Offer Consideration.

You will not pay brokerage if you accept the Offer and your Minotaur Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Andromeda.

If your Minotaur Shares are registered in a CHESS Holding, you should ask your Controlling Participant (usually your broker) whether

it will charge any transaction fees or service charges in connection with acceptance of the Offer.

What are the tax implications of accepting the Offer?

You should consult your financial, tax or other adviser on the tax implications for you of accepting the Offer. Section 12 contains a general summary of the key and likely Australian tax consequences for Minotaur Shareholders who accept the Offer.

What are the Conditions of the Offer?

The Offer is subject to Conditions set out in section 14.7, including but not limited to:

- Andromeda acquiring a Relevant Interest in excess of 90% of all Minotaur Shares;
- the Demerger being approved by Minotaur Shareholders;
- no Regulatory Action with respect to the Offer, Minotaur or a controlled entity of Minotaur;
- no material adverse event in relation to Minotaur;
- no material acquisitions, disposals or commitments by Minotaur;
- no material litigation on foot or pending;
- no Prescribed Occurrences; and
- no untrue statements or no break fees.

What happens if the Conditions of the Offer are not satisfied?

If the Offer closes with Conditions remaining unsatisfied or not waived, the Offer will lapse and acceptances will be void. This means that the Offer will not proceed and you will continue to hold your Minotaur Shares, regardless of whether or not you have accepted the Offer.

What happens if I do not accept the Offer?

You will remain a Minotaur Shareholder and will not receive the Offer Consideration.

However, you should note that if Andromeda becomes entitled to compulsorily acquire your Minotaur Shares, it intends to do so. If your Minotaur Shares are compulsorily acquired by Andromeda, the acquisition will be on the same terms as the Offer (including the same consideration for each Minotaur Share acquired under the Offer). However, you will receive the Offer Consideration later than the Minotaur Shareholders who choose to accept the Offer.

If the Offer becomes unconditional but Andromeda does not become entitled to compulsorily acquire your Minotaur Shares:

- you may be exposed to the risks associated with being a minority Minotaur Shareholder which may include low liquidity for as long as you continue to hold Minotaur Shares; and
- if the Offer lapses and there are no other offers for Minotaur, Minotaur will remain a listed company and Minotaur Shares will remain quoted on ASX.

Can I sell my Minotaur Shares on market? Yes, but you will pay brokerage fees and, if applicable, GST on that brokerage and / or CGT.

Can I be forced to sell my Minotaur Shares? Yes. If you do not accept the Offer, Andromeda may become entitled to compulsorily acquire your Minotaur Shares in certain circumstances, including where:

- Andromeda (and its Associates) acquire a Relevant Interest in 90% or more of all Minotaur Shares and, as a result, Andromeda becomes entitled to proceed to compulsory acquisition of outstanding Minotaur Shares in accordance with Part 6A.1 of the Corporations Act; or
- Andromeda otherwise becomes entitled to exercise general compulsory acquisition rights under part 6A.2 of the Corporations Act.

See section 9 for further information.

What if I am an Ineligible Foreign Shareholder? If you are an Ineligible Foreign Shareholder and you accept the Offer, the Andromeda Shares which would otherwise have been issued to you will instead be issued to the Foreign Holder Nominee (an application has been made to ASIC for approval of the appointment) who will sell these Andromeda Shares on the ASX (or another relevant financial market) and pay to you the net proceeds (by cheque, in Australian dollars), after deducting any applicable brokerage, taxes and charges in accordance with the Offer (calculated on an averaged basis so that all Ineligible Foreign Shareholders receive the same price per Andromeda Share, subject to rounding).

Persons outside Australia who come into possession of this Bidder's Statement should inform themselves of, and observe, any restrictions that apply to them.

Further information relating to some of the restrictions that may apply is contained in of section 13.7.

What if I require further information? If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the Offer Information Line on 1300 395 837 (within Australia) or +61 3 9415 4064 (from outside Australia).

Part 2: Overview of Andromeda

Who is Andromeda?

Andromeda is an ASX listed company, based in Adelaide, South Australia, with a vision to supply the world with superior quality industrial minerals, starting with halloysite-kaolin.

Andromeda has a number of projects in South Australia, with its primary focus being the Great White Kaolin Project, considered the world's largest known high-purity halloysite-kaolin resource. Andromeda seeks to build long-term relationships with customers around the world, to support them in producing premium products and clean technologies.

As at 2 December 2021, Andromeda has a market capitalisation of \$397 million.

Who are the directors of Andromeda?

As at the date of this Bidder's Statement, the following are directors of Andromeda:

- Rhoderick Grivas (Non-Executive Chair)
- James Marsh (Managing Director)
- Joe Ranford (Operations Director)
- Andrew Shearer (Non-Executive Director)
- Melissa Holzberger (Non-Executive Director)

See section 4.5 for further information

Part 3: Overview of key risks

What are the key risks?

There are a number of risk factors Minotaur Shareholders should consider in deciding whether to accept the Offer.

These risks include risks relating to the Offer as well as risks relating to an investment in Andromeda and the Merged Group.

Set out below is a summary of what Andromeda considers to be the key risk factors relating to the Offer. However, these key risk factors are not exhaustive and are not a substitute for careful consideration of section 11 which considers these risk factors, and other risk factors, in greater detail.

Key risks relating to the Offer

Issue of Andromeda Shares as consideration

Minotaur Shareholders are being offered consideration under the Offer consisting of a specified number of Andromeda Shares. As such, the value of the consideration will fluctuate with movements in the market value of Andromeda Shares.

See section 11.4(a) for further information.

Integration of Minotaur

There is a risk that the Merged Group's performance and prospects could be adversely affected if the integration of Minotaur is not completed efficiently and effectively.

See section 11.4(b) for further information.

Acquisition of less than 90% of Minotaur Shares

There is a risk that Andromeda acquires more than 50% but less than 90% of Minotaur Shares. If Andromeda acquires a majority shareholding in Minotaur and does not become entitled to acquire the Minotaur Shares that have not been accepted into the Offer, Minotaur Shareholders who do not accept the Offer will become minority Minotaur Shareholders.

See section 11.4(d) for further information.

Key risks relating to Andromeda, Minotaur and the Merged Group**Development of the Great White Kaolin Project**

Andromeda's ability to successfully develop and commercialise the Great White Kaolin Project may be affected by factors including licence to operate, feasibility study, mining lease approvals and project construction delays or costs overruns.

If Andromeda experiences project delays or additional cost overruns this could result in Andromeda not realising its operational or development plans or result in such plans costing more than expected or taking longer to realise than expected.

See section 11.3(a) for further information.

Future Capital Requirements

Andromeda will require further financing to construct and operate the Great White Kaolin Project. Although the Directors believe that additional capital can be obtained as it becomes required, no assurance can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to Andromeda or at all.

See section 11.3(f) for further information.

Commodity Price Volatility

The revenue Andromeda will derive through the sale of kaolin products will expose Andromeda to commodity price and exchange rate risk. Commodity prices fluctuate and are affected by numerous factors beyond the control of Andromeda.

See section 11.3(c) for further information.

Coronavirus (COVID-19)

The global economic outlook continues to face uncertainty due to the ongoing COVID-19 pandemic, which has been having and will likely to continue to have, a significant impact on global capital markets, commodity prices and foreign exchange.

See section 11.3(e) for further information.

Exploration and development

Exploration and project development can be hampered by a number of factors, and accordingly involves a degree of risk. Exploration is inherently speculative, with the possibility that minerals will not be found in commercial quantities or at all.

Successful exploration and development operations also requires good design and construction, efficient operations and processing, and effective marketing.

See section 11.2(d) for further information.

Environmental approvals

Andromeda's exploration and development programs are generally subject to approval by government authorities.

Accordingly, development of Andromeda's tenements will be dependent on compliance with planning and environmental laws.

See section 11.3(l) for further information.

Country Risk

Andromeda has binding offtake agreements and is seeking additional agreements with third parties located outside Australia. Changes in government, monetary policies, taxation and other laws of those countries where third parties operate could have a significant impact on Andromeda's assets, operations and ultimately the financial performance of Andromeda and its Shares.

See section 11.3(g) for further information.

Access to future funding

The continued activities of Andromeda in exploration and development are dependent on Andromeda's ability to obtain debt and equity financing, and/or generate sufficient cashflows from future operations. There is a risk that Andromeda may not be able to access capital from the debt or equity markets, which could have a material adverse impact on Andromeda's future operations and financial condition.

See section 11.3(f) for further information.

4 Information on Andromeda

4.1 Overview of Andromeda

Andromeda is an ASX listed industrial minerals company based in Adelaide, South Australia, and has a vision of becoming the world's leading supplier of high grade halloysite-kaolin. Andromeda Shares trade under the ASX code ADN.

Andromeda first listed in 1996 under the name Adelaide Resources NL and up until early 2018 the focus was directed towards predominantly gold and copper exploration at projects located in South Australia, the Northern Territory, Queensland and Western Australia.

From 2018, Andromeda has directed its primary focus to the evaluation and development of halloysite-kaolin through the acquisition of a significant interest in the Great White Kaolin Project (previously the Poochera Halloysite-Kaolin Project) on the Eyre Peninsula in South Australia. The Great White Kaolin Project is a joint venture between Andromeda and Minotaur. Andromeda holds a 75% equity interest in the Great White Joint Venture and Minotaur retains a 25% interest. In addition to the Great White Kaolin Project, the Great White Joint Venture also owns the Camel Lake Halloysite Project located within the Maralinga Tjarutja lands 60km north-east of Ooldea in South Australia's far west.

Andromeda and Minotaur are also parties to a separate 50/50 joint venture, Natural Nanotech, formed to fund halloysite research at the University of Newcastle, NSW Global Innovative Centre for Advanced Nanomaterials (**GICAN**).

Andromeda also wholly owns the Mount Hope Kaolin Project located 80km northwest of Port Lincoln on the Eyre Peninsula in South Australia, and has entered into a joint venture with Peninsula Exploration Pty Ltd (**Peninsula**) for the Eyre Kaolin Project, also in South Australia.

In addition to its halloysite-kaolin projects, Andromeda is also advancing several copper and gold prospects across Australia.

Andromeda has a number of subsidiaries through which it conducts its operations. A simplified operating structure of the Andromeda Group is set out in Annexure 4.

4.2 Overview of Andromeda's Projects

(a) Great White Kaolin Project

Andromeda currently holds a 75% equity interest in the world class Great White Kaolin Project (previously known as the Poochera Halloysite-Kaolin Project) under a joint venture with Minotaur. The Great White Kaolin Project is located at Poochera on the Eyre Peninsula of South Australia, approximately 635km west by road from Adelaide.

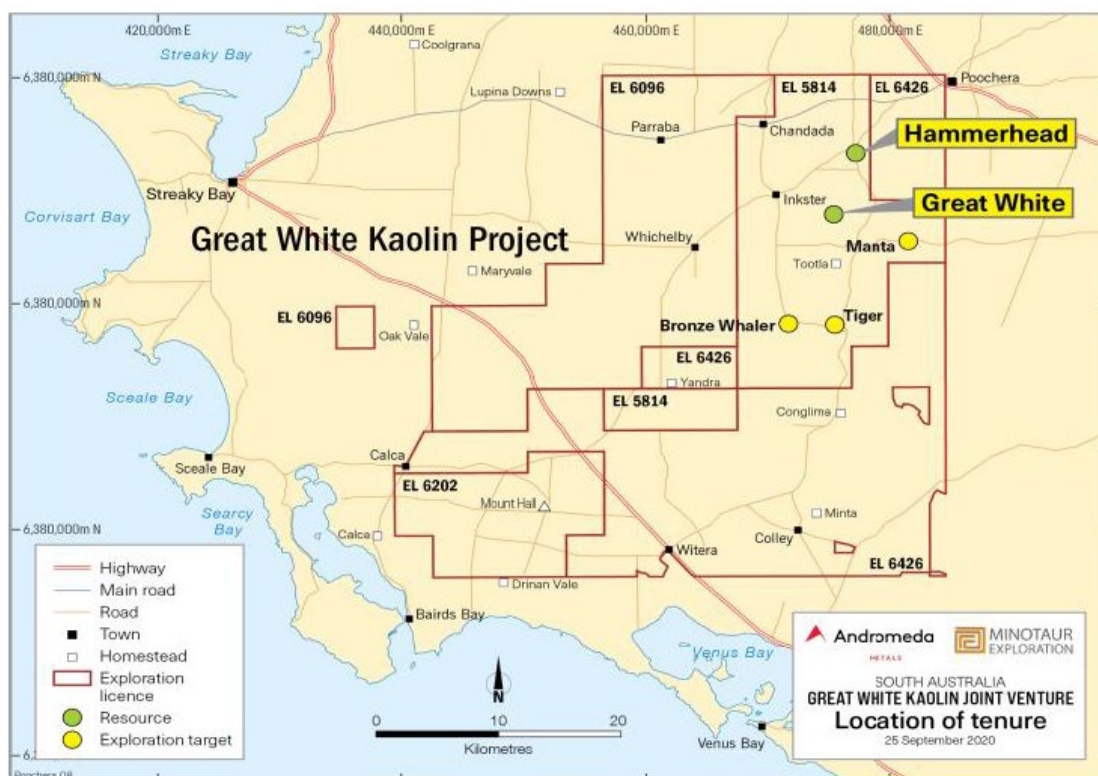


Figure 3 – Great White Kaolin Project Tenements

Joint Venture Overview

The Great White Joint Venture was initially formed in April 2018 through a Heads of Agreement between Andromeda and Minotaur.

Subsequent to that, Andromeda satisfied its two stage earn-in commitments to earn its 75% interest in the Great White Kaolin Project and the parties have formalised the joint venture by entering into a fully formed joint venture agreement.

As of the date of this Bidder's Statement, Andromeda (through its wholly owned subsidiary, Andromeda Industrial Minerals Pty Ltd (**AIM**)) retains its 75% interest and remains the manager and operator in the Great White Kaolin Project. Minotaur (through its wholly owned subsidiary, Great Southern Kaolin Pty Ltd (**GSK**)) retains its 25% interest and has contributed to its share of joint venture budgets.

AIM and GSK are also parties to a Marketing and Sales Agency Agreement under which AIM has been appointed by the joint ventures as marketing and sales agent to jointly market and sell the Joint venturers' respective shares of ceramic grade product from the Great White Kaolin Project.

Great White Kaolin Project PFS

A Pre-Feasibility Study (**PFS**) for the Great White Kaolin Project was released on 1 June 2020. The PFS built upon previous scoping level studies and reinforced the potential for the Project to be a long-term supplier of high-quality halloysite-kaolin product able to meet a growing global demand from ceramics industry manufacturers, and hence generate significant cash flows for the joint venturers.

The PFS was based upon an initial phase of mining kaolinised granite as Direct Shipping Ore (**DSO**) and toll wet-refining overseas to generate early cash flows that would be used to fund construction of an onsite wet-processing facility and associated infrastructure during the second year of operation. Production would then be scheduled to convert to onsite wet-processing to remove the majority of the

contained quartz sand in the mined kaolinised granite, and produce concentrated kaolinitic product to be shipped in bulk as filter cake for final toll wet-refining overseas in order to produce a fully refined, premium bright-white halloysite-kaolin product.

Both dry-processing and wet-processing at site were evaluated during the study with wet-processing proving to produce the significantly better project economics and environmental conditions. The prime advantages of onsite processing by a wet rather than a dry method is that it delivers higher product purity, greater recoveries of kaolin clay, reduces dust emissions and improves working conditions. This is conducive to the generation of considerably higher revenues, while also providing lower site processing costs and efficiencies of the plant design due to the operating features of wet processing. The inclusion of a hot drying stage under wet-processing was made in order to comfortably meet maximum shipping moisture contents. This has the benefit of recovering condensed water that will subsequently reduce the external water demand, lower tonnage based transport, handling and shipping costs as well as providing efficiencies in combination with the site's power generation requirements. Both the initial bulk DSO material and wet-processed bulk noodled product would be shipped through existing, or under development, port facilities.

Key metrics of the PFS included:

- A mine life of 26 years.
- A mining rate of 500ktpa of raw material, producing on average 233ktpa of refined premium halloysite-kaolin product with an average 15% halloysite content.
- All In Sustaining Cost average of A\$354/tonne of refined premium halloysite-kaolin product with an anticipated selling price of A\$700/tonne.
- A pre-tax NPV8 of A\$736 million and IRR of 175%.
- A post-tax NPV8 of A\$511 million and IRR of 135%.
- Pre-production capital estimated at \$13 million.

On site wet-processing plant and infrastructure, fully funded by revenues received from DSO production, to be constructed in the second year of operation at a cost of \$56 million.

Refer to Andromeda's ASX announcement titled "Pre-Feasibility Study Further Improves Poochera Economics" on 1 June 2020 for more details of the PFS.

Great White Kaolin Project: Current Status

(i) Approvals

On 25 February 2021, Andromeda lodged applications on behalf of the joint venturers for a Mining Lease and two Miscellaneous Purposes Licences with the South Australian Department for Energy and Mining (**DEM**) for the proposed development of the Project (**Application**).

The Application outlines the proposed development of a shallow open pit mine, wet-processing plant and supporting infrastructure at the Great White Deposit. A Mining Proposal and Management Plan supports the Application which incorporates supporting environment impact assessments undertaken by independent experts. The Application was accepted by DEM as satisfying the requirements of the Terms of Reference 005 and has successfully passed the public submission and response stage.

Andromeda is awaiting assessment of the application and issuing of the Mining Lease and its Lease Conditions.

On 10 November 2021, Andromeda announced that following public consultation on the Application, the Company provided a formal response to all comments raised on 15 July 2021 to DEM. DEM is currently assessing the Application. As Andromeda feels the public comments were in line with standard community questions, it sees the assessment as routine and maintains correspondence with DEM on progress. The previously advised timeline was for a decision on the Application to be received from DEM in late 2021.

Land access negotiations are at an advanced stage following several recent meetings between Andromeda and landowners.

(ii) Offtake

Andromeda has signed, on behalf of the Great White Joint Venture, two legally binding offtake agreements:

- with Jiangsu Mineral Sources International Trading Co. Ltd (**MSI**) for sales of 70,000tpa +/- 10% of refined ultra-bright high-purity kaolin product for an initial term of 5 years at a price fixed for the first 3 years that is at a premium to what was used in the PFS, which was A\$700/tonne. This ultra-bright, high-purity kaolin product is to be manufactured for the coatings and polymers markets and will be known as 'Great White PRM™'; and
- with Japanese porcelain manufacturer Plantan Yamada for 5,000tpa of Great White CRM™ at a price of A\$700/t.

A key outcome of the offtake agreement entered with MSI is that the initial stages of the Great White Kaolin Project will now focus on the production of Great White PRM product (for coatings and polymers market) rather than the Great White CRM™ product (for ceramics markets).

Negotiations are in progress for offtake agreements with the intention of having binding contracts for the sale of 100% of forecast Phase 1 production capacity in place (approx. 41,000tpa of CRM™ remaining), with several customers in the process of finalising detailed approval testing.

(iii) Definitive Feasibility Study

Work on the Definitive Feasibility Study (**DFS**) is continuing, with variations in the application and scope set out in the PFS being evaluated.

On 10 November 2021, Andromeda provided an update on the following aspects of the DFS:

(a) Timetable:

Andromeda has made the decision to delay the release of the DFS to calendar Q1 2022 to incorporate the following:

- the bottom-up work required for a multi-product (CRM™ plus PRM™) development;
- further analysis of the benefits of DSO incorporation;
- further analysis on the optimal product mix;
- the value versus risk trade-off; and
- the optionality that comes with 100% ownership of the Great White Project.

In deciding to delay the release of the DFS, Andromeda had to balance the drawbacks of a timetable delay with the benefits of ownership consolidation, further project value optimisation and the inclusion of other opportunities, all factors capable of unlocking significant value for Andromeda (and Minotaur) shareholders.

(b) Metallurgical understanding:

Significant work has been undertaken to concentrate and refine the Great White kaolin to produce the PRM™ product. Laboratory test work confirming refining and recoveries of the Great White kaolin have been very successful. Recommissioning and upgrading the pilot plant to replicate the proposed flow chart has occurred and batches of refined PRM™ have been supplied to Andromeda's off-take customers.

(c) Geological update

Additional exploration work has supported Andromeda's confidence in the high quality of the Great White Deposit. The findings of the metallurgical investigations have been used to update the block model to include additional fields to target the PRM™ feed.

(d) Mining

Using the updated geological model, the mine plan has been reviewed and is being rescheduled to accommodate the new product mix for PRM™, CRM™ and DSO options. To target the PRM™ feed, the starter pit location has been moved to the North in an area called the Dorsal Fin.

(e) Infrastructure

To incorporate the PRM™ product, in addition to the CRM™ product, certain site facilities required a redesign, specifically the processing plant. The new flow sheet provides for production of the PRM™ and CRM™ concurrently with a focus on quality and recovery. Ancillary infrastructure, offices, sheds, water treatment and fuel storage designs are currently being finalised to DFS standard.

(f) Processing

Several scenarios for mine production and processing have been considered to provide the best project balance. Understanding the refining and recovery resulted in a larger phase 1 plant size of 300,000tpa which provides for the optimised production of products at the specification required to fulfil the current customer offtakes.

(g) DSO

A parallel study is being undertaken to establish the economics of Direct Shipping Ore (**DSO**) mining, logistics and timing. DSO provides for an opportunity to bring cashflows forward into the project at an earlier stage, which could then be deployed to the capital cost of the processing plant.

(h) Funding

Engagement with debt financiers is continuing, whilst recognising the project requirement for finance could be significantly diminished through the inclusion of DSO.

Great White Kaolin Project: Resources and Reserves

On 26 November 2020, Andromeda announced an updated Mineral Resource Estimate for the Great White Deposit of 34.6Mt of kaolinized granite reported at an ISO Brightness cut-off of 75% in the minus 45 micron size fraction.⁶

Table 1 – Great White Kaolin Project - Kaolin Mineral Resource

Class	Mt	PSD -45µm (%)	Kaolinite (%)	Halloysite (%)
Measured	5.7	50.2	39.5	6.9
Indicated	14.2	51.1	42.0	5.0
Measured + Indicated	20.0	50.8	41.3	5.6
Inferred	14.7	49.3	40.3	4.9
Total	34.6	50.2	40.9	5.3

The Resource yields 17.4Mt of High Bright kaolin product (ISO B>75%) when applying the minus 45 micron recovery factor, with the remaining approximate 50% of material being largely residual quartz derived from the weathered granite.

Table 2 – Great White Kaolin Project - Kaolin Mineral Resource minus 45µm

Domain	Mt	ISO B	Kaolinite (%)	Halloysite (%)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)
Measured	2.9	83.9	78.8	13.8	36.7	0.52	0.32
Indicated	7.3	82.8	82.3	9.9	36.6	0.51	0.50
Measured + Indicated	10.1	83.1	81.3	11.0	36.6	0.51	0.45
Inferred	7.2	83.3	81.7	9.9	36.4	0.51	0.45
Total	17.4	83.2	81.5	10.5	36.5	0.51	0.45

In July 2020, Andromeda announced a maiden Ore Reserve Estimate under the 2012 JORC Code for the Great White Deposit, based upon the PFS prepared by the Company and announced on 1 June 2020.

Table 3 – Great White Deposit Ore Reserve Estimate

Category	Tonnes Mt	Grade % -45µm	Mineral Content % of -45µm fraction		Halloysite + Kaolinite % of -45µm fraction
			Halloysite	Kaolinite	
Proven	0.0	0	0	0	0
Probable	12.5	52	15	78	93
Total	12.5	52	15	78	93

⁶ See ASX Announcement dated 26 November 2020 titled "Updated Mineral Resource for the Great White Kaolin JV Deposit".

(b) Camel Lake Halloysite Project

The Camel Lake Halloysite Project, which is located approximately 350km north-west of the Great White Deposit and has reported historical occurrences of near pure halloysite, is part of the Great White Joint Venture with Minotaur.

Following a positive meeting held with the Maralinga Tjarutja Council in late 2020 (the Maralinga Tjarutja people being the traditional landowners on which the Camel Lake tenement is located), a helicopter-supported site inspection was conducted in January 2021 in which 24 localities across the tenement were visited by Maralinga Tjarutja representatives and an anthropologist. A report has been prepared by the anthropologist outlining areas that can be accessed for surface sampling by Andromeda. An updated Land Access Agreement is now being negotiated.

(c) Mount Hope Kaolin Project

The 100% owned Mount Hope Kaolin deposit is located approximately 80 km northwest of Port Lincoln and 160 km southeast of the Great White Kaolin Project on the west coast of South Australia's Eyre Peninsula.

An aircore drilling program comprising 50 holes for 1,988 metres was undertaken during March 2021 at the Mount Hope Kaolin Project. The objective for the drilling program was to infill drill the southern half of the Mount Hope Resource to allow a reclassification from Inferred to Indicated category and to close off the deposit to the south and to the east which remained open from previous drilling.

The average thickness of white clay intercepted from drilling was slightly over 20 metres. Significant thicknesses of white kaolin were encountered at the southern end of the deposit with holes intersecting kaolin of up to 40 metres (MH21AC024) immediately south of the 2020 Mount Hope Resource. The quality of the white clay is yet to be determined by analytical methods.

The Mount Hope Resource yields 7.5Mt of High Bright kaolin product (R457 >80) when applying the minus 45 micron recovery factor. The Ultra-Bright sub domain contains 1.6Mt of minus 45 micron material with an ISO brightness (R457) of 84.1 and the halloysite sub domain contains 0.6Mt of minus 45 micron material comprised of 17.2% halloysite⁷.

Table 4 – Mount Hope Resource

Domain	Mt	PSD -45µm	Kaolinite %	Halloysite %
<i>Main</i>	<i>12.8</i>	<i>40.95</i>	<i>33.6</i>	<i>0.9</i>
<i>Halloysite</i>	<i>1.6</i>	<i>39.13</i>	<i>25.6</i>	<i>6.7</i>
<i>Ultra-Bright</i>	<i>3.7</i>	<i>44.37</i>	<i>38.0</i>	<i>0.7</i>
Total	18.0	41.49	33.8	1.4

⁷ For additional information on the Mount Hope Resource, refer to ASX Announcement dated 30 April 2021 titled "Quarterly Report Period ending 31 March 2021".

Table 5 – Mount Hope Resource -45µm

Domain	Mt	R457	Kaolinite %	Halloysite %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %
Main	5.2	81.8	82.1	2.2	35.1	0.56	0.62
Halloysite	0.6	81.2	65.4	17.2	34.8	0.60	0.63
Ultra-Bright	1.6	84.1	85.7	1.5	36.0	0.32	0.63
Total	7.5	82.2	81.4	3.3	35.3	0.51	0.62

(d) Eyre Kaolin Project

On 12 August 2021, Andromeda announced that it has executed a binding Heads of Agreement (**HOA**) with Peninsula to form the Eyre Kaolin Project Joint Venture (**EKJV**). Peninsula holds title to four exploration licence applications that cover 2,799 square kilometres located on the Eyre Peninsula of South Australia and which are adjacent to, or close proximity to, tenements that comprise the Great White Joint Venture.

Andromeda can earn up to an 80% interest in the EKJV tenements through sole funding expenditure of A\$2.75 million over 6 years from commencement of the EKJV.

Eyre Kaolin Project Joint Venture Terms

- The principal terms of the farm-in and EKJV HOA are as follows:
- Andromeda to make an initial payment to Peninsula of A\$20,000 upon execution of the HOA. This was completed upon execution.
- A minimum expenditure requirement of A\$140,000 (exclusive of tenement rents) to be spent by Andromeda on the EKJV tenements within 12 months of commencement of the EKJV.
- Stage 1 expenditure obligation by Andromeda of A\$750,000 (exclusive of tenement rents and which is inclusive of the minimum expenditure requirement) within 3 years of commencement to earn a 51% interest in the EKJV (Stage 1 commitment).
- Andromeda can elect to sole fund an additional A\$2 million over a further 3 years on meeting Stage 1 to earn an additional 29% interest, taking its overall interest in the EKJV to 80% (Stage 2 commitment).
- If a JORC 2012 compliant Measured and Indicated Resource of at least 50Mt (with a minimum of 80 ISO Brightness and maximum total 1wt% Fe₂O₃ + TiO₂ calculated from the -45µm fraction) is calculated over the EKJV tenements, Andromeda will issue Peninsula with A\$500,000 worth of Andromeda Shares.
- Peninsula has the option to convert its remaining 20% interest into a 1.5% net profit royalty following a Decision to Mine.

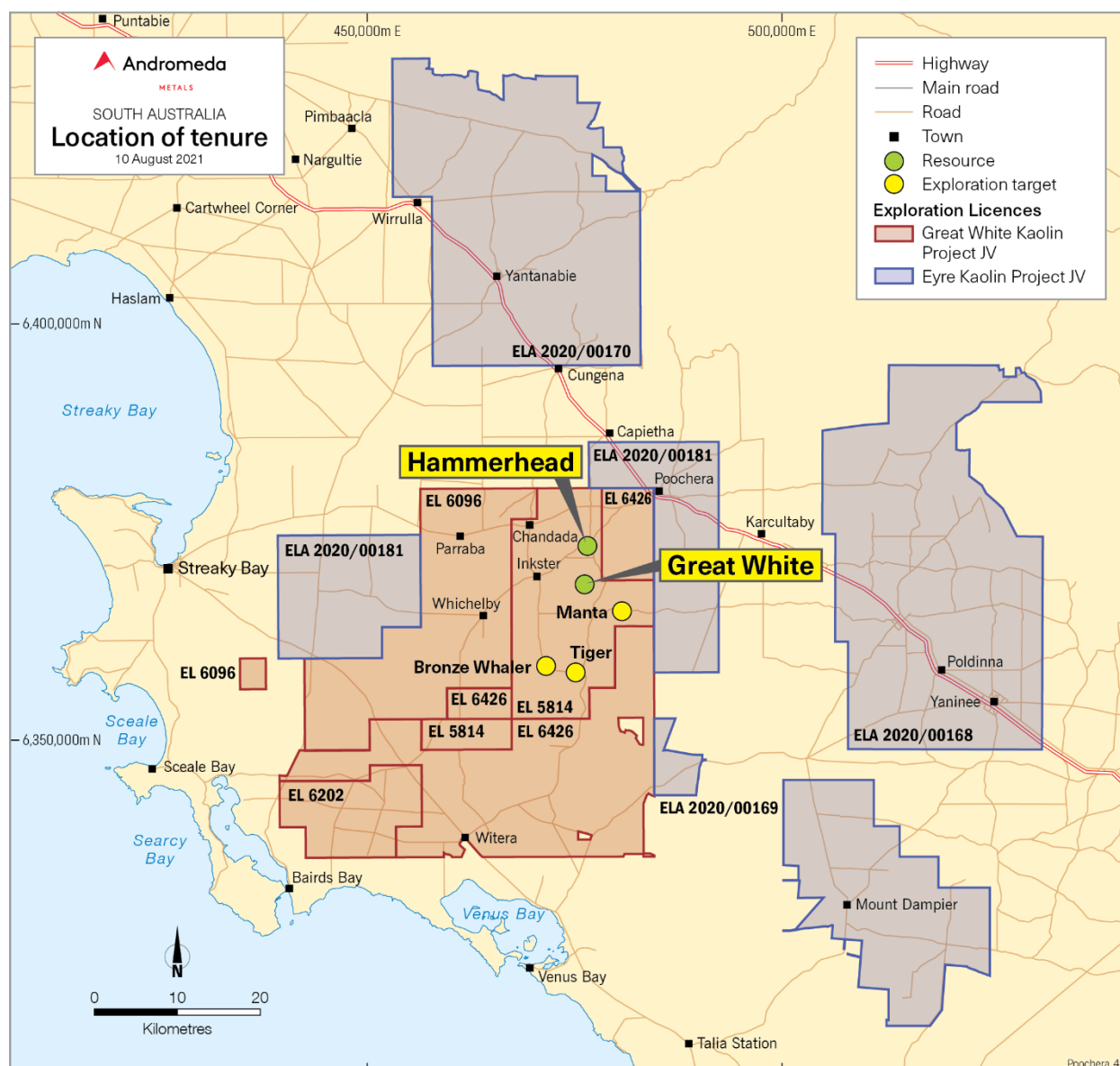


Figure 4 – Map showing EKJV and Great White Joint Venture tenements

(e) Other Halloysite-Kaolin Applications

High Purity Alumina

In May 2021, Andromeda signed a Memorandum of Understanding (MoU) with AEM Technologies Inc, part of the Advanced Energy Minerals Group (AEM), and entered an initial 90-day exclusivity period to explore a HPA licencing transaction that includes testing Andromeda kaolin feed, process feasibility studies and potential licensing and marketing arrangements. This exclusivity period has now been extended until 31 December, 2021, in order to finalise the product testing and due diligence process.

AEM's Cap Chat HPA Process Plant (**Cap Chat**), located in Quebec Canada, uses its patented process to make 99.99% ('4N') and 99.999% ('5N') pure high purity alumina. With proven technology and extensive patents, Cap Chat is recognised as environmentally friendly with its focus on reducing reagent consumption and transitioning to a near 'zero carbon emission' energy consumption plant. The facility is the only one globally that is capable of producing 4N/5N HPA from a kaolin feed. Having commissioned the plant in 2020, AEM is now in offtake discussions with potential customers around the world.

The MoU will see kaolin samples evaluated using AEM's proven process to determine its suitability for HPA manufacture, and potentially lead to the construction by Andromeda of an HPA plant under a licensing agreement with AEM, which could also include the marketing of HPA-manufactured product by Andromeda through AEM's global distribution network.

The possible source of kaolin material for HPA manufacturing is yet to be concluded, but material is being evaluated from two primary opportunities at present, which are the Great White Kaolin Project and the Mount Hope Kaolin Project.

On 22 October 2021, Andromeda announced that first stage testing of Andromeda's provided kaolin ore has successfully confirmed the feed material as being in a "class of its own" as a kaolin feed material. The kaolin feedstock was digested using a miniclave to give an aluminium chloride solution. Multiple acid digestions were then carried out to give a very thorough evaluation. Pure aluminium chloride solution is clear with colouration indicating impurity, which demonstrates the sensitivity of the process considering the extremely low levels of impurities found in this kaolin. The purification stage was very effective and as a result the final stages of the process are predicted to yield a high purity final HPA product within the timeframe of the extended agreement.

(f) Concrete Applications

Work is continuing on the potential use of halloysite-kaolin as a rheology modifier product for the concrete industry, with a patent successfully lodged by Andromeda for this application. Current testing is delivering further improved results with strength testing and rheological benefits which outperform existing commercial solutions.

A number of important handling and performance improvements of the concrete are being found with additional levels of only 1kg-2kg/m³ of halloysite-kaolin, which Andromeda considers will make this potentially of genuine commercial interest for the existing domestic and global market.

The concrete industry represents a new and very significant domestic and global market opportunity for halloysite-kaolin where results to date indicate that it provides genuine benefits. Most importantly, at an addition level that makes it commercially attractive to use, it potentially represents a much higher value to Andromeda than other applications. Once the reduced amount of required processing is factored in, the opportunity becomes compelling.

Concrete application areas under testing which are currently all showing positive results include; self-consolidating concrete, shotcrete, pool mix and deep foundation pilings.

Possible sources of halloysite-kaolin material for concrete applications have been sampled and tested from deposits including the Great White Kaolin Project and the Mount Hope Kaolin Project.

(g) Natural Nanotech Pty Ltd

Natural Nanotech Pty Ltd (**NNT**) is a research and commercialisation venture, owned in joint venture (50:50) by Andromeda and Minotaur, established to investigate new technology applications for halloysite-kaolin nanoparticles.

NNT is working with the University of Newcastle's Global Innovative Center for Advanced Nanomaterials (**GICAN**) on high-tech applications for halloysite, natural clay nanotubes, from the Great White Joint Venture's high-grade halloysite-kaolin deposits. Significant advances are being made by GICAN in developing solutions for

a range of environmental issues using nano-porous materials synthesised from natural halloysite-kaolin mixtures.

(h) Drummond Epithermal Gold Project

The Drummond Epithermal Gold Project is comprised of five tenements securing a total area of 539 km² in the gold prospective Drummond Basin in North Queensland. The Drummond Basin is prospective for high grade epithermal gold deposits such as Pajingo, located 70 km to the west which has produced approximately 3 million ounces of gold.

Surface geochemistry and prospecting has defined four previously untested targets. One of these is the Bunyip Prospect, comprising 2,000m of outcropping quartz vein containing anomalous gold and high-level pathfinder metals. This suggests it is an epithermal system, eroded to shallow levels with any gold zone potentially preserved at depth. Potential of the Bunyip Prospect is demonstrated in drill hole BUNRC005 that intercepted from 7m, 4m at 5.15 g/t gold.

With all data on the Drummond Epithermal Gold Project now received from Evolution Mining Limited (ASX: EVN) following its withdrawal from the joint venture in January 2021, a full review of the data is to be performed before determining the best option as to how to progress the Drummond Gold Project.

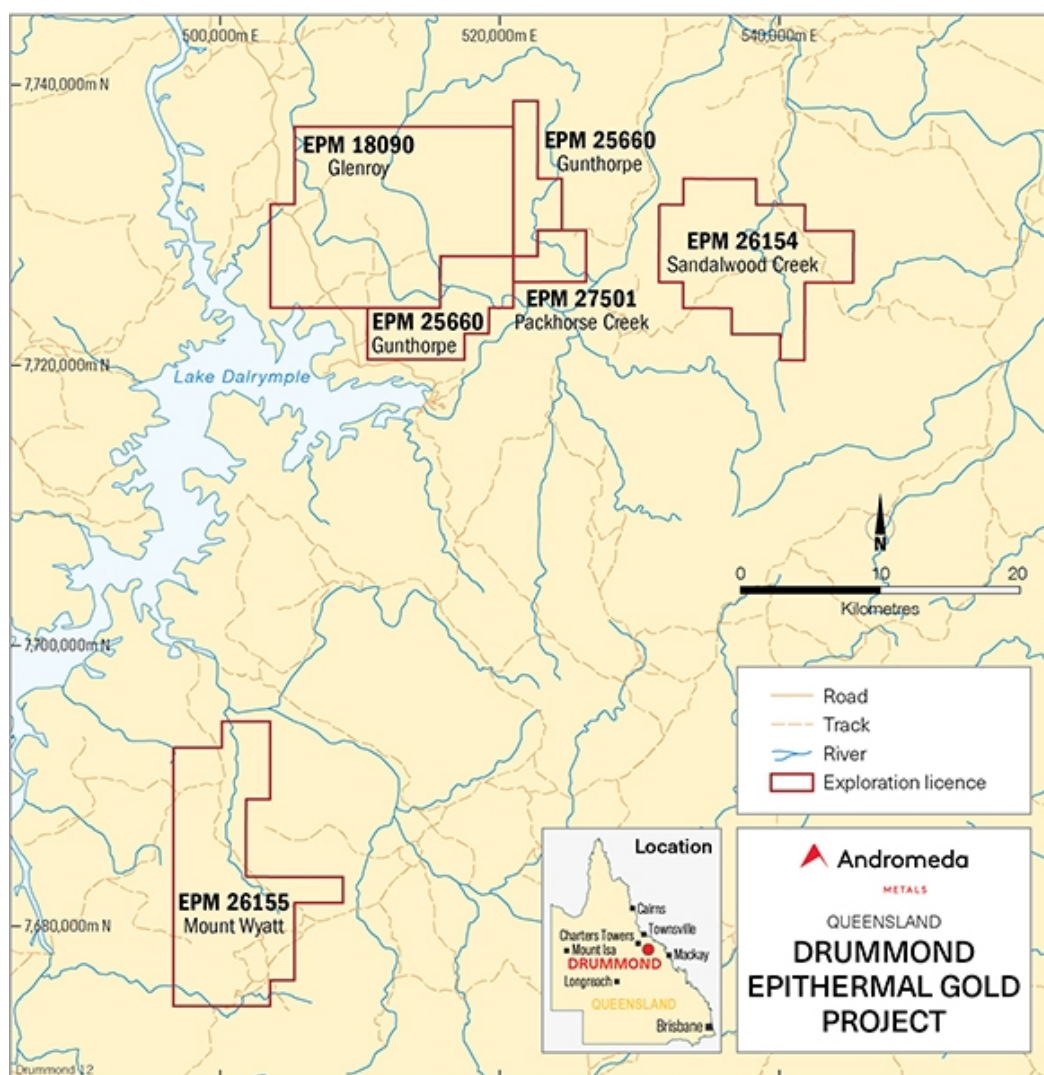


Figure 5 – Drummond Epithermal Gold Project Tenements

(i) Eyre Peninsula Gold Project

The Eyre Peninsula Gold Project (also referred to as the Wudinna Gold Project) comprises six tenements totalling 1,928 km² in the Central Gawler Craton Gold Province of South Australia. The Eyre Peninsula Gold Project includes a cluster of deposits and earlier stage prospects including:

- the Barns Deposit;
- the Baggy Green Deposit; and
- the White Tank Deposit.

These deposits have mineral resources totalling 4.43 million tonnes at 1.5g/t gold for 211,000 ounces using a 0.5 g/t gold cut-off grade, comprised of 0.41 million tonnes at 1.4g/t gold for 18,000 ounces of Indicated Resources and 4.02 million tonnes at 1.5g/t gold for 193,000 ounces of Inferred Resources.⁸

The Eyre Peninsula Gold Project is a joint venture between Andromeda and Cobra Resources PLC (**Cobra**) under which Cobra (through its 100% owned subsidiary, Lady Alice Mines Pty Ltd) is able to earn up to a 75% interest in the project through expenditure of A\$5 million over 6 years from October 2017. On 22 October 2021, Andromeda announced that Cobra had met the Stage 2 expenditure commitment and therefore earned a 65% equity interest in the Eyre Peninsula Gold Project. Cobra subsequently advised Andromeda of its intention to proceed with Stage 3 of the joint venture which requires it to spend a further \$1.25m over 12 months to move to a 75% interest.

Cobra recently commenced an extensive geochemical program across a number of the prospects including Barns, White Tank, Baggy Green and Benaud. A total of 1,071 RAB holes are planned under the program. Results of the program are targeted to confirm the primary orientation and mineralisation of these and other prospects identified across the Eyre Peninsula Gold Project tenement area.

⁸ For additional information on the Eyre Peninsula Gold project, refer to ASX Announcement dated 29 September 2020 titled "Drilling underway at Wudinna Gold Project".

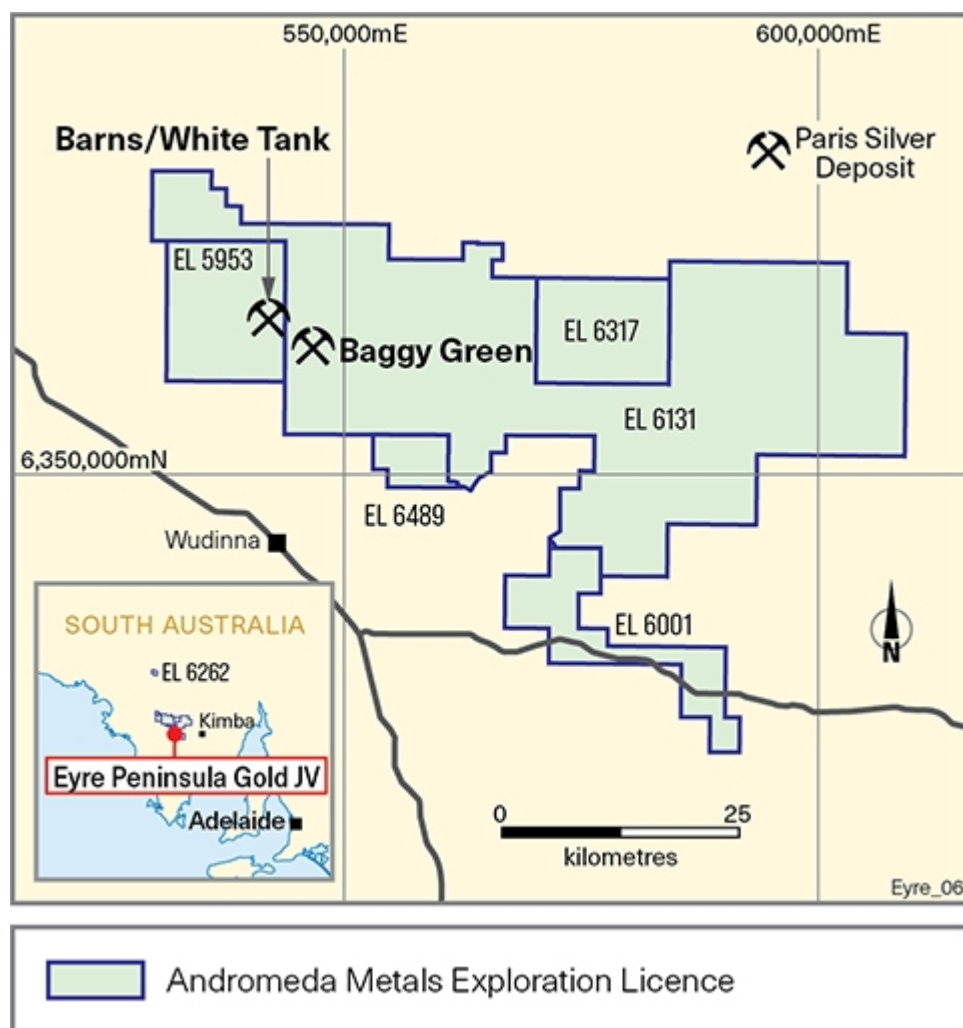


Figure 6 – Eyre Peninsula Gold Project Tenements

(j) Moonta Copper Gold Project

Andromeda's Moonta Copper Gold Project is located in the 'Copper Triangle' of the Yorke Peninsula, South Australia.

The Moonta Copper Gold Project includes the Alford West (Bruce and Larwood) and Wombat deposits that have a combined Inferred Resource 114,000 tonnes of copper within 66.1Mt of ore grading 0.17% of copper at a cut-off grade of 0.05% of copper. The Bruce and Wombat Deposits within the Moonta Copper Gold Project area are considered to have the relevant attributes suitable for the in-situ recovery of copper.

In 2018, Andromeda entered into an earn-in and joint venture agreement with EnviroCopper Ltd's subsidiary Environmental Metals Recovery Pty Ltd, to form the Alford West ISR Joint Venture, over the northern part of the Moonta Copper Gold Project tenement. The focus of the Alford West ISR Joint Venture is the evaluation and potential extraction of copper via in-situ recovery.

Preparation for the hydrogeologic drilling program is being finalised with several landowners being contacted regarding road access. Modelling of the Alford West ISR Joint Venture has commenced, with the coupled hydrothermal flow model for the Bruce deposit now complete, and the Larwood and Wombat portions expected to be completed in coming months.

Andromeda also holds a 90% interest in the Moonta Porphyry Joint Venture with Breakaway Resources (now Demetallica), a subsidiary of Minotaur, that covers a subarea (86.2km²) of EL 5984.

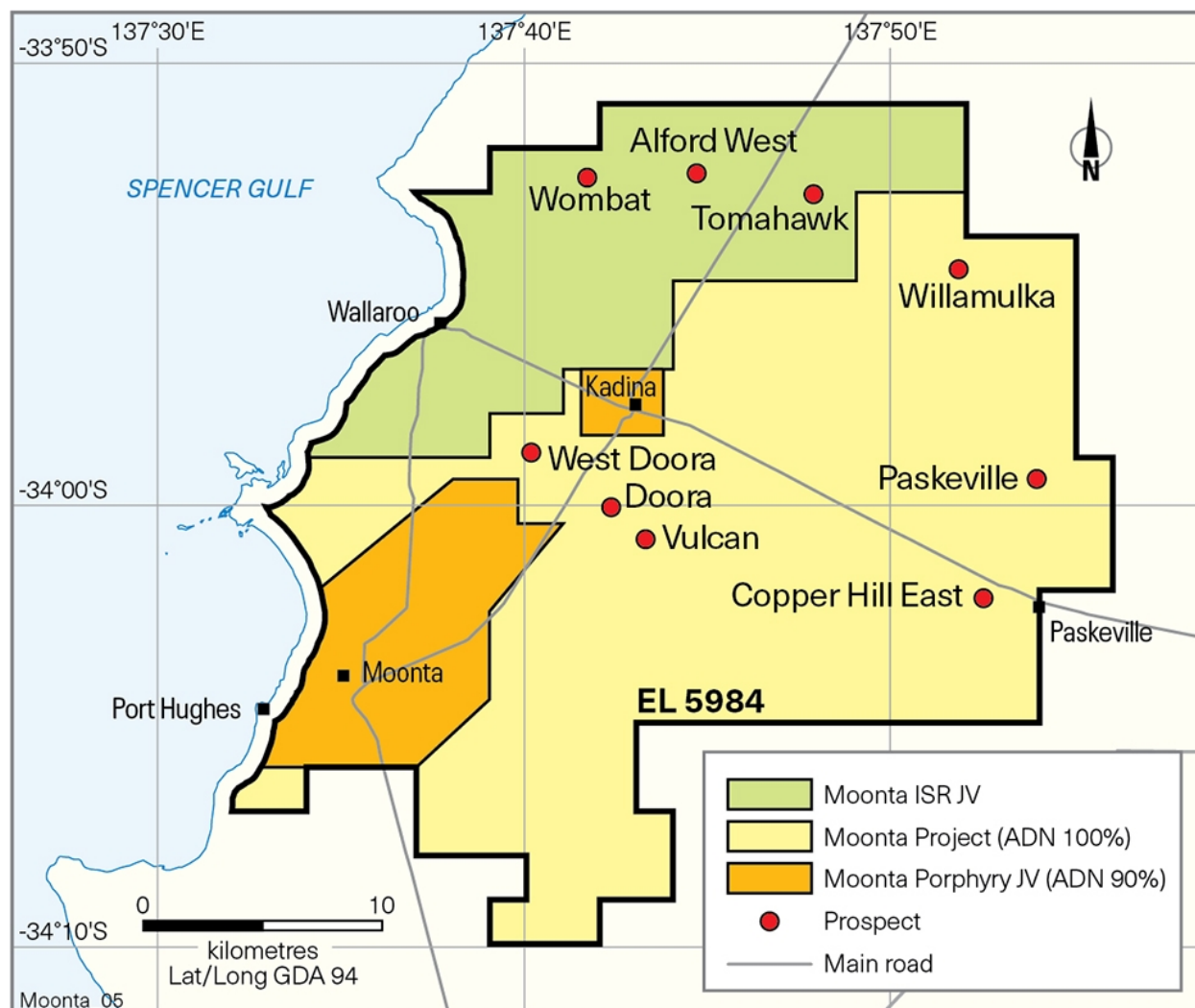


Figure 7 – Moonta Copper Gold Project Tenements

4.3 Andromeda's Corporate Structure

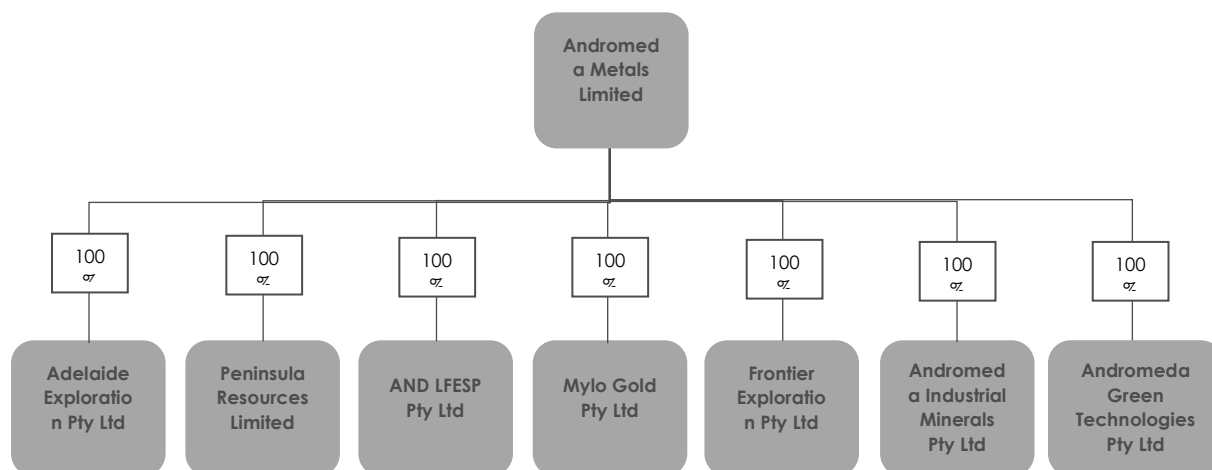


Figure 8 –Andromeda's Corporate Structure as of 2 December 2021

4.4 Andromeda's Tenements

A table setting out all tenements in which Andromeda and its subsidiaries hold a relevant interest is set out in Annexure 5.

4.5 Andromeda Board

Brief profiles of the Andromeda Board as at the date of this Bidder's Statement are as follows:

Rhod Grivas - (Non-Executive Chair)

BSc (Geology), MAusIMM, MAICD

Rhod Grivas is a geologist with over 30 years' resource industry experience, including 20+ years international listed company board experience.

He is currently a Non-Executive Chair of ASX listed Golden Mile Resources Limited, Non-Executive Director of AIM listed Lexington Gold Limited and was previously Managing Director of ASX and Toronto Stock Exchange (**TSX**) listed gold miner Doro Exploration NL, where he oversaw the discovery and development of a gold resource through feasibility into production.

Rhod is committed to bringing Andromeda's premium kaolin deposits into production and to building long-term relationships that enable its customers to produce premium products and clean technologies far into the future.

James Marsh - (Managing Director)

BSc (Hons), MAusIMM

James Marsh is a highly qualified kaolin specialist with more than 30 years' industrial minerals experience, including notable, senior technical and marketing roles with two global market leaders.

With experience at all levels of the industry from laboratory development through to market listing, James has been instrumental in developing new applications and markets for kaolin around the world.

James spent fifteen years working as Technical Manager for Imerys Minerals, the world leader in industrial minerals with a focus on kaolin, where he successfully assisted in developing and commercialising several new grades from projects around the world.

He then worked for nine years with Minerals Corporation in Australia as Marketing and Technical Director commercialising kaolin products from Australia and China, and setting up a global network for sales and distribution.

James then spent seven years as Business Development Manager for Active Minerals International, a worldwide leader in the production and marketing of kaolin and attapulgite minerals.

Uniquely qualified in all aspects of the kaolin industry, James is passionate about leveraging his experience to deliver a world-class industrial minerals business.

Joseph Ranford - (Executive Operations Director)

BEng (Mining), MBA, Grad Dip (Business Management), FAusIMM, GAICD, WA 1st Class Mine Manager.

Joe Ranford is a mining engineer with 25 years' senior management experience across both domestic and international mining companies. Joe has significant

experience bringing mining operations into production within sensitive communities and considerable knowledge of the South Australian mining approval process and stakeholder landscape. Most recently, he held the role as Chief Operating Officer for Nordic Gold Inc., a Canadian based company which was the previous owner of the Laiva Gold Mine in Finland, where he re-established mining operations and brought the project back into production from care and maintenance.

Prior to his role at Nordic Gold Inc, Joe was Operations Manager for Terramin Australia Limited where he managed all operational and technical aspects of the Angas Zinc mine and championed the evaluation and approval processes for the Bird in Hand Gold Project

Joe is focused on bringing the deposits of the Great White Kaolin Project into production. Growing up in the region, Joe has genuine understanding and respect for the local community and wants to continue building partnerships based on creating shared value.

Andrew Shearer - (Independent Non-Executive Director)

B.SC (Geology), Hons. (Geophysics), MBA

Andrew has been involved in the mining and finance industries for 20 years. Coupled with geoscience and finance qualifications he has experience from exploration through to production. A Non-Executive Director with Andromeda, Andrew also holds company director positions with Investigator Resources and Resolution Minerals.

Andrew has been exposed to the global resources sector covering micro to mid-cap resources stocks; from exploration to producing companies, across a broad suite of commodities. He has held senior roles in the mining and finance industries with Pac Partners, Phillip Capital, Austock, the South Australian Government, Mount Isa Mines and Glengarry Resources.

Andrew will leverage a strong track-record in mining and finance to bring Andromeda's valuable deposits into production.

Melissa Holzberger - (Independent Non-Executive Director)

LLM Resources Law (Distinction (Scotland)), Dip. International Nuclear Law (Hons) (France), LLB (Adel), BA (Adel), GDLP, GAICD, FGIA – Non-Executive Director

Ms Holzberger is an experienced Independent Non-Executive Director and mining lawyer with over 20 years' experience in the international energy and resources sector.

Melissa is currently a Non-Executive Director of ASX listed Paladin Energy Ltd and formerly a Non-Executive Director of Silex Systems Ltd. She is a member of the Federal Government's Australian Radiation Protection and Nuclear Safety Agency's Radiation Health and Safety Advisory Council.

Melissa brings a deep understanding of mining projects and operations, having previously worked with BHP and Rio Tinto. Her substantial experience extends to highly regulated industries, international commodity trade, corporate ethics, legal, risk and compliance oversight, together with a focus on environment, social and governance matters.

4.6 Financial information

(a) Basis of presentation of historical financial information

The historical information below relates to Andromeda on a stand-alone basis, and accordingly does not reflect any impact of the Offer. It is a summary only and the full

financial accounts for the financial periods described below, which include the notes to the accounts, can be found in Andromeda's financial reports for those periods.

The Andromeda 2020 and 2021 Full Year Reports, incorporating Appendix 4E, were lodged with the ASX on 1 October 2020 and 30 September 2021 respectively.

If you would like to receive a copy of the financial statements of Andromeda for the financial year ended 30 June 2021, please contact the Offer Information Line on 1300 395 837 (within Australia) or +61 3 9415 4064 (from outside Australia) and you will be sent a copy free of charge.

(b) Historical financial information

The summarised historical financial information of Andromeda set out below has been extracted from Andromeda's FY21 Full Year Report, being the last financial statements issued by Andromeda before the date of this Bidder's Statement.

(i) Statement of financial position

As at 30 June 2021	Jun 21 \$ 000'	Jun 20 \$ 000'
CURRENT ASSETS		
Cash and cash equivalents	4,905	2,999
Trade and other receivables	854	85
TOTAL CURRENT ASSETS	5,759	3,084
NON-CURRENT ASSETS		
Exploration and evaluation expenditure	13,180	9,218
Plant and equipment	213	151
Other financial assets	185	75
Investment in joint venture	283	158
TOTAL NON-CURRENT ASSETS	13,861	9,602
TOTAL ASSETS	19,619	12,685
CURRENT LIABILITIES		
Trade and other payables	1,110	626
Lease liabilities - current	57	71
Other liabilities	42	12
TOTAL CURRENT LIABILITIES	1,209	709
NON-CURRENT LIABILITIES		
Provisions	31	27
Lease liabilities - non-current	27	43
Other liabilities	1,864	976
TOTAL NON-CURRENT LIABILITIES	1,921	1,045
TOTAL LIABILITIES	3,130	1,754
NET ASSETS	16,489	10,931
EQUITY		
Issued capital	56,930	47,827
Reserves	5,839	2,940
Accumulated losses	(46,279)	(39,836)
TOTAL EQUITY	16,489	10,931

(ii) Statement of Profit or Loss and other comprehensive income

For the period ending	Jun 21 \$ 000'	Jun 20 \$ 000'
Other income	61	767
Impairment of exploration expenditure	(7,579)	(76,802)
Exploration and evaluation expenditure expensed	(4,809)	(3,187)
Administration expenses	(187,833)	(91,873)
Corporate consulting expenses	(169,650)	(76,198)
Company promotion	(24,816)	(16,391)
Salaries and wages	(26,457)	(28,962)
Directors' fees	(22,000)	(31,549)
Occupancy expenses	(4,255)	(8,120)
Share based payments	(799,533)	(493,462)
Loss before income tax expense	(6,436)	(3,365)
Tax expense	(8)	(82)
Loss for the year	(6,443)	(3,447)
Other comprehensive income (net of tax)	-	-
Total comprehensive income for the year	(6,443)	(3,447)
Earnings Per Share		
Basic earnings per share (cents)	(0.33)	(0.24)
Diluted earnings per share (cents)	(0.33)	(0.24)

(iii) Statement of cash flows

Period Ending	Jun 21 \$ 000'	Jun 20 \$ 000'
Cash flows relating to operating activities		
Receipts from government grants	62	74
Payments to suppliers and employees	(1,800)	(1,156)
Net operating cash flows	(1,738)	(1,082)
Cash flows relating to investing activities		
Interest received	9	27
Receipts from government grants	344	-
Refund of bank guarantee	-	50
Payment of environmental bonds	(20)	-
Payment for investment in joint venture	(380)	(158)

Payments for exploration and evaluation expenditure	(5,010)	(3,191)
Payment received from joint venture partner	980	200
Proceeds from the sale of assets	-	650
Payments for plant and equipment	(113)	(35)
Cash transferred to secured term deposit	(90)	-
Net investing cash flows	(4,280)	(2,457)
Cash flows relating to financing activities		
Proceeds from share and equity options issued	8,022	5,171
Lease payments	(73)	(29)
Interest paid	-	(1)
Payments for share issue costs	(25)	(273)
Net financing cash flows	7,924	4,868
Net increase in cash and cash equivalents	1,906	1,329
Cash at beginning of financial year	2,999	1,669
Cash and cash equivalents at end of financial year	4,905	2,999

(c) Matters arising subsequent to the end of the 2021 financial year

In July 2021, under the terms of a share placement managed by Canaccord Genuity and Taylor Collison as Joint Lead Managers, the Company issued 200 million shares at A\$0.15 per share, raising A\$30 million (before costs). Settlement of the placement and issue of the new shares has been completed and the shares have commenced trading.

In addition to the abovementioned share placement, in July 2021 the Company undertook a A\$15 million share purchase plan to eligible shareholders on the same terms as the placement. The share purchase plan was oversubscribed and, following a scale back of applications, the issue of new shares was completed.

There were no other matters or circumstances occurring subsequent to the end of the 2021 financial year that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

4.7 Disclosing entity information

Andromeda is a 'disclosing entity' for the purposes of the Corporations Act and, as such, is subject to periodic reporting and continuous disclosure obligations. Specifically, as a listed company, Andromeda is subject to the ASX Listing Rules, which require continuous disclosure of any information which Andromeda has concerning itself that a reasonable person would expect to have a material effect on the price or value of Andromeda Shares.

During the Offer Period, Andromeda will provide free of charge the following documents to any person upon request:

- Andromeda's Constitution;
- Andromeda's FY21 Full-Year Report (being the annual report most recently lodged with ASX before this Bidder's Statement was lodged with ASIC);

- any continuous disclosure notice given to ASX by Andromeda after the lodgement with ASIC of Andromeda's 2021 annual report and before lodgement of this Bidder's Statement with ASIC. A list of such notices is provided in Annexure 2 ; and
- any continuous disclosure notice given to ASX by Minotaur after the lodgement with ASIC of Minotaur's 2021 annual report and before lodgement of this Bidder's Statement with ASIC. A list of such notices is provided in 0.

Copies of any of these documents may be requested by contacting the Offer Information Line on 1300 395 837 (within Australia) or +61 3 9415 4064 (from outside Australia).

Alternatively, the information (excluding Minotaur's continuous disclosure notices) can be viewed and downloaded from Andromeda's website which it maintains (www.andromet.com.au). Users to the website may view its reports, and many of its other publications can be downloaded in their entirety.

In addition, information on Andromeda can be found on Andromeda's platform on the ASX website at www.asx.com.au (ASX code: ADN). Copies of announcements made by Andromeda on ASX are available from ASX, as well as various documents lodged with ASIC, copies of which may be obtained from, or inspected at, ASIC offices

The text of the announcement given to ASX by Andromeda in relation to this Offer is attached in Annexure 1 .

4.8 Andromeda Board's interests in Andromeda

The Relevant Interest of each Andromeda Director in Andromeda marketable securities as at the date of this Bidder's Statement is as follows:

Name	Number of fully paid Andromeda Shares held	Number of options to acquire ordinary shares held	Number of performance rights over ordinary shares held
Rhoderick Grivas	15,093,068	11,500,000	2,250,000
James Marsh	12,270,000	23,210,000	4,660,000
Joe Ranford	3,500,000	1,650,000	10,100,000
Andrew Shearer	11,137,204	11,500,000	2,250,000
Melissa Holzberger	-	820,000	-

4.9 Where to find further information on Andromeda

Andromeda maintains a website (www.andromet.com.au) from which its reports and many of its other publications can be downloaded in their entirety.

In addition, information on Andromeda can be found on Andromeda's platform on the ASX website at www.asx.com.au (ASX code: ADN).

5 Information on Andromeda's securities

5.1 Andromeda's issued securities

As at the date of this Bidder's Statement, Andromeda has the following securities on issue:

- 2,483,727,046 Andromeda Shares;
- 70,300,000 Unlisted Options; and
- 29,274,475 Andromeda Performance Rights.

5.2 Andromeda Unlisted Options

As at the date of this Bidder's Statement, the following Andromeda Unlisted Options are on issue:

Number of Andromeda Options	Exercise Price	Expiry
43,320,000	\$0.064	28-Nov-22
20,000,000	\$0.075	28-Nov-23
820,000	\$0.000	31-Dec-25
6,160,000	\$0.2375	31-Dec-25

5.3 Andromeda Performance Rights

As at the date of this Bidder's Statement, the following Andromeda Performance Rights are on issue:

Number of Andromeda Performance Rights	Performance Period	Expiry Date	Year of grant	Executive Incentive Plan
12,000,000	23/12/2020 - 23/12/2023	23/12/2023	2020	LTI
5,500,000	23/12/2020 - 23/12/2023	23/12/2023	2020	LTI
3,820,000	30/09/2021 - 30/06/2022	30/06/2022	2021	STI
1,819,475	30/09/2021 - 30/06/2023	30/06/2023	2021	LTI
750,000	02/12/2021 - 31/12/2023	31/12/2023	2021	STI
2,760,000	02/12/2021 - 30/06/2024	30/06/2024	2021	LTI
2,625,000	02/12/2021 - 31/12/2024	31/12/2024	2021	LTI

5.4 Substantial shareholders

Based on an analysis of the underlying beneficial holdings of the Andromeda Register as at the date of this Bidder's Statement, the substantial holders of Andromeda are:

Name	Number of Andromeda Shares held	% held of Andromeda Shares
Robert John Connolly	161,295,112	6.49

Andromeda also had in place a loan-funded employee share plan (**LFESP**) which was introduced at its 2015 Annual General Meeting, as a means of conserving cash through the issue of shares and associated loans as part payment of annual salaries to key staff. The trustee of the LFESP, a member of the Andromeda Group, holds shares on behalf of the employees. The last issue of shares pursuant to the LFESP was by the Andromeda Directors on 23 May 2018.

As at the FY21 Annual Report, the trustee of the LFESP holds 2,107,500 Andromeda Shares, or approximately 0.1% of all Andromeda Shares on issue.

Given the introduction of the Andromeda Metals Employee Incentive Plan (see section 5.8 below), Andromeda does not intend to issue further shares under the LFESP.

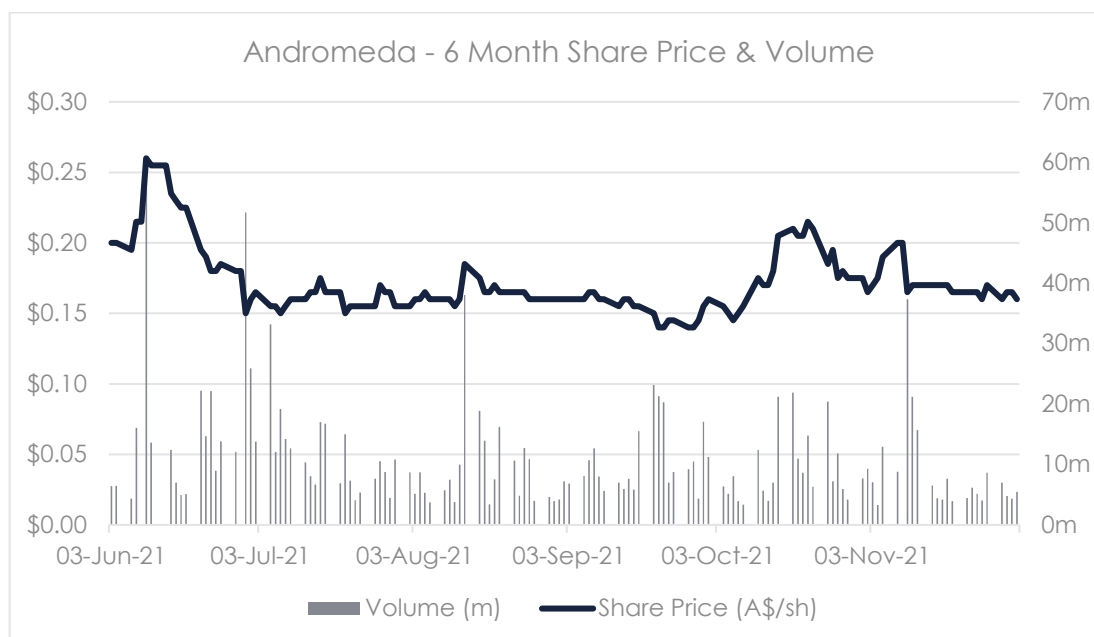
5.5 Recent trading prices of Andromeda Shares

The last recorded sale price of Andromeda Shares on ASX as at the end of the ASX trading day immediately before the date of this Bidder's Statement was A\$0.160.

The last recorded sale price of Andromeda Shares on ASX on 8 November 2021 (being the last day of trading before the Announcement Date) was A\$ 0.200.

In the six months before the date of this Bidder's Statement:

- The highest recorded trading price of an Andromeda Share on ASX was A\$ 0.26 on 10 June 2021.
- The lowest recorded trading price of an Andromeda Share on was A\$0.140 on 21 September 2021.



5.6 Dividend History

Andromeda has not paid any dividends.

5.7 Summary of the rights attaching to Andromeda Shares

The following is a broad summary of the rights and liabilities which attach to all Andromeda Shares, as set out in the Andromeda Constitution and the Corporations Act. It is a summary only and is not intended to be an exhaustive or definitive summary of the rights and obligations of Andromeda Shareholders.

(a) General meetings and notices

Andromeda Shareholders' rights to attend and vote at shareholder meetings are mostly prescribed by the Corporations Act. Each Andromeda Shareholder is entitled to receive notice of, attend and (except in certain circumstances) vote at general meetings of Andromeda and to receive all notices, accounts and other documents required to be sent to Andromeda Shareholders under the Andromeda Constitution, the Corporations Act and ASX Listing Rules.

Andromeda may serve notice on an Andromeda Shareholder by, among other methods:

- serving it on the Andromeda Shareholder personally;
- sending it by post to the Andromeda Shareholder at the Andromeda Shareholder's address shown in the Andromeda Register or the alternative address (if any) nominated by the Andromeda Shareholder to Andromeda for sending notices to the Andromeda Shareholder; and
- sending it by facsimile, electronic address or other electronic means to the facsimile, electronic address or other electronic means (if any) nominated by the Andromeda Shareholder.

(b) Dividend entitlement

Dividends are declared or determined to be paid by the Andromeda Board at their discretion and are payable on all Andromeda Shares in proportion to the amount of capital for the time being paid up or credited as paid up on those shares.

The Andromeda Shares issued as consideration under the Offer will participate in all dividends declared or determined to be paid after issue and rank equally with existing Andromeda Shares.

(c) Voting rights

Subject to any rights or restrictions attaching to any class of Andromeda Shares, each Andromeda Shareholder:

- may vote at a meeting of Andromeda Shareholders;
- who is entitled to attend and vote at a general meeting of Andromeda Shareholders may do so in person or by proxy, by attorney or, where the Andromeda Shareholder is a body corporate, by an individual acting as the body corporate's representative; and
- has one vote per person on a show of hands, one vote per Andromeda Share they hold on a poll.

(d) Winding-up

If Andromeda is wound up:

- then on a distribution of assets to Andromeda Shareholders by way of capital, Andromeda Shares classified by ASX as restricted securities (as defined in the ASX Listing Rules) at the time of commencement of the winding up shall rank in priority after all other Andromeda Shares (without prejudice to the rights of Andromeda Shareholders (if any) issued with special rights on winding up); and
- surplus assets in kind may, with approval by special resolution at a general meeting of Andromeda Shareholders, be divided among Andromeda Shareholders in such proportion as the liquidator may determine.

(e) Transfer of Andromeda Shares

Andromeda Shares may be transferred by written instrument in any usual or common form as well as in any manner required or permitted by any one or more of the Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules. The Andromeda Board may refuse to register a transfer of Andromeda Shares in circumstances permitted by the ASX Listing Rules or the ASX Settlement Operating Rules, or if stamp duty is payable but unpaid. The Andromeda Board must refuse to register a transfer of Andromeda Shares where required to do so by the ASX Listing Rules or the ASX Settlement Operating Rules.

(f) Issue of further Andromeda Shares

Subject to the Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules, the Andromeda Board may issue Andromeda Shares and options over unissued Andromeda Shares to any person on terms, including the issue price, determined by the Andromeda Board. The Andromeda Board's power to issue Andromeda Shares

extends to issuing Andromeda Shares with preferred, deferred or special rights, privileges or conditions, including in relation to dividends, voting, return of share capital or otherwise, as the Andromeda Board may determine.

(f) Variation of rights

Under the Corporations Act, rights, privileges and restrictions attaching to Andromeda Shares or to any other class of shares which may be issued in the future, can only be varied by a special resolution passed at a general meeting of Andromeda and the holders of each relevant class of shares or with the written consent of Andromeda Shareholders with at least 75% of votes in the relevant class.

(g) Amending the Constitution

The Corporations Act provides that the constitution of a company may be modified or repealed by a special resolution passed at a general meeting of Andromeda Shareholders.

5.8 Andromeda Metals Employee Incentive Plan (AMEIP)

The AMEIP was first tabled at the 2020 Annual General Meeting of Andromeda, and was approved by shareholders at that meeting. The AMEIP provides incentives to the management and employees of Andromeda, including via the issue of Options and Performance Rights. Andromeda introduced the AMEIP as a mechanism to ensure the interests of Andromeda Shareholders are aligned with those of Andromeda management and employees.

Details of the AMEIP can be found in the Notice of Meeting and Explanatory Memorandum lodged with ASX on 23 October 2020.

Some of the key features of the AMEIP are listed below.

(a) Purpose

The purpose of the AMEIP is to provide an incentive for eligible participants to participate in the future growth of Andromeda and to offer either Options or Performance Rights to assist with the reward, retention, motivation and recruitment of eligible participants.

(b) Eligible Participants

Eligible Participants are any full or part-time employees of Andromeda, or a subsidiary, Directors (both executive-non-executive), relevant contractors and casual employees and prospective parties in these capacities.

(c) Offer

Subject to the requirement for shareholder approval, Andromeda's Board may offer Options or Performance Rights as part of the AMEIP to eligible participants for nil consideration.

(d) Options

An AMEIP Option may only be exercised after it has vested and before its expiry date. Andromeda's Board may determine any conditions relating to the AMEIP Options, such as a Share price and/or continuous service vesting hurdle.

An AMEIP Option lapses upon various events, such as a vesting condition not being satisfied, a participant ceasing to be an eligible participant (except in certain circumstances) or upon misconduct of a participant.

Each AMEIP Option entitles the holder to one fully paid Andromeda Share upon exercise.

(e) Performance Rights

An AMEIP Performance Right may only be exercised after it has vested and before its expiry date. Andromeda's Board may determine any conditions relating to the AMEIP Performance Rights, such as a Share price and/or continuous service vesting hurdle.

An AMEIP Performance Right lapses upon various events, such as a vesting condition not being satisfied, a participant ceasing to be an Eligible Participant (except in certain circumstances) or upon misconduct of a participant.

Each AMEIP Performance Right entitles the holder to one fully paid Andromeda Share upon exercise.

(f) Transferability, quotation and voting rights

Both AMEIP Options and Performance Rights may be transferred without approval of Andromeda's Board. Andromeda will not seek quotation of the AMEIP Options or Performance Rights, however Andromeda will apply for official quotation of Andromeda Shares issued on vesting of the Options or Performance Rights.

Neither AMEIP Options or Performance Rights confer any voting entitlements or entitlements to attend meetings, nor any dividend or return of capital rights.

(g) Operation of the AMEIP

The AMEIP will be administered by the Andromeda Board (or under its direction) and it may determine the procedure for the operation of the AMEIP as it considers appropriate, at its absolute discretion.

The operation of the AMEIP is subject to the ASX Listing Rules and Corporations Act.

6 Information on Minotaur

The information on Minotaur, the Minotaur Group and Minotaur Shares has been prepared on the basis described in the Important Information section at the beginning of this Bidder's Statement.

Subject to the Corporations Act, neither Andromeda nor any of its directors, officers or advisers, makes any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on Minotaur in this Bidder's Statement should not be considered comprehensive.

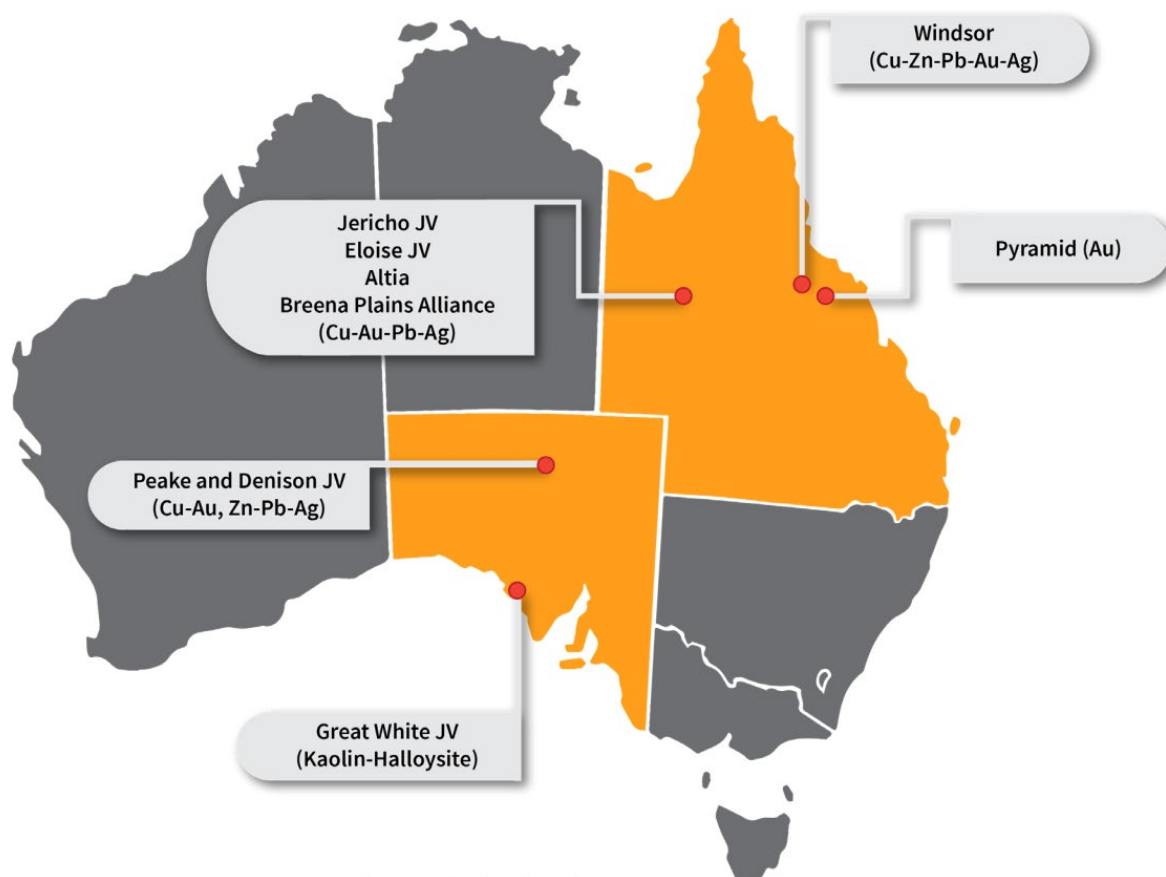
The Corporations Act requires the Minotaur directors to provide a Target's Statement to Minotaur Shareholders in response to this Bidder's Statement. In addition to reading this Bidder's Statement, you should also read the Target's Statement to be provided by Minotaur before deciding whether to accept the Offer.

6.1 Overview of Minotaur

Minotaur is an Australian-domiciled ASX listed exploration company that has built a portfolio of mineral project assets primarily copper, gold, other base metals and kaolin-halloysite.

The asset base is spread across South Australia and Queensland and includes key joint ventures or alliances with other ASX listed companies, Andromeda and OZ Minerals (refer project location map below).

Minotaur was incorporated in 2004 and is headquartered in South Australia.



6.2 Principal activities of Minotaur

Minotaur has established a portfolio of various projects spanning a variety of minerals. Key projects are detailed below.

(a) Great White Kaolin Project – Joint Venture with Andromeda

Minotaur is the minority participant in the Great White Kaolin Project, under the Great White Joint Venture (GWJV). The Great White Kaolin Project is located near Poochera, 65km east of Streaky Bay on western Eyre Peninsula in South Australia and features multiple high-grade, superior whiteness kaolin and hybrid kaolin-halloysite deposits that are held by the GWJV.

Under the terms of the GWJV agreement, Andromeda has a 75% interest in the Great White Kaolin Project, while Minotaur has the remaining 25%. The joint venturers are responsible for their share of Joint Venture costs on a pro-rata basis.

Within the Great White Kaolin Project, the Hammerhead and Great White deposits contain concentrations of up to 16% halloysite, a natural nanoparticle kaolin derivative. Demand is growing for halloysite at this concentration as a porcelain ceramic additive and potentially for a range of new technology applications.

The GWJV partners each hold a 50% interest in NNT, a vehicle created to pursue new-technology developments using halloysite feedstock from the GWJV. NNT is funding research programs at the GICAN.

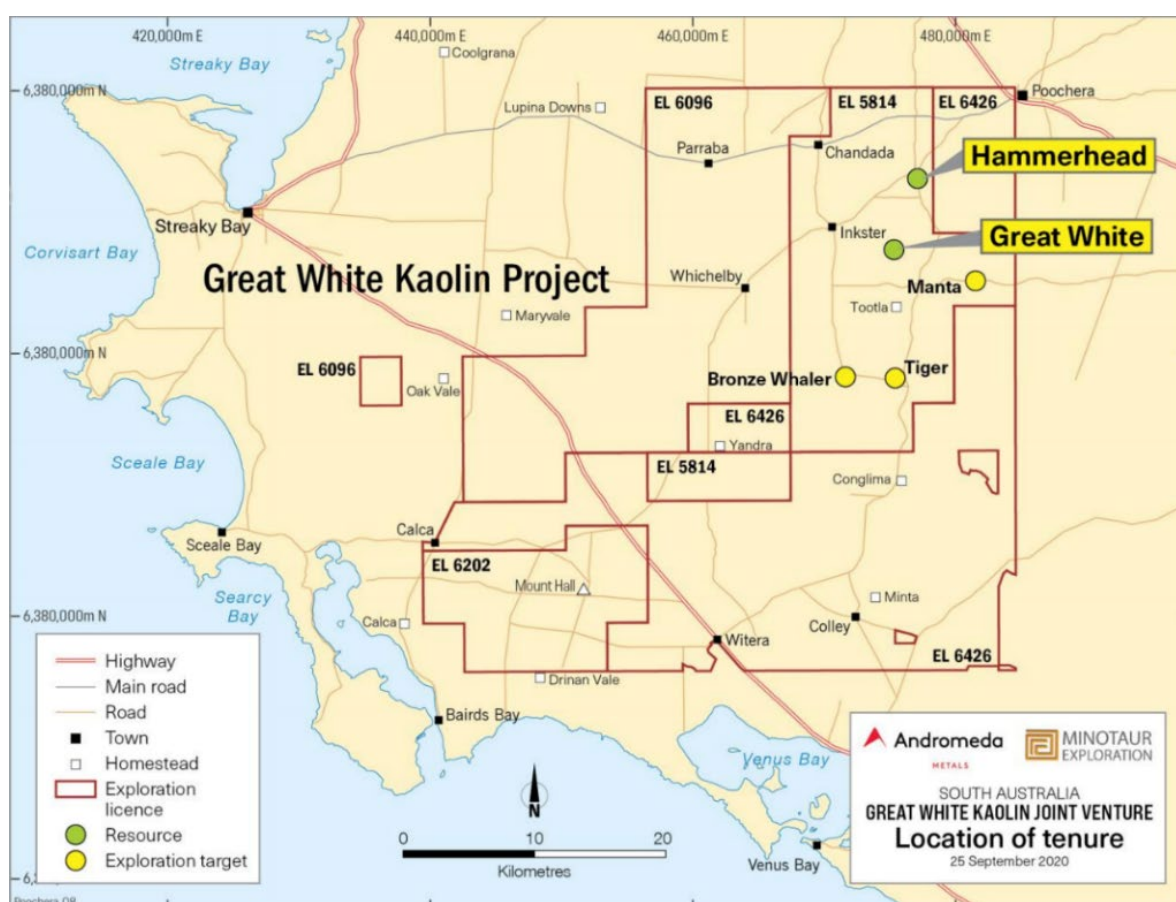


Figure 9 – Great White Kaolin Project Tenements

Further detail on the Great White Kaolin Project can be found in section 4.2(a), of this Bidder's Statement.

(b) Cloncurry agreements with OZ Minerals

There are four key agreements between Minotaur and ASX listed OZ Minerals Limited (**OZ Minerals**) relating to various projects located near Cloncurry, Queensland.

The agreements are as follows:

(i) Eloise Joint Venture (30% Minotaur):

The Eloise Joint Venture (**Eloise JV**) is a joint venture over tenements in the Cloncurry region (excluding the Jericho tenements), in which 70% of the interests are owned by OZ Minerals and 30% by Minotaur.

Under the terms of the Eloise JV, OZ Minerals committed to investing A\$3 million on exploration activity over the two year period from May 2019 to May 2021, at which time Minotaur would then have the option to co-contribute for its 30% or convert to a 20% loan carried position. For further detail on the terms of the Eloise JV, see Minotaur's ASX announcement 'Eloise JV restructured and OZ Minerals' funding increased', dated 14 May 2019.

In August 2020, a drilling program commenced on the Eloise JV's Seer and Big Foot targets.

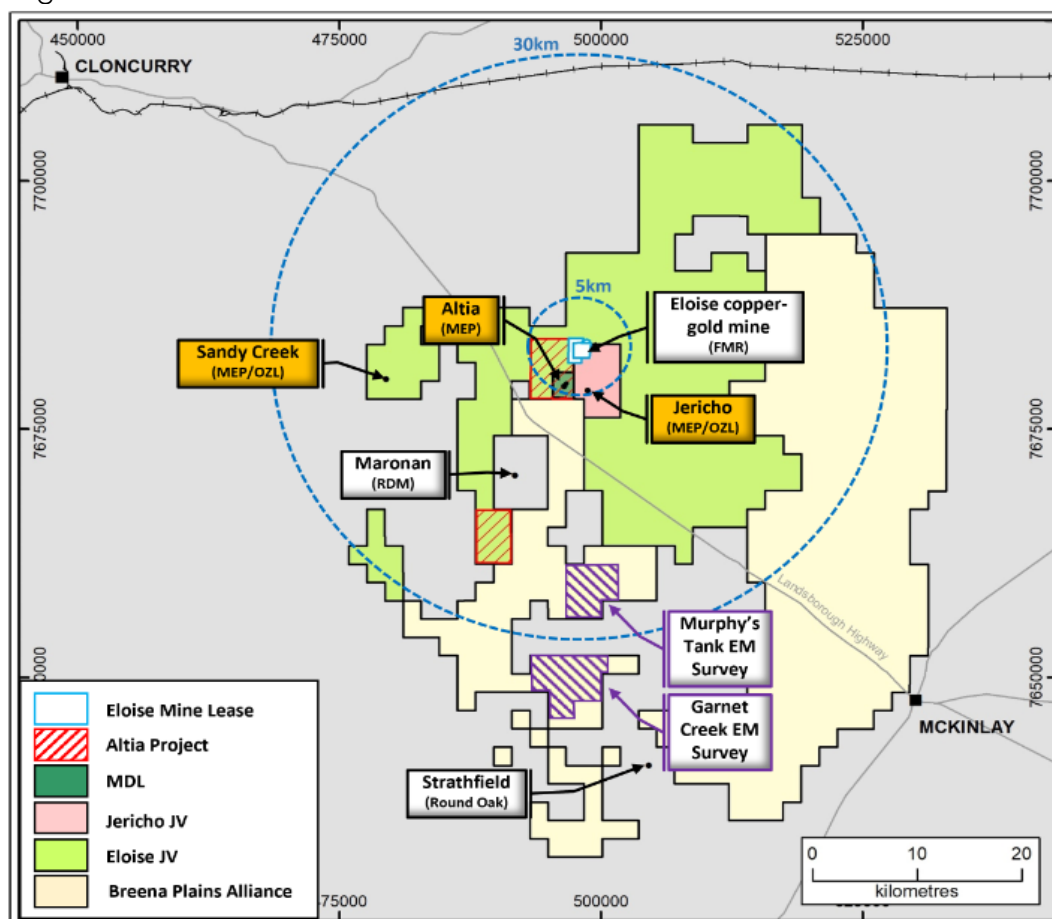


Figure 10 – Tenement map showing Breena Plains Alliance area, Eloise and Jericho JVs, Altia project area, significant deposits and EM survey areas

(ii) **Jericho JV (20% Minotaur):**

The Jericho Joint Venture (**Jericho JV**) was excised from the Eloise JV tenements following a restructure of that agreement in May 2019. OZ Minerals holds an 80% interest with Minotaur holding the remaining 20% interest.

Under the terms of the Jericho JV, OZ Minerals is obligated to loan carry Minotaur and sole fund all Jericho JV expenditure through to commercial production. The loan to Minotaur is a non-recourse loan, which is repayable only if positive cash flow emanates from commercial production from the Jericho JV.

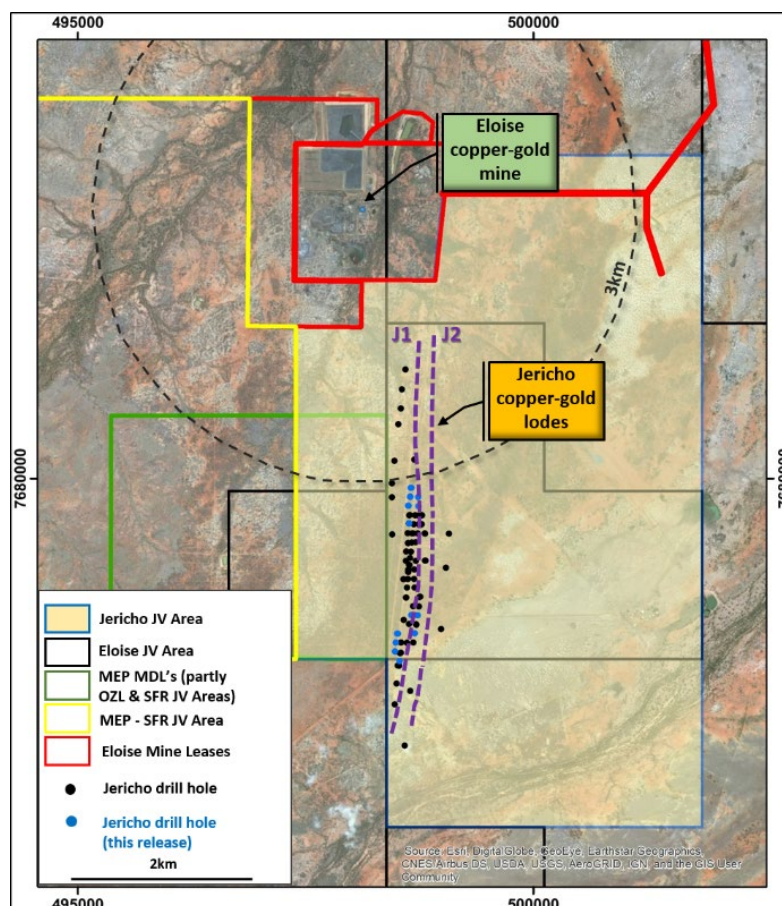


Figure 11 – Jericho JV Tenements

On 16 July 2020, Minotaur announced a maiden JORC resource at Jericho, estimating an Inferred Resource of 9.1 million tonnes grading 1.4% Cu, 0.3 g/t Au and 1.6 g/t Ag. (See Table 6 below).

Jericho Inferred Resource Estimate (JORC)	Tonnes (Mt)	Cu (%)	Au g/t	Ag g/t	Cu metal (kt)	Au metal (koz)
Mineral Resource at 0.8 percent copper constraining shell	9.1	1.4	0.30	1.6	130	88
Mineral Resource at 0.9 percent copper constraining shell	6.9	1.6	0.34	1.8	110	75
Mineral Resource at 1.0 percent copper constraining shell	5.3	1.7	0.38	1.9	89	64

Table 6 – Jericho Inferred Mineral Resource Estimate

- (iii) **The Cloncurry Alliance:** On 14 May 2019 and in addition to the Eloise JV and Jericho JV, the Cloncurry alliance was formed between OZ Minerals and Minotaur (**Cloncurry Alliance**). The Cloncurry Alliance saw OZ Minerals and Minotaur form an exclusive strategic alliance over the Cloncurry district in Queensland, with the goal to identify and acquire additional prospects around the area.

Key terms of the Cloncurry Alliance are as follows:

- OZ Minerals to fund A\$1 million for Minotaur's project generation work;
- OZ Minerals to sole fund accepted projects to A\$4 million each; and
- Minotaur to be rewarded upon milestone events per project.

Full details of the Cloncurry Alliance can be found in Minotaur's ASX announcement 'OZ Minerals and Minotaur form Cloncurry Regional Alliance', dated 14 May 2019.

The Cloncurry Alliance resulted in formation of the Breena Plains JV (discussed below).

- (iv) **Breena Plains:** On 18 February 2020, under a heads of agreement between the Cloncurry Alliance and Sandfire Resources (ASX: SFR) (Sandfire), it was agreed that the Cloncurry Alliance would explore and earn-in to the 'Breena Plains' tenements near Cloncurry in north-west Queensland (Breena Plains JV).

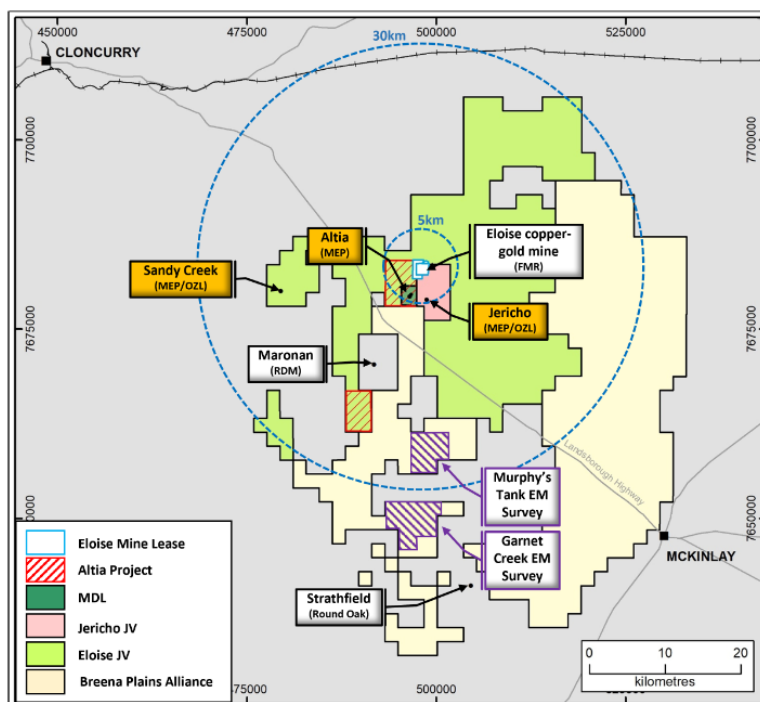


Figure 12 – Breena Plains Project Tenements

Under the terms of the Breena Plains JV, the Cloncurry Alliance was to invest A\$1 million in exploration in the first year. Thereafter, the Cloncurry Alliance may earn an initial 51% tenement interest by sole funding a further A\$3 million through the next 2-year period. The Cloncurry Alliance may then earn an additional 24% interest for the further expenditure of A\$4 million over the subsequent 2 years. Therefore, to attain its maximum interest of 75% over 5 years, the Cloncurry Alliance must invest A\$8 million.

Full details of the Breena Plains JV agreement can be found in Minotaur's ASX announcement 'Cloncurry Alliance establishes exploration JV with Sandfire Resources', dated 18 February 2020.

Under the Cloncurry Alliance, OZ Minerals paid Minotaur a A\$225,000 success payment for securing the Breena Plains JV and announced that OZ Minerals would contribute all required exploration funding up to A\$4 million over 3 years.

- (v) On 24 August 2021 and as part of a broader acquisition (discussed below), Minotaur announced that it had acquired full ownership of the Breena Plains tenement package from Sandfire. The acquisition terms are discussed under the Altia Polymetallic Project section below. In the same announcement, Minotaur indicated that the Breena Plains tenements were still the subject of the above earn-in option agreement with the Cloncurry Alliance.
- (vi) In Minotaur's September 2021 quarterly report, Minotaur announced that as a consequence of Minotaur's acquisition of Breena Plains there are changes to the overall structure of the Breena Plains Alliance and relative ownership proportions. The Cloncurry Alliance can elect to earn an initial 51% tenement interest, from Minotaur, by sole funding \$4.35 million by February 2023. The Alliance may subsequently earn an additional 24% interest for the additional expenditure of \$4 million over the next 2 years. Thus, to attain its maximum interest of 75% by February 2025, the Alliance must invest \$8.35 million. To attain

the Alliance's initial 51% earn-in interest, OZ Minerals will (from September 2021) fund all exploration. This will entitle OZ Minerals to 70% beneficial position in the Breena Plains JV. The relative ownership ratios at this stage will become Minotaur 64.3% and OZ Minerals 35.7%. Subsequently, OZ Minerals and Minotaur may contribute a further \$4 million on a 70/30 basis over 2 years (conceivably 2023-2024) to achieve the Cloncurry Alliance's collective and ultimate 75% interest, while Minotaur's stand-alone 25% interest is 'free-carried'. The ultimate ownership ratios at culmination of the final earn-in stage will be Minotaur 47.5% and OZ Minerals 52.5%.

(c) Altia Polymetallic Project (100% Minotaur):

On 24 August 2021, Minotaur announced a transaction for the acquisition of Sandfire's interest in the Altia Polymetallic deposit near Cloncurry in Queensland (previously 60% Sandfire and 40% Minotaur), as well as Sandfire's regional tenement package including the Breena Plains and Cannington tenements (see map below). Full details can be found in Minotaur's 24 August 2021 ASX announcement, 'Minotaur acquires full ownership of Altia polymetallic project'.

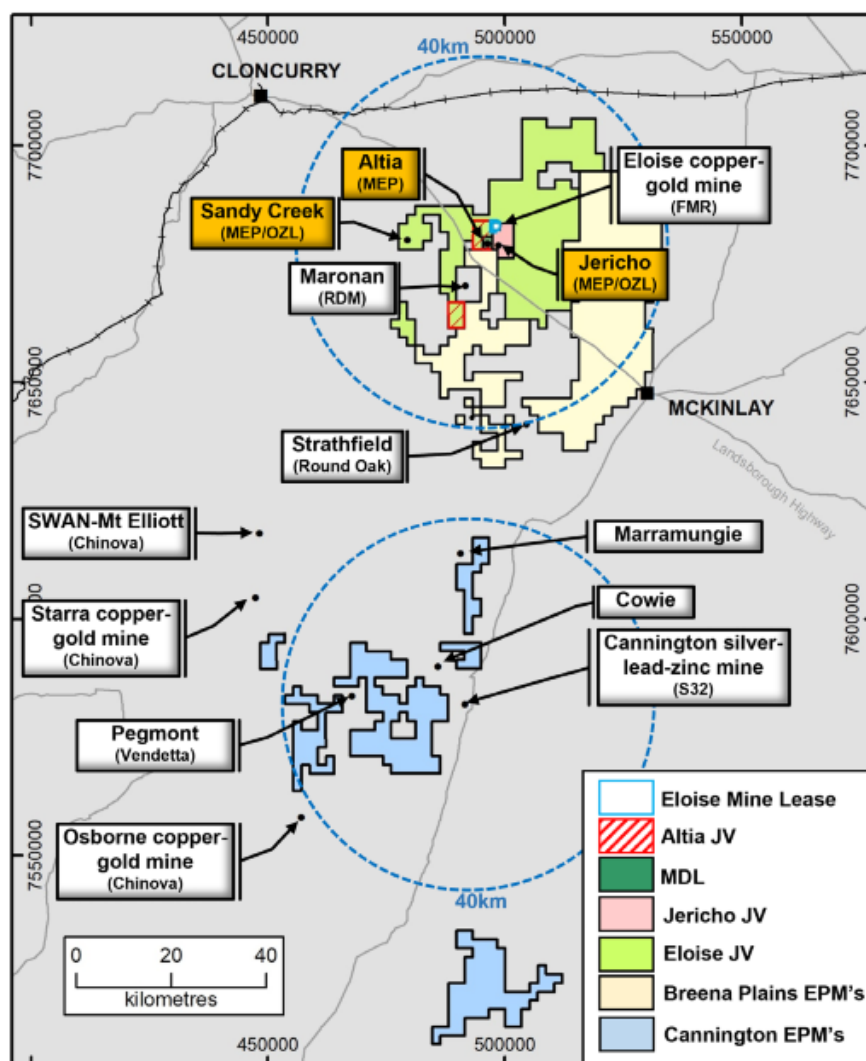


Figure 13 – Altia Polymetallic Project Tenements

Altia is a lead-silver-zinc deposit with an existing Inferred Resource inventory of 5.8Mt @ 4% Pb, 0.5% Zn and 40g/t Ag.

The Altia mineral system has ~1.2km of strike and extends to vertical depth of 800m. The published resource covers around 550m of strike where most is constrained to 200m vertical interval below top of basement.

Agreed payments to Sandfire for Altia and the regional tenement package include:

- Cash deposit: A\$100,000 payable on signing
- Deferred Cash: A\$200,000 payable on conversion of the Consideration Options
- Shares: 18 million new Minotaur Shares payable on completion
- Consideration Options: 1 million new Minotaur Shares issued at A\$0.20 expiring March 2024
- Deferred Shares: 9 million new Minotaur Shares issued 24 months after completion
- Royalty: 1% NSR over all tenements.

(d) Pyramid Gold Project (100% Minotaur)

On 20 August 2020, Minotaur announced it had acquired the 'Pyramid' tenement package from Avira Resources Ltd (ASX: AVW) (**Avira**), located 180km south of Townsville (**Pyramid Project**). The Pyramid Project, covering 150km², embraces two main areas prospective for gold, being the West Pyramid Range and East Pyramid Range. For full detail on the terms of the acquisition see Minotaur's ASX announcement 'Minotaur to acquire under-explored gold tenements, Queensland' dated 20 August 2020.

The terms of the acquisition included Minotaur paying an option fee payment of A\$25,000 to Avira for a 60 day exclusivity period in which to complete due diligence, followed by upfront and deferred consideration totalling A\$450,000 (partly in cash and partly in Minotaur Shares) over 2 years, together with a 1.5% net smelter royalty (to apply to the first 50,000oz of gold produced).

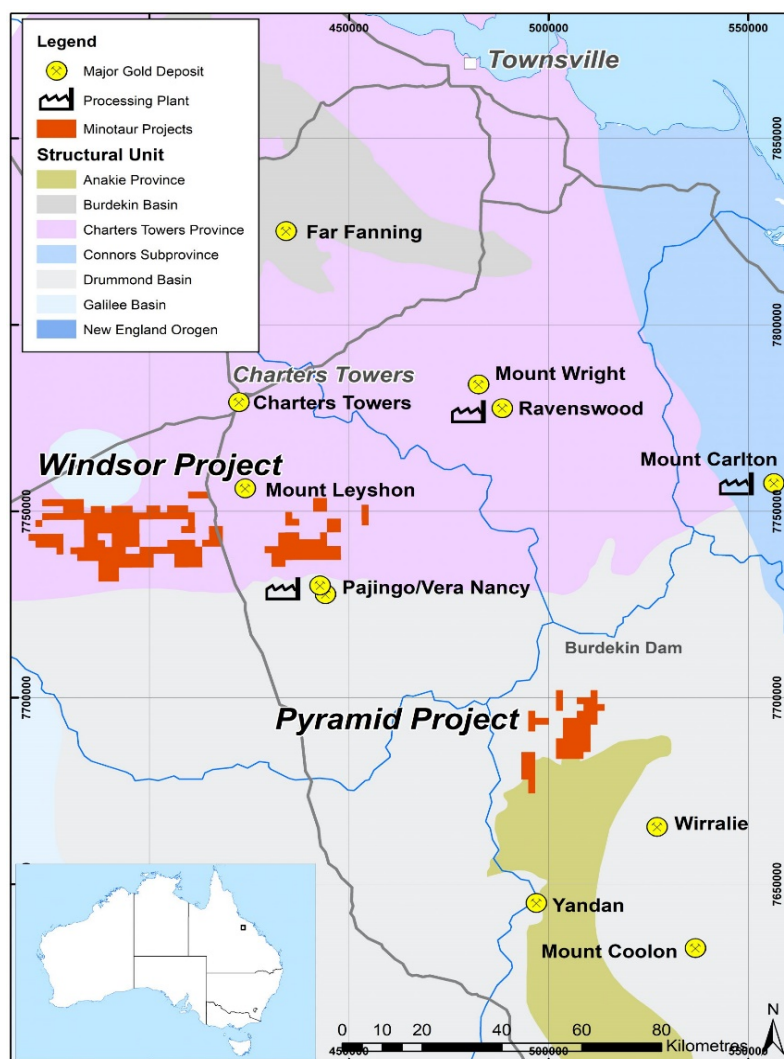


Figure 14 – Pyramid Project Tenements

The Pyramid Project features historic high-grade gold drill intercepts, such as 35m @ 4g/t, 23m @ 3.22g/t, 15m @ 4.22g/t at the Gettysberg prospect.

Minotaur's inaugural work front is focussed on the Gettysberg trend along the West Pyramid Range. Inaugural RC drilling in April 2021 successfully replicated historical drill results within the 500m strike envelope of known gold lodes. A 1,500m RC drill program is planned for Q2 of 2022 following cessation of the wet season.

(e) Windsor Project (100% Minotaur)

The Windsor tenements are located 60km south of Charters Towers in mid north Queensland (Windsor Project). The seven tenements cover 629km² and offer discovery potential for multi-element deposits with similar geochemistry to nearby high-grade volcanogenic massive sulphide (VMS) style mines, such as Thalanga, Highway-Reward, Waterloo and Liontown.

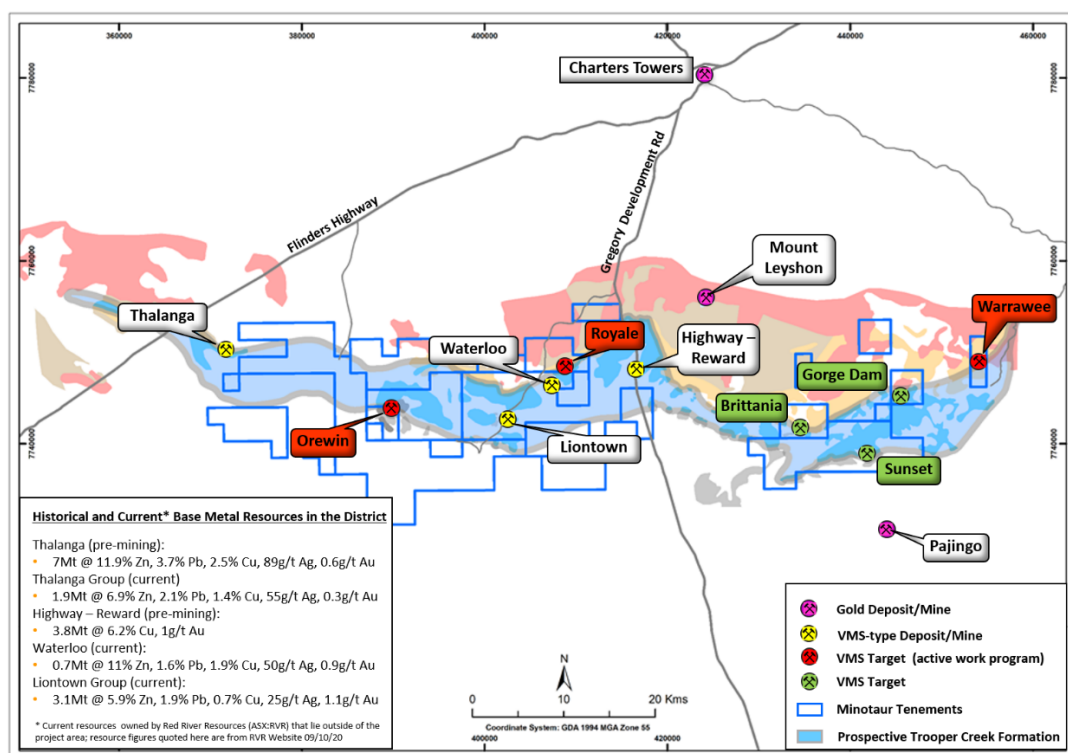


Figure 15 – Windsor Project Tenements

Details relating to Windsor tenements and their acquisition can be found in Minotaur's ASX announcement 'Minotaur to acquire Windsor Project Area, Charters Towers region, QLD', dated 15 November 2019.

(f) Peake & Denison Project (100% Minotaur)

750km NNW of Adelaide on the NE margin of the Gawler Craton lies the Peake and Denison Inlier, a Paleoproterozoic basement terrane covered by younger sediments. The project area covering 2,547km² comprises four granted exploration licences owned 100% by Minotaur.

An Aboriginal cultural heritage survey was completed during the September 2021 quarter, enabling access to 5 drill locations. Discussions continue with prospective drilling companies as delays experienced due to cross-border COVID travel restrictions are such that drilling will not begin until late Q1 of 2022.

On 1 December 2021, Minotaur announced that Minotaur and OZ Minerals have established a farm-in joint venture over the Peake and Denison project. The Peake and Denison joint venture requires OZ Minerals to invest \$869,300 on exploration in the first year (minimum commitment for the initial period). Thereafter, OZ Minerals may earn an initial 51% tenement interest by sole funding \$4 million (including the minimum commitment) through the next 3 year period (Stage 1). OZ Minerals may then earn an additional 19% interest for the further expenditure of \$6 million over the subsequent 3 years (Stage 2). Thus, to attain its maximum interest of 70% over 7 years, OZ Minerals must invest \$10 million.

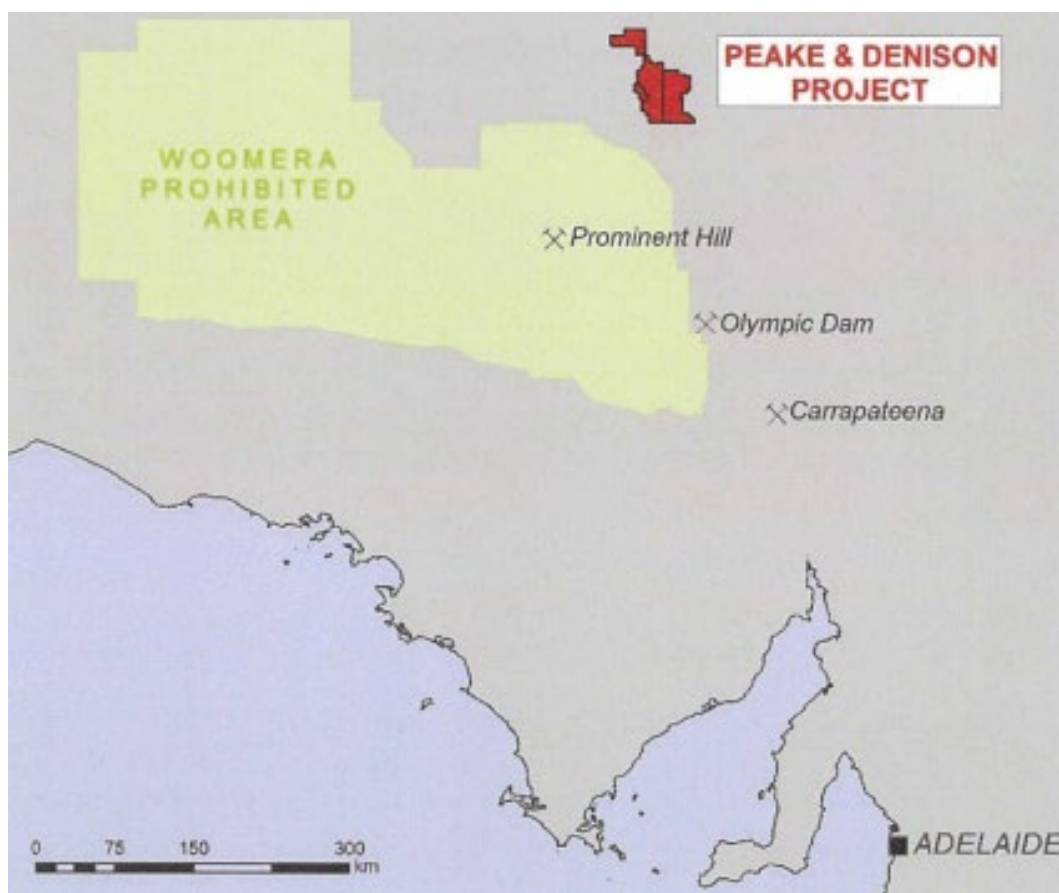


Figure 16 – Peake and Denison Project Tenements

(g) Highlands Project

Located 50km east of Mt Isa, the Highlands Project is a major geological boundary between the Kalkadoon-Leichhardt Domain to the west and the Eastern Domain to the east, separated by the regional-scale Mt Remarkable Fault.

Copper sulphide mineralisation is known to occur in the area, most notably at the Barbara mine located adjacent to the tenement group.

Minotaur agreed to vend the tenement package into an initial public offering by Larvotto Resources Ltd, which Minotaur anticipates will list in December 2021 under market code LRV. Details can be found in Minotaur's ASX announcement 'Minotaur to vend-out Highlands Cu project', dated 15 December 2020.

Further details of Minotaur's existing holdings, including Minotaur's relevant interests in tenements not described in this section 6.2, are set out in Annexure 6.

6.3 Minotaur Directors and Chief Executive Officer

As at the date of this Bidder's Statement, the directors of Minotaur are:

- Mr Andrew Woskett (Managing Director)
- Dr Roger Higgins (Non-Executive Chairman)
- Mr George McKenzie (Non-Executive Director)
- Dr Antonio Belperio (Non-Executive Director)

6.4 Financial information on Minotaur

(a) Basis of presentation of historical financial information

The historical financial information referred to below relates to the Minotaur Group on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts for Minotaur for the financial periods described below, which include the notes to the accounts, can be found in Minotaur's FY21 Full Year Report.

(b) Historical financial information

The summarised historical financial information of the Minotaur Group set out below has been extracted from Minotaur's FY21 Full Year Report being the last financial statements issued by Minotaur prior to the date of this Bidder's Statement and rounded to the nearest hundred thousand dollars.

(i) Statement of financial position

Period Ending	Jun 21	Jun 20	Jun 19
	\$ 000'	\$ 000'	\$ 000'
Current Assets			
Cash and cash equivalents	5,090	2,420	3,986
Trade and other receivables	705	434	284
Other current assets	76	138	136
Held-for-sale assets	120	-	635
Total Current Assets	5,990	2,993	5,042
Non-Current Assets			
Financial assets	302	902	333
Right-of-use assets	646	862	-
Property, plant and equipment	505	491	501
Exploration and evaluation assets	8,536	6,258	7,590
Total Non-Current Assets	9,989	8,512	8,423
Total Assets	15,980	11,504	13,464
Current Liabilities			
Trade and other payables	1,436	1,841	2,925
Lease liabilities	237	229	-
Borrowings	24	24	27

Short-term provisions	344	369	438
Total Current Liabilities	2,041	2,462	3,390
Non-Current Liabilities			
Lease liabilities	456	663	-
Borrowings	1,246	1,247	986
Long-term provisions	-	25	24
Total Non-Current Liabilities	1,701	1,934	1,009
Total Liabilities	3,742	4,397	4,399
Net Assets	12,237	7,108	9,065
Equity			
Issued capital	55,918	49,685	48,166
Reserves	1,410	(200)	962
Accumulated losses	(45,090)	(42,377)	(40,063)
Total Equity	12,237	7,108	9,065

(ii) Statement of Profit or Loss and other comprehensive income

For the period ending	Jun 21	Jun 20	Jun 19
	\$ 000'	\$ 000'	\$ 000'
Revenue	84	92	312
Other income	28	1,584	139
Impairment of exploration and evaluation assets	(12)	(3,051)	(2,961)
Project generation costs	(950)	(369)	(195)
Employee benefits expense	(1,340)	(836)	(610)
Depreciation expense	(259)	(237)	(126)
Finance costs	(30)	(36)	-
Other expenses	(757)	(802)	(914)
Loss before income tax expense	(3,235)	(3,653)	(4,356)
Income tax benefit	455	534	195

Loss for the year	(2,780)	(3,120)	(4,161)
Other comprehensive income (net of tax)			
Loss on equity instruments designated at fair value through other comprehensive income	1,072	(698)	(296)
Total comprehensive income for the year attributable to the members of the parent entity	(1,708)	(3,818)	(4,456)
Earnings Per Share			
Basic earnings per share (cents)	(0.59)	(0.88)	(1.44)
Diluted earnings per share (cents)	(0.59)	(0.88)	(1.44)

(iii) Statement of cash flows

Period Ending	Jun 21	Jun 20	Jun 19
	\$ 000'	\$ 000'	\$ 000'
Cash flows from operating activities			
Receipts from customers	84	92	318
Payments to suppliers and employees	(1,789)	(1,676)	(1,763)
Interest received	3	3	7
Finance costs	50	-	-
COVID-19 cash flow boost received	238	50	-
R&D tax incentive received	432	354	315
Net cash used in operating activities	(982)	(1,176)	(1,122)
Cash flows from investing activities			
Payments for PP&E	(53)	(9)	(4)

Proceeds from PP&E	-	5	-
Proceeds from sale of tenements	-	225	-
Payments for acquisition of tenements	-	-	-
Purchase of equity instruments	(184)	357	(110)
Payments for quoted equity instruments	-	-	-
Proceeds from sale of quoted equity	1,871	-	-
Acquisition of Windsor and Highlands	(260)	(150)	(125)
Option, exclusivity, extension & signing fees	25	225	125
Joint operation receipts	869	1,884	7,605
Gov. grants for exploration activities	-	-	116
Payments for exploration activities	(4,586)	(4,553)	(8,091)
Net cash used in investing activities	(2,318)	(2,016)	(483)
Cash flows from financing activities			
Proceeds from the issue of shares	6,304	1,500	3,161
Payment of transaction costs	(334)	(131)	(211)
Proceeds from Jehricho project loan	22	284	644
Repayment of borrowings	(24)	(26)	(24)
Net cash provided by financing activities	5,969	1,627	3,571
Net increase/(decrease) in cash	2,670	(1,566)	1,966
Cash at the beginning of period	2,420	3,986	2,020
Cash at the end of the period	5,090	2,420	3,986

(c) Publicly available information

Minotaur is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Minotaur is obliged to comply with the continuous disclosure requirements of ASX and the Corporations Act.

The ASX website (www.asx.com.au) and Minotaur's website (www.minotaurexploration.com.au) list ASX announcements issued by Minotaur.

In addition, Minotaur is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Minotaur can be obtained from, or inspected at, an ASIC office.

7 Information on Minotaur securities

7.1 Minotaur's issued securities

According to publicly available information⁹, as at the date of this Bidder's Statement Minotaur's issued securities consist of:

- 501,339,148 Minotaur Shares; and
- 36,250,000 Minotaur Options.

7.2 Minotaur Options

According to publicly available information¹⁰, as at the date of this Bidder's Statement Minotaur has the following Minotaur Options on issue:

Code	Number of Minotaur Options	Exercise Price	Expiry	Andromeda Share per Minotaur Option
MEPAI	1,450,000	\$0.0525	31 Dec 2021	0.875
MEPAJ	13,300,000	\$0.10	28 Nov 2022	0.626
MEPAK	9,500,000	\$0.12	28 Nov 2022	0.521
MEPAL	12,000,000	\$0.20	31 Jan 2024	0.102

Under the Bid Implementation Agreement, Minotaur must use reasonable endeavours to assist Andromeda to procure that each holder of Minotaur Options enters into a binding agreement with Andromeda for the transfer or cancellation of the Minotaur Options (which have not been exercised) held by that holder, in exchange for shares in Andromeda in the same proportion as the Offer based on the implied value of the Minotaur Options using the Minotaur Share price as at the last trading day prior to the Announcement Date (i.e. 8 November 2021).

These offers will be conditional upon the Offer becoming unconditional.

The above offers are subject to ASX granting a waiver from ASX Listing Rule 6.23.2 or Minotaur Shareholders approving the cancellation of the Minotaur Options.

In order to vote on and participate in the Demerger in relation to their Minotaur Options, the holders of Minotaur Options will need to exercise those options so that the relevant Minotaur Shares are issued prior to the record date for voting on the Demerger and prior to the record date for the Demerger.

⁹ This information is from the Notification of cessation of securities - MEP announced by Target on ASX on 22 September 2021.

¹⁰ This information is from the Minotaur FY21 Statutory Accounts released on 24 September 2021.

7.3 Substantial shareholders

According to publicly available information, as at the date of this Bidder's Statement the substantial holders of Minotaur are:

Name	Number of Minotaur Shares held	% held of Minotaur Shares
Yarraandoo Pty Ltd	26,441,569	5.27%

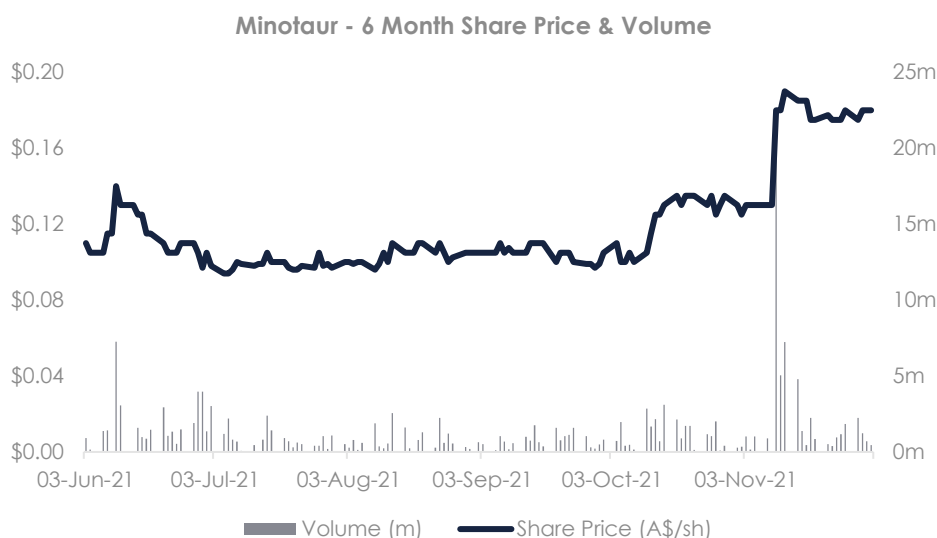
7.4 Recent trading prices of Minotaur Shares

The last recorded sale price of Minotaur Shares on ASX as at the end of the ASX trading day immediately before the date of this Bidder's Statement was \$0.180.

The last recorded sale price of Minotaur Shares on ASX on 8 November 2021 (being the last day of trading before Andromeda announced the Offer) was \$0.130.

In the six months before the date of this Bidder's Statement:

- the highest recorded trading price of a Minotaur Share on ASX was \$0.19, on 12 November 2021 (after the Offer was announced); and
- the lowest recorded trading price of a Minotaur Share on was \$0.094, on 5 July 2021.



(source: IRESS)

7.5 Andromeda's interest in Minotaur Shares

As at the date of this Bidder's Statement:

- Andromeda directly holds zero Minotaur Shares; and
- Andromeda has a Relevant Interest in Minotaur Shares and Voting Power in Minotaur of 0%.

8 Sources of consideration

The Offer Consideration will be wholly satisfied by the issue of 1.15 Andromeda Shares for every 1 Minotaur Shares.

Subject to the fulfilment or waiver of the Conditions to the Offer, there is no restriction on the ability of Andromeda to issue the maximum number of Andromeda Shares which it may be required to issue under the Offer.

Based on the number of Minotaur Shares on issue as at the date of this Bidder's Statement as set out in section 7.1, the maximum number of Andromeda Shares that would be required to be issued under the Offer if each Minotaur Shareholder accepted the Offer is approximately 576,540,020¹¹ Andromeda Shares.

Based on the number of Minotaur Options on issue as the date of this Bidder's Statement as set out in section 7.1, if all Minotaur Option holders exercise their Minotaur Options and all holders of Minotaur Shares issued as a result of the vesting of the Minotaur Options accept the Offer, approximately 41,687,500 additional Andromeda Shares would be issued under the Offer.

If the above number of Andromeda Shares are issued, the total number of Andromeda Shares that would be issued under the Offer would be approximately 618,227,520.

In that case, the maximum number of Andromeda Shares to be on issue, following completion of the Offer, would be approximately 3,101,954,566.

¹¹ A further 20,700,000 Andromeda Shares will need to be issued if Minotaur issues the 18 million shares to Sandfire Resources under the Altia transaction and those shares are accepted into the Offer.

9 Rationale for the Offer and intentions in respect of Minotaur

9.1 Andromeda's intentions

Sections 9.2 to 9.4 include statements of Andromeda's intentions in relation to:

- the continuation of the businesses of Minotaur;
- any major changes to be made to the businesses of Minotaur, including any redeployment of the fixed assets of Minotaur; and
- the future employment of the present employees of Minotaur.

The statements of intention contained in this section 9 are based on information concerning Minotaur and its businesses that is known to Andromeda as at the date of this Bidder's Statement.

Final decisions regarding the matters set out below will only be made by Andromeda in the light of all material information, facts and circumstances at the relevant time.

Accordingly, it is important to recognise that the statements set out in this section 9 are statements of current intentions only, which may change as new information becomes available or circumstances change.

Further, the statements of intention contained in this section 9 are subject to:

- the law (including the Corporations Act) and the ASX Listing Rules, including in particular in relation to 'related party' transactions and conflicts of interest;
- the legal obligations of Minotaur's Officers, including to act for proper purposes and in the best interests of Minotaur Shareholders;
- the rights of holders of Minotaur Shares that may be subject to compulsory acquisition; and
- commercial arrangements and commitments entered into by Minotaur, the details of which are not available to Andromeda.

9.2 Intentions upon acquisition of 90% or more of Minotaur Shares

This section sets out Andromeda's current intentions if it acquires a Relevant Interest in 90% or more of all Minotaur Shares and is entitled to proceed to compulsory acquisition of the outstanding Minotaur Shares.

(a) Compulsory acquisition

If it becomes entitled to do so under the Corporations Act, Andromeda intends to proceed with compulsory acquisition of the outstanding Minotaur Shares in accordance with the provisions of Part 6A.1 of the Corporations Act.

If Andromeda becomes entitled to exercise the general compulsory acquisition right under Part 6A.2 of the Corporations Act, it may exercise those rights to compulsorily acquire any Minotaur Options then on issue. The Offer is extended to any Minotaur Shares issued before the end of the Offer Period upon exercise of the Minotaur Options.

(b) Corporate matters

Andromeda will replace all members of the Minotaur Board, all directors of Minotaur's subsidiaries and all directors of other entities appointed as Minotaur's nominee, with its own nominees.

It is intended that Minotaur's corporate office in Adelaide would be phased down and closed having regard to lease and other contractual commitments. Minotaur's corporate office will be moved to the corporate office of Andromeda in Adelaide.

Andromeda will procure that Minotaur applies to be removed from the official list of the ASX at the appropriate time.

(c) Strategic review

The Offer is currently conditional on the prior Demerger of Minotaur's base metals and non-industrials minerals and other assets to Minotaur Shareholders. In the event that the Demerger is not approved by Minotaur Shareholders and this condition of the Offer is waived (with Minotaur's consent, in accordance with the Bid Implementation Agreement), Andromeda will conduct a strategic review of Minotaur's asset base. Andromeda's current expectation is that any such review will focus on:

- assessing and prioritising Minotaur's budgets and work programs for its base and precious metals exploration projects to ensure they are robust for further investment;
- working through each of Minotaur's and Andromeda's non-kaolin projects to assess their technical prospects, costs to maintain, expenditure commitments and overall commercial justification; all within the broader context of Andromeda's kaolin strategy;
- removal of excess corporate, administration and technical costs by consolidating functions where possible into one location;
- phasing out duplication of functions where it is economic to do so; and
- consider a Merged Group non-core asset divestment strategy.

(d) Employees

If the Demerger proceeds, the employees will transfer to Demetallica.

If the Demerger is not approved by Minotaur Shareholders and this condition of the Offer is waived (with Minotaur's consent, in accordance with the Bid Implementation Agreement), it is Andromeda's expectation that there will be overlap in terms of job functions between Andromeda's and Minotaur's employees and some rationalisation will be required, resulting in a reduction of headcount and corporate expenses. The extent and timing of any redundancies cannot be specifically defined at this stage, however, it is intended that the core operational requirements of the Where employees are made redundant, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

9.3 Intentions upon acquisition of less than 90%, but more than 50%, of Minotaur Shares

This section 9.3 sets out Andromeda's current intentions if Minotaur were to be a part-owned controlled entity (i.e. where Andromeda acquires less than 90%, but more than 50%, of all Minotaur Shares).

To the extent possible, through its nominees on the Minotaur Board, Andromeda will seek to implement the intentions detailed in section 9.2 where they are consistent with Minotaur being a controlled entity of (but not wholly owned by) Andromeda and are considered to be in the best interests of Andromeda.

In the event that Andromeda acquires a Relevant Interest in greater than 50% but less than 90% of Minotaur Shares (such that Minotaur were a controlled entity of Andromeda), and Andromeda considers that the timely development of the Great White Kaolin Project would be in the best interests of Minotaur Shareholders, Minotaur

would likely be required to undertake a significant near-term capital raising to fund its contribution to development funding, in proportion to its ongoing minority interest in the Great White Joint Venture.

(a) Corporate matters

Subject to the constitution of Minotaur and the Corporations Act, Andromeda intends to seek the appointment of nominees of Andromeda to the Minotaur Board in such a proportion that at least equates to Andromeda's proportionate shareholding interest in Minotaur. The Andromeda nominees to the board of Minotaur have not yet been identified by Andromeda and their identity will depend on the circumstances at the relevant time, however it is anticipated they will be drawn from the members of the board of Andromeda or the Andromeda management team. In that event, it is likely that Andromeda would seek to procure the removal of some current Minotaur directors from the Minotaur Board.

If there is a limited spread of Minotaur Shareholders, or limited volume of trading in Minotaur Shares, following completion of the Offer, Andromeda may seek to procure the removal of Minotaur from the official list of ASX. Further, ASX may itself remove Minotaur from the official list of ASX, with any such decision by ASX depending upon factors such as the spread of Minotaur Shareholders at that time, the level of liquidity in Minotaur Shares and the listing requirements of ASX.

(b) Operational matters

Through its nominees on the Minotaur Board, Andromeda will seek Minotaur to focus on reducing excess costs and avoid duplication of operations with Andromeda. Andromeda would consider offering to sub-contract its corporate, operational and technical services to Minotaur, allowing Minotaur to remove duplicated activities to simplify its business. Irrespective of whether the Demerger is approved or not by Minotaur Shareholders, Andromeda's nominees would also seek the Minotaur Board to fully evaluate all of Minotaur's forthcoming exploration programs and budgets with a view to cancelling (where possible without breaching its legal obligations) activities that failed to appropriately demonstrate their commercial attractiveness, with the objective that Minotaur's key focus is the Great White Kaolin Project.

After an initial review of Minotaur's assets outside of the Great White Kaolin Project, Andromeda would look to ensure future funding is focussed on the Great White Kaolin Project.

(c) Dividend policy

The payment of dividends by Minotaur will be at the discretion of the Minotaur Board.

Minotaur Shareholders should be aware that Minotaur has never paid a dividend, it is possible that Minotaur may not declare a dividend in the future and, if any cashflow is produced by Minotaur in the future (which cannot be guaranteed), Minotaur may opt to reinvest cash into the company.

(d) Further acquisition of Minotaur Shares

Andromeda may, at some later time, acquire further Minotaur Shares in a manner permitted by the Corporations Act.

(e) Compulsory acquisition at a later time

If Andromeda becomes entitled at some later time to exercise the general compulsory acquisition rights under Part 6A.2 of the Corporations Act, it may exercise those rights.

9.4 Intentions upon acquisition of less than 50% of Minotaur Shares

Andromeda could acquire less than 50% of Minotaur Shares, if the 90% Minimum Acceptance Condition was waived by Andromeda. It is not the present intention of Andromeda to waive the 90% Minimum Acceptance Condition.

However, if Andromeda waives the 90% Minimum Acceptance Condition and it acquires less than 50% of the Minotaur Shares, subject to the following, Andromeda does not expect to be in a position to give effect to all the intentions referred to in sections 9.2 and 9.3. In this case:

- Andromeda intends to seek the appointment of nominees of Andromeda to the Minotaur Board in such a proportion as at least equates to Andromeda's proportionate shareholding interest in Minotaur; and
- Andromeda intends to seek to influence the ongoing management of Minotaur and its assets, businesses, operations and personnel with a view to maximising returns for Andromeda and its security holders. This will include advancement of the Great White Kaolin Project even if it means significant equity raisings are required by Minotaur.

10 Effect of the Offer on Andromeda and profile of the Merged Group

10.1 Introduction

The profile of the Merged Group will vary depending on the outcome of the Offer. This section assumes that Andromeda acquires 100% of Minotaur Shares. If Andromeda does not acquire 100% or is otherwise unable to move to compulsory acquisition of Minotaur, some of the benefits that would otherwise accrue to the Merged Group may not be realised.

10.2 Overview

The acquisition of Minotaur provides an opportunity for both Minotaur and Andromeda Shareholders to unlock value by:

- having the Great White Kaolin Project in one company, streamlining the project's financing structures and optimising the overall value of the Great White Kaolin Project.
- Potentially rationalising corporate overheads, currently there are two offices, boards and management teams governing the Great White Kaolin Project and other tenements. Andromeda believes that there are benefits in streamlining the corporate overheads.
- Benefitting from the effects of the A\$45 million equity raised by Andromeda in July 2021 via a Placement and Share Purchase Plan.

10.3 Synergies

Andromeda has identified (in Section 2 of this Bidder's Statement) a number of potential synergies that may be derived from the acquisition of Minotaur. However, given that Andromeda's due diligence in relation to Minotaur has been limited to public information, it is considered that it would be misleading to attempt to quantify the potential value of these synergies at this stage.

It is important to note that it has been assumed in the consolidated pro forma accounts that the Demerger will have been approved by Minotaur Shareholders and will have occurred or will occur.

(a) Synergies by having one listed ownership structure:

Andromeda's view is that its acquisition of Minotaur will:

- Simplify the operating structure, by having a single board and management team.
- Simplify the funding arrangements for the Great White Kaolin Project.
- See benefits from becoming a larger group, including better access to funding and greater liquidity.

10.4 Interests of the substantial holders in the Merged Group

The likely interests of substantial holders in the Merged Group have been determined based on the following assumptions:

- Offer consideration of 1.15 Andromeda Shares for every 1 Minotaur Shares held; and
- Andromeda acquires 100% of the Minotaur Shares under the Offer (including any Minotaur Shares that may be issued as a result of the exercise of rights attached to Minotaur Options).

Based on the assumptions above, and the substantial holder information for Andromeda set out in section 5.4 and the substantial holder information for Minotaur set out in section 7.3, the holdings of the substantial holders in the Merged Group are expected to be as follows:

Substantial holder	Number of shares in the Merged Group	% of issued capital of Merged Group
Robert John Connolly	161,295,112	5.20 ¹²

10.5 Pro forma historical financial information for the Merged Group

(a) Introduction

This section contains the pro forma historical statement of financial position for the Merged Group, reflecting the combined businesses of Andromeda and Minotaur but excluding the assets and liabilities of Demetallica following the Demerger. The pro forma historical information is presented to provide Minotaur Shareholders with an indication of the Merged Group assets and liabilities if the acquisition had occurred as at 30 June 2021, so as to reflect the market conditions on the day before the Announcement Date, pro-forma adjustments made with respect to Andromeda's investment in Minotaur, Andromeda Shares to be issued by Andromeda to acquire all of the outstanding Minotaur Shares.

The pro forma historical financial information is presented assuming that Andromeda acquires either 50.1% or 100% of Minotaur Shares under the Offer (including any Minotaur Shares that may be issued as a result of the exercise of rights attached to Minotaur Options).

(b) Pro forma consolidated statement of financial position

\$A'000	Andromeda Group 30 Jun 21	Minotaur Group 30 Jun 21	Less: Demetallica 30 Jun 21 <i>Note (a)</i>	[Remaining] Minotaur Group 30 Jun 21	Pro forma Adj. (100%)	Pro forma Merged Group (100%)	Notes
Current assets							
Cash and cash equivalents	4,905	5,090	2,702	2,388	(2,364)	4,928	(e)
Trade and other receivables	854	705	363	342	-	1,196	
Other current assets	n/a	76	36	40	-	40	
Assets held for sale	n/a	120	120	-	-	-	
Total current assets	5,759	5,990	3,221	2,769	(2,364)	6,163	
Non-current assets							
Exploration and evaluation a	13,180	8,536	5,548	2,988	111,602	127,770	(c), (d), (e)
Property, plant and equipme	213	1,151	1,151	-	-	213	

¹²

A further 20,700,000 Andromeda Shares will need to be issued if Minotaur issues the 18 million shares to Sandfire Resources under the Altia transaction and those shares are accepted into the Offer.

ŞA'000	Andromeda Group 30 Jun 21	Minotaur Group 30 Jun 21	Less: Demetallica 30 Jun 21 <i>Note (a)</i>	[Remaining] Minotaur Group 30 Jun 21	Pro forma Adj. (100%)	Pro forma Merged Group (100%)	Notes
Financial assets	185	302	302	(0)	-	185	
Investment in joint venture	283	n/a	n/a	n/a	(283)	-	(d)
Total non-current assets	13,861	9,989	7,002	2,988	111,319	128,167	
Total assets	19,619	15,980	10,223	5,757	108,955	134,331	
Current liabilities							
Trade and other payables	(1,110)	(1,436)	(651)	(785)	537	(1,358)	(d)
Lease liabilities - current	(57)	(237)	(237)	-	-	(57)	
Other current liabilities	(42)	(344)	(344)	-	-	(42)	
Borrowings	n/a	(24)	(24)	-	-	-	
Total current liabilities	(1,209)	(2,041)	(1,256)	(785)	537	(1,457)	
Non-current liabilities							
Other non-current liabilities	(1,864)	n/a	n/a	n/a	-	(1,864)	
Borrowings	n/a	(1,246)	(1,246)	-	-	-	
Lease liabilities – non-current	(27)	(456)	(456)	-	-	(27)	
Provisions	(31)	-	-	-	-	(31)	
Total non-current liabilities	(1,921)	(1,701)	(1,701)	-	-	(1,921)	
Total liabilities	(3,130)	(3,742)	(2,957)	(785)	537	(3,378)	
Net assets	16,489	12,237	7,266	4,972	109,492	130,953	
Equity							
Issued capital	56,930	55,918	7,266	48,652	65,812	171,393	(b), (c), (e)
Reserves	5,839	1,410	-	1,410	(1,410)	5,839	(c)
Retained earnings	(46,279)	(45,090)	-	(45,090)	45,090	(46,279)	(c)
Total Equity	16,489	12,237	7,266	4,972	109,492	130,953	*

(c) **Basis of preparation of pro forma statement of financial position**

The consolidated pro-forma statement of financial position (the **Pro-forma Statement of Financial Position**) set out in section 10.5(b), is based on:

- the statement of financial position for Andromeda extracted from Andromeda's FY21 Full Year Report,
- the statement of financial position for Minotaur extracted from Minotaur's FY21 Full Year Report;
- the pro forma statement of financial position for Demetallica at 30 June 2021 following the Demerger prepared by Minotaur and provided to Andromeda; and
- adjustments for the pro forma transactions described below.

Andromeda's FY21 Full Year Report has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (**AASBs**) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (**AASB**) and the significant accounting policies set out in the basis of preparation and individual notes to the financial statements included in Andromeda's FY21 Full Year Report. The Pro-forma Statement of Financial Position has been prepared in accordance with Andromeda's accounting policies.

Andromeda's accounting policy on exploration and evaluation expenditure is to accumulate expenditure in respect of each identifiable area of interest, with costs only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of proved and probable mineralisation. As part of the acquisition, all of Minotaur's exploration assets will be measured at their relative fair values and then accounted for in accordance with Andromeda's accounting policy going forward which may result in higher capitalised exploration expenditure balances for the Merged Group in the future.

The Pro-forma Statement of Financial Position and accompanying notes are presented in an abbreviated form and do not include all of the disclosures, statements or comparatives required by the AASBs applicable to annual financial reports prepared in accordance with the Corporations Act.

There are a number of Conditions that need to be satisfied (or waived) before Andromeda can successfully acquire Minotaur. The Pro-Forma Statement of Financial Position adjustments assume the acquisition of Minotaur is completed with all Conditions having been satisfied (or waived) and the acquisition occurs at the values stated.

Basis of measurement

The Pro-forma Statement of Financial Position has been prepared on the historical cost basis, except for certain non-current assets where they have been revalued and financial instruments which are measured at fair value at 30 June 2021. Pro-forma adjustments made with respect to Andromeda's investment in Minotaur, shares to be issued by Andromeda to acquire all of the outstanding shares in Minotaur and the exercise of any Minotaur Options are based on market prices at 8 November 2021 so as to reflect the market conditions on the day before the announcement of Andromeda's Offer for Minotaur.

Pro-forma Statement of Financial Position adjustments

The Pro-forma Statement of Financial Position is indicative only and based on the publicly available information as at the date of this Bidder's Statement. The

preparation of the Pro-forma Statement of Financial Position requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The acquisition has been accounted for as an 'asset acquisition', that is, the acquisition of an interest in net assets that do not represent a business, as the acquisition meets the requirements of the optional concentration test under AASB 3 Business Combinations. The purchase consideration, including capitalised transaction costs (and in the event Andromeda does not acquire 100% of Minotaur, the value ascribed to the non-controlling interest), has been allocated against identifiable assets acquired and liabilities assumed, based on their relative fair values. This allocation is based on the statement of financial position of Minotaur as at 30 June 2021 and assumptions made by Andromeda management. The actual relative fair value allocation will differ from that reflected in the pro-forma statement of financial position as this can only be determined on the actual date of acquisition and following a full assessment of the assets and liabilities acquired.

The Pro-forma Statement of Financial Position is based on the statements of financial position of Andromeda and Minotaur as at 30 June 2021, adjusted to reflect the following transactions assumed to have occurred at 30 June 2021 but using current market pricing where indicated:

- (i) Removal of the net assets of Demetallica of \$7.3m based on the pro forma statement of financial position for Demetallica at 30 June 2021, prepared by Minotaur and provided to Andromeda.
- (ii) Issue of 638.9 million Andromeda Shares as consideration under the Offer held at an assumed value of \$0.208 per Andromeda Share (\$115.6 million). The actual consideration value will be dependent on the Andromeda Share price on the acquisition date. Minotaur Options on issue will be converted to shares as part of the transaction. The cost of the options has assumed to be a cost of the acquisition, on the basis that option holders will not provide any services to the Merged Group following the Demerger.
- (iii) Consolidation adjustment to eliminate the share capital, pre-acquisition reserves and accumulated losses of Minotaur against Andromeda's investment in Minotaur giving rise to a relative fair value allocation of the total acquisition value, which has primarily been allocated to exploration and evaluation expenditure (subject to revision following a full assessment of the assets and liabilities acquired).
- (iv) Consolidation adjustment to eliminate Minotaur's funds received from Andromeda relating to Natural Nanotech Pty Ltd against Andromeda's investment in joint venture and the balance against exploration and evaluation assets.
- (v) Estimated transaction costs of \$2.4 million have been assumed as a cash outflow. This has been assumed to be \$1.2m (50%) of acquisition costs included in the cost of the acquisition, and \$1.2m (50%) of share equity issuance costs, which has been offset against equity raised.

Items not included in the Pro Forma Statement of Financial Position

The Pro-forma Statement of Financial Position excludes the following:

- The impact of general trading of Andromeda and Minotaur including capital expenditure which has occurred since 30 June 2021.
- The effect of changing commodity prices and foreign exchange rates (unless specifically stated above).
- The effects of \$45 million of equity raised by Andromeda in July 2021 via Placement and SPP.
- The movement in cash post 30 June 2021, in the ordinary course of business.
- The impact of any tax liabilities arising from the capital gain on the Demerger (the quantum of the tax liability, if any, will be confirmed in due course).
- Any loans provided by Andromeda to Minotaur, or to Demetallica by the Merged Group, after 30 June 2021.
- The effect of any Tax Sharing Arrangements, including tax payments made and tax refunds received.

Pro-forma Statement of Financial Position adjustments if Andromeda only controls 50.1% of Minotaur

*For illustrative purposes, should Andromeda acquire only 50.1% of Minotaur Shares under the Offer, only 320.1 million new Andromeda Shares will be required to be issued under the Offer (\$57.9 million), which is a reduction in the value of Andromeda Shares issued of \$57.7 million (when compared to the value of Andromeda Shares to be issued on a 100% basis).

If this occurs, the Pro Forma Statement of Financial Position as at 30 June 2021 presented above in paragraph 1.1 (b) would be amended as follows:

- The pro forma adjustment to issued capital would reduce to \$57.9 million, reflecting the acquisition of a relevant interest in only 50.1% of Minotaur in accordance with the Offer.
- The pro forma adjustment to non-controlling interest would increase by \$57.7 million (reflecting the remaining 49.9% continuing interest of existing Minotaur Shareholders).

11 Risk factors

11.1 Introduction

If the Offer becomes unconditional, Minotaur Shareholders who accept the Offer will become Andromeda Shareholders, and Andromeda will acquire an interest in Minotaur.

In that event, Minotaur Shareholders will continue to be indirectly exposed to the risks associated with having an interest in Minotaur's assets and general economic, share market and industry risks. There are also additional risks relating to the Offer and the Merged Group to which Minotaur Shareholders will be exposed through their holding of Andromeda Shares.

Additional risks and uncertainties not currently known may also have an adverse effect on Andromeda's business and the value of Andromeda Shares. The information set out in this section 11 does not purport to be, nor should it be construed as representing, an exhaustive summary of the risks that may affect the performance of Andromeda and Andromeda Shares.

11.2 General risks

(a) Economic conditions

Andromeda's funding position, financial performance and ability to execute its strategy is impacted by a variety of general global economic, political, social and business conditions. In addition to commodity prices and currency fluctuations (see section 11.3(b) and 11.3(c)), factors that have potential to impact Andromeda's business include inflation, interest rates and other general economic factors.

Deterioration in any of these conditions could have an adverse impact on Andromeda's financial position and/or financial performance.

(b) Share market conditions

Minotaur Shareholders should be aware that there are risks associated with an investment in financial products on a stock exchange. Share price movements could affect the value of the Offer Consideration and the value of any investment in Andromeda.

The value of Andromeda Shares can be expected to fluctuate depending on various factors including general worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets, prices of Andromeda's products, variations in the operating costs and development and sustaining capital expenditure which Andromeda will require in the future.

(c) Liquidity

Further, there can be no guarantee that there will continue to be an active market for Andromeda Shares or that the price of Andromeda Shares will increase. There may be relatively few buyers or sellers of Andromeda Shares on ASX at any given time. This may affect the volatility of the market price of Andromeda Shares. It may also affect the prevailing market price at which Andromeda Shareholders are able to sell their Andromeda Shares.

(d) General mining and exploration sector risk

As with any enterprise conducting business in the mining and exploration sector, there are risks outside the control of Andromeda that will affect Andromeda's business.

These risks include, but are not limited to, those associated with:

- abnormal stoppages in production or delivery due to factors such as industrial disruption, infrastructure access, environmental hazards, major equipment failure or accident;
- unforeseen adverse geological, drilling and extraction conditions or technical difficulties and/or changes to predicted resource quality;
- disruptions to supply of personnel, equipment and transport due to industry competition;
- the state of supply and demand for resources, including halloysite-kaolin in Australian and overseas markets and the effect on prices;
- risk relating to changes in government regulations (including those relating to environmental taxes, industrial relations, field developments, restrictions on operations (such as those relating to noise, dust or water) and climate change) and government imposts such as royalties, transportation charges and taxes;
- claims made by persons living in close proximity to projects; and
- contract default by contractors, co-venturers or major customers.

11.3 Specific risks relating to Andromeda and the Merged Group

(a) Development of the Great White Kaolin Project

Andromeda's ability to successfully develop and commercialise the Great White Kaolin Project may be affected by factors including social licence to operate, government approvals, feasibility study and project construction delays or costs overruns. If Andromeda experiences project delays or additional cost overruns, this could result in Andromeda not realising its operational or development plans or result in such plans costing more than expected or taking longer to realise than expected.

Andromeda has endeavoured to take appropriate action to mitigate the risks of further project delays and additional cost overruns, but the occurrence of an event that results in project delays and/or cost overruns may have a material adverse effect on Andromeda's performance and the value of its assets.

Andromeda has prepared pre-feasibility level estimates of capital expenditure and costs. However, the DFS remains incomplete and changes to all facets of project scope, costs, revenues, and timing remain uncertain and have the ability to impact Great White Kaolin Project economics adversely.

In addition, the ability of Andromeda to construct and operate the Great White Kaolin Project on time and on budget remains inherently uncertain, and any failure to do so could impact the value of the assets.

(b) Foreign Exchange Risk

Feasibility Studies to date have been denominated in Australian dollars whilst items of the planned development and operational activities, and expected revenues, may be denominated in other currencies. Andromeda's ability to fund the development and operation of the Great White Kaolin Project may be adversely affected by currency fluctuations. No assurance can be given that Andromeda's estimates will be achieved or that Andromeda will have access to sufficient capital to develop the Great White Kaolin Project due to unanticipated currency movements.

(c) Commodity Price Volatility

The revenue Andromeda intends to derive through the sale of kaolin products will expose Andromeda to commodity price and exchange rate risk (see above).

Commodity prices fluctuate and are affected by numerous factors beyond the control of Andromeda. Such factors include the supply and demand for commodities, forward selling activities, technological advancements and other macro-economic factors. If Andromeda achieves development success which leads to viable production, its financial performance will be highly dependent on the prevailing commodity prices and exchange rates.

Andromeda has, and intends to, partially mitigate this risk by entering into fixed price contracts for the sale of products, but there is no guarantee these contracts will be performed as intended.

(d) Resource and Reserve Estimates and Classification

Current and future Mineral Resource and Ore Reserve estimates for Andromeda's projects are estimates only and are expressions of judgment based on knowledge, experience and industry practice. In addition, by their very nature, Mineral Resource and Ore Reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. No assurances can be given that any particular level of recovery of kaolin will in fact be realised.

(e) Coronavirus (COVID-19) Risk

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange.

Any infections occurring on site at the Great White Kaolin Project could result in Andromeda's operations being suspended and construction otherwise disrupted for an unknown period of time, which may have an adverse impact on Andromeda's operations as well as adverse implications on Andromeda's future cash flows, profitability, ability to raise capital, and financial condition.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID 19 pandemic, also adversely impact Andromeda's operations including impacting on the ability to acquire appropriately skilled personnel, financial position and prospects.

Andromeda intends to minimise the risk in respect to COVID-19 by developing an optimised execution strategy and construction schedule to allow for major activities to be done sequentially.

As part of its COVID-19 risk minimisation strategy, Andromeda has developed a COVID-19 mitigation plan and intends to review and adapt this plan based on the latest guidance from health professionals and the government as activities increase, with the intention of mitigating COVID-19 impacts.

(f) Future Capital Requirements

Andromeda will require further financing to construct and operate the Great White Kaolin Project. If agreement cannot be reached with Minotaur on progression of the Great White Kaolin Project, or Minotaur cannot raise the required capital to contribute its share, the Project schedule could be impacted.

Andromeda may also require further financing in the future to progress its projects other than the Great White Kaolin Project.

Any additional equity financing will likely be dilutive to Andromeda Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive

covenants which limit Andromeda's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained as it becomes required, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to Andromeda or at all. If Andromeda is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on Andromeda's activities and could affect Andromeda's ability to continue as a going concern.

Andromeda may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of Andromeda's existing Shareholders will be diluted.

(g) Country Risk

Andromeda has binding offtake agreements and is seeking additional agreements with third parties located outside Australia. Changes in government, monetary policies, taxation and other laws of those countries where third parties operate could have a significant impact on Andromeda's assets, operations and ultimately the financial performance of Andromeda and its Shares.

(h) Offtake Risk

Andromeda has binding offtake agreements for a percentage of the planned production from the Great White Kaolin Project, but not all of it. Additional offtake agreements are being sought but there is no guarantee they will be available on terms favourable to Andromeda or at all.

Andromeda's operations and revenues are dependent on the counterparties to existing and future offtake agreements performing their obligations. Notwithstanding the offtake arrangements contain price mechanisms, if counterparties do not take their obligated quantities of product or seek to renegotiate the price or quantity of product, Andromeda's revenue could be adversely affected.

(i) Operational Risks

Andromeda's operational and development activities will be subject to numerous operational risks, many of which are beyond Andromeda's control. Andromeda's operations may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages in or increases in the costs of labour, consumables (including fuels and lubricants), spare parts, plant and equipment, external services failure (including access roads, energy and water supply), industrial disputes and action, difficulties in commissioning, ramp up and operating plant and equipment, IT system failures, mechanical failure or plant breakdown, and compliance with governmental requirements.

Hazards incidental to the mining, exploration and development of mineral properties such as unusual or unexpected geological formations, difficulties and/or delays associated with groundwater and dewatering of existing pits may be encountered by Andromeda. Industrial and environmental accidents could lead to substantial claims against Andromeda for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, clean up responsibilities, penalties and the suspension of operations.

There is no certainty that the construction and production ramp up process will not uncover failures or deficiencies in processes, systems, plant and equipment required,

and addressing such failures or deficiencies may result in Andromeda incurring unexpected costs and production ramp up delays. Any of these outcomes could have a material adverse impact on Andromeda's results of operation and financial performance, including but not limited to Andromeda's ability to operate on a cashflow positive basis.

Any inability to resolve any unexpected problems relating to these operational risks or adjust costs profiles on commercial terms could adversely impact continuing operations, production targets, Mineral Resources and Ore Reserves estimates and the assessment of recoverable amount of Andromeda's assets. Production guidance and targets are subject to assumptions and contingencies which are subject to change as operations performance and market conditions change or other unexpected events arise.

(j) Title Risk

Andromeda's granted tenements across all its projects permit it to undertake exploration. Each tenement carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

Consequently, Andromeda could lose title to or its interest in a tenement if the conditions are not met or if there are insufficient funds available to meet expenditure commitments.

(k) Regulatory Risk

The development of Andromeda's projects is subject to obtaining further key approvals from relevant government authorities. Andromeda has an approvals schedule and a management team with significant experience in approvals required for mining projects in South Australia. A delay or failure to obtain required permits may affect Andromeda's schedule or ability to develop a project (or in the case of the Great White Kaolin Project, that project).

Any material adverse changes in government policies or legislation in South Australia and Australia that affect mining, processing, development and mineral exploration activities, income tax laws, royalty regulations, exports and international trade, government subsidies and environmental issues may affect the viability and profitability of any planned development of the Great White Kaolin Project and other projects in Andromeda's portfolio. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could adversely impact Andromeda's mineral properties.

Andromeda has submitted a Mining Lease Proposal for the Great White Kaolin Project and that proposal has been submitted for public comment. At the close of the review period there was no indication of opposition by Non-Government Organisations or other groups to the Great White Kaolin Project, however there is a risk to development by delays caused by future opposition by third parties or other issues impacting the project schedule.

(l) Environmental Risk

Andromeda's projects are subject to rules and regulations regarding environmental matters. As with all mineral projects, Andromeda's projects are expected to have a variety of environmental impacts should development proceed. Development of any of Andromeda's projects (including the Great White Kaolin Project) will be dependent on Andromeda satisfying environmental guidelines and, where required, being approved by government authorities.

Andromeda intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws but may still be subject to accidents or

other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

(m) Insurance Risk

Andromeda intends to insure its operations in accordance with industry practice. However, in certain circumstances, Andromeda's insurance may not be available or of a nature or level to provide adequate insurance cover. 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 Andromeda. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by Andromeda.

(n) Key Personnel and Staff Risk

The responsibility of overseeing the day to day operations and Andromeda's strategic management depends substantially on its senior management and key personnel. There can be no assurance given that there will be no detrimental impact on Andromeda if one or more of these employees cease their employment or are incapacitated for any length of time.

Andromeda's ability to execute its de-risking strategy is dependent on the performance and expertise of its key management personnel. Andromeda relies on experienced and qualified technical staff in respect to the development, construction and operation of the Great White Kaolin Project and there is a risk that Andromeda may not be able to attract and retain key staff, and members of the owners team, or be able to find effective replacements in a timely manner. The loss of staff, or any delay in their replacement, and the inability of Andromeda to hire additional staff could impact Andromeda's development of the Great White Kaolin Project and other projects and its ability to achieve its de-risking strategy.

There is also a risk that Andromeda will be unable to retain existing staff, or recruit new staff, on terms of retention that are as attractive to Andromeda as past agreements. The loss of key personnel could cause a significant disruption to the business and could adversely affect operations.

There is a risk that Andromeda may not be able to recruit suitably qualified and talented staff in a time frame that meets the growth objectives of Andromeda. This may result in delays in the construction and development of the Great White Kaolin Project, which may adversely impact on Andromeda's future cash flows, profitability, results of operations and financial condition.

(o) Native Title and Aboriginal Heritage Risk

There are areas of Andromeda's projects over which legitimate common law and/or statutory native title rights of indigenous Australians exist. Where native title rights do exist, Andromeda must obtain consent of the relevant landowner to progress the exploration, development and mining phases of its operations. Any failure or delay in obtaining approvals related with native title and Aboriginal heritage may impact the value of the project in question.

(p) Occupational Health and Safety Risks

Mining activities have inherent risks and hazards. Andromeda is committed to providing a safe and healthy workplace and environment for its personnel, contractors and visitors. Andromeda provides appropriate instructions, equipment, preventative measures, first aid information, medical facilities and training to all stakeholders through its occupational health and safety management systems. A serious site safety incident may expose Andromeda to significant penalties and Andromeda may be liable for compensation to the injured personnel. These liabilities

may not be covered by Andromeda's insurance policies or, if they are covered, may exceed Andromeda's policy limits or be subject to significant deductibles. Also, any claim under Andromeda's insurance policies could increase Andromeda's future costs of insurance. Accordingly, any liabilities for workplace accidents could have a material adverse impact on Andromeda's liquidity and financial results.

It is not possible to anticipate the effect on Andromeda's business from any changes to workplace occupational health and safety legislation or directions or necessitated by concern for the health of the workforce. Such changes may have an adverse impact on the financial performance and/or financial position of Andromeda.

(q) New Projects and Acquisitions

Andromeda may make an acquisition or commit to additional projects in the future. There can be no guarantee that any new project or acquisition will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of Andromeda's cash resources and issuances of equity securities, that might involve a dilution to Shareholders.

The Andromeda Directors will use their expertise and experience in the sector to assess the value of potential projects that have characteristics that are likely to provide returns for Shareholders.

(r) Going Concern

Andromeda's financial reports to date have been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business. In the event that Andromeda does not complete all aspects of the Offer and cannot source additional financing, there would be material uncertainty regarding whether Andromeda would continue as a going concern at a future date.

(s) Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of Andromeda regardless of Andromeda's operational performance. Neither Andromeda nor the Andromeda Directors warrant the future performance of Andromeda, or any return of an investment in Andromeda.

(t) Force Majeure

Andromeda's projects now or in the future may be adversely affected by risks outside the control of Andromeda, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, pandemics, explosions or other catastrophes, epidemics or quarantine restrictions. See above for discussion on the impact of COVID 19 on Andromeda.

(u) Government and Legal Risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on Andromeda's assets, operations and ultimately the financial performance of Andromeda and its Shares. Such changes are likely to be beyond the control of Andromeda and may affect industry profitability as well as Andromeda's capacity to explore and mine. Andromeda is not aware of any reviews or changes that would affect its current or proposed interests in tenements. However, changes in

political and community attitudes on matters such as, land access, health and safety, taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect Andromeda's exploration and/or development plans or its rights and obligations in respect of the tenements in which it holds interests. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by Andromeda.

(v) Litigation Risk

Andromeda is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, Andromeda 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 Andromeda's operations, financial performance and financial position. To the best of the current Andromeda Directors' knowledge, Andromeda is not currently engaged in any material litigation.

(w) Climate Change Risk

Climate change is a risk Andromeda has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to Andromeda include the emergence of new or expanded regulations associated with the transitioning to a lower carbon economy and market changes related to climate change mitigation.

Andromeda may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage.

Climate change may cause certain physical and environmental risks that cannot be predicted by Andromeda, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which Andromeda operates.

11.4 Risks relating to the Offer

(a) Issue of shares as consideration

Minotaur Shareholders are being offered consideration under the Offer that consists of a specified number of Andromeda Shares, rather than a number of Andromeda Shares with a specified market value. As a result, the value of the consideration will fluctuate with movements in the market value of Andromeda Shares.

(b) Integration risks

There are risks that the integration of the Minotaur and Andromeda businesses may take longer than expected and that anticipated benefits of the integration may be less than expected. These risks include possible differences in management culture, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

(c) Accounting

Andromeda will be required to perform a fair value assessment of all of Minotaur's assets and liabilities if the Offer is successful. This assessment may result in increased depreciation and amortisation charges. There is a risk that these charges may be substantially greater than those that would exist in Andromeda and Minotaur as separate businesses. This may reduce the future earnings of the Merged Group.

(d) Acquisition of less than 90%

There is a risk that Andromeda will not acquire 90% of Minotaur Shares and will therefore be unable to compulsorily acquire the remaining shares that would deliver Andromeda 100% ownership of Minotaur. Depending on the level of acceptances received under the Offer, Andromeda would seek to delist Minotaur from ASX, however, there can be no guarantee that ASX would agree to delist Minotaur where Andromeda acquires less than 90%. While Andromeda would consolidate Minotaur into its corporate group upon obtaining control, Andromeda shareholders should note that Andromeda would need to ensure that Minotaur's ASX listing is maintained which would include incurring expense to ensure that Minotaur complies with the numerous legal compliance obligations required of a listed entity.

If Andromeda acquires more than 50% but less than 90% of the Minotaur Shares then, assuming all other conditions to the Offer are fulfilled or otherwise waived, Andromeda will acquire a majority shareholding in Minotaur but will not be entitled to acquire the Minotaur Shares that have not been accepted into the Offer. If Andromeda acquires a majority shareholding in Minotaur and does not become entitled to acquire the Minotaur Shares that have not been accepted into the Offer, Minotaur Shareholders who do not accept the Offer will become minority Minotaur Shareholders. This has a number of possible implications, including:

- Andromeda will be in a position to cast the majority of votes at a general meeting of Minotaur. This will enable Andromeda to control the composition of Minotaur's board of directors and senior management and control the strategic direction of the businesses of Minotaur and its subsidiaries;
- the price of Minotaur Shares may fall immediately following the end of the Offer Period and it is unlikely that the price of Minotaur's Shares will contain any control premium;
- the liquidity of Minotaur Shares may be lower than at present, and there is a risk that Minotaur could be fully or partially removed from certain S&P/ASX indices due to lack of free float and/or liquidity;
- there may be limited institutional support for Minotaur Shares;
- there may be limited analyst coverage of Minotaur Shares;
- if the number of Minotaur Shareholders is less than that required by the Listing Rules to maintain an ASX listing, then Andromeda may seek to have Minotaur removed from the official list of the ASX. If this occurs, Minotaur Shares will not be able to be bought or sold on the ASX; and
- if Andromeda acquires 75% or more of the Minotaur Shares it will be able to pass a special resolution of Minotaur. This will enable Andromeda to, among other things, change Minotaur's constitution.

(e) Sale of Andromeda Shares

Under the Offer, Andromeda may issue a significant number of new Andromeda Shares. Some holders of Minotaur may not intend to continue to hold their Andromeda Shares and may wish to sell them. There is a risk that this may adversely impact on the price of Andromeda Shares.

Andromeda Shares that would otherwise be issued to Ineligible Foreign Shareholders under the Offer will be sold on ASX and the net proceeds distributed amongst those

shareholders. The sale of these Andromeda Shares could also adversely impact the price of Andromeda Shares.

(f) Minotaur information

In preparing the information relating to Minotaur contained in this Bidder's Statement, Andromeda has relied on publicly available information. Risks may exist in relation to Minotaur (which may affect the Merged Group) of which Andromeda may be unaware. However, as Minotaur is an ASX listed entity, any substantial threats to Minotaur's business should have been disclosed pursuant to Minotaur's periodic and continuous disclosure obligations.

If any material risks are known to Minotaur directors, they must be disclosed in the Target Statement to be issued by Minotaur.

(g) Trigger of change of control provisions

Minotaur may be a party to agreements that contain change of control or pre-emptive rights provisions that may be triggered if, following completion of the Offer, Andromeda acquires control of Minotaur. The operation of these provisions could have negative consequences for Minotaur (such as the loss of major contracts or assets, increased costs or the need to renegotiate financings).

(h) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Andromeda are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally. To the maximum extent permitted by law, Andromeda, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of accepting the Offer.

(i) Taxation risks for Minotaur Shareholders

The Australian taxation consequences and risks of accepting the Offer depend upon the special circumstances of each Minotaur Shareholder. Minotaur Shareholders should obtain their own professional taxation advice in relation to the Offer. A general summary of the main Australian taxation consequences for particular Minotaur Shareholders who accept the Offer are set out in section 12 of this Bidder's Statement.

(j) Scrip for scrip capital gains tax roll-over relief

Scrip for scrip capital gains tax roll-over relief will not be available to Minotaur Shareholders if, following the acquisition of Minotaur Shares as a result of the Offer, Andromeda ends up owning less than 80% of the Minotaur Shares. Note that Andromeda is unable to give tax advice and you should consult your tax adviser as to the availability of capital gains tax roll-over relief.

(k) Taxation risk if Andromeda acquires between 50% and 90%

There are potential tax implications for Minotaur if Andromeda acquires more than 50% of the Minotaur Shares. Minotaur currently has carried forward tax losses (revenue and capital) in Australia. The availability of these tax losses to set off against future Australian taxable income depends on whether the applicable requirements of the Australian tax legislation for utilisation of tax losses are able to be satisfied. In particular, tax losses may only be used by Minotaur where the requirements of either the 'continuity of ownership test' or, failing that, the 'business continuity test' are satisfied. There is a risk that these legislative tests will not be satisfied and, accordingly, the tax losses will not be able to be carried forward to be utilised in future years.

12 Tax considerations

12.1 Introduction

The following is a general description of the general Australian income tax (including capital gains tax), goods and services tax and stamp duty consequences for Minotaur Shareholders that accept the Offer and are residents in Australia for tax purposes. The comments set out below are also relevant to those Minotaur Shareholders who do not accept the Offer, if Andromeda proceeds to compulsorily acquire their Minotaur Shares following Andromeda having a Relevant Interest in at least 90% of Minotaur Shares (by number) on issue at any time during the Offer Period.

This summary does not constitute tax advice. Each Minotaur Shareholder should seek independent professional advice regarding the consequences of acquiring, holding or disposing of their Minotaur Shares in relation to their own particular circumstances.

Non-resident Minotaur Shareholders accepting the Offer should also obtain advice which takes into account the tax consequences under the laws of their country of residence, as well as under Australian law. The below summary does not take into account tax legislation of countries other than Australia. For Minotaur Shareholders who are non-residents of Australia for tax purposes, it is assumed that the Minotaur Shares are not held, and have never been held, as an asset of a permanent establishment of that Minotaur Shareholder in Australia.

The following description is based upon the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth) and the regulations made under those Acts, taking into account the Bidder's understanding of the current administrative practices of the Australian Taxation Office. The laws are complex and subject to change periodically as is their interpretation by the courts and the tax authorities. The summary does not take into account or anticipate changes in the law, whether by way of judicial decision or legislative action.

The following summary is general in nature and is not intended to be advice or an authoritative or complete statement of the laws applicable to the particular circumstances of each Minotaur Shareholder and should not be relied upon as such. In particular, the description is not relevant to those Minotaur Shareholders who:

- hold their Minotaur Shares as a revenue asset (ie trading entities or entities who acquired their Minotaur Shares for the purposes of resale at a profit) or as trading stock;
- hold their Minotaur Shares as an asset in a business that is carried on through a permanent establishment in Australia;
- hold the Minotaur Shares on behalf of another person;
- are partnerships or individuals who are partners of such partnerships;
- acquired their Minotaur Shares pursuant to an employee share or option plan;
- acquired their Minotaur Shares prior to 11.45am on 21 September 1999;
- are under a legal disability;
- are exempt from Australian income tax;

- are Ineligible Foreign Shareholders defined in section 15 (except section 12.3(b) which may apply to Ineligible Foreign Shareholders);
- are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act 1997 in relation to gains and losses on their Minotaur Shares;
- are subject to the Investment Manager Regime under Subdivision 842-I of the Income Tax Assessment Act 1997 in respect of their Minotaur Shares;
 - or are a significant shareholder as defined in Section 124-783 of the *Income Tax Assessment Act 1997* (Cth).

12.2 Australian resident shareholders

Minotaur Shareholders who accept the Offer will dispose of their Minotaur Shares by way of transfer to Andromeda in exchange for Andromeda Shares (with 1.15 Andromeda Shares received for every 1 Minotaur Share held) and will be treated as having disposed of their Minotaur Shares for Australian income tax purposes.

(a) CGT Event on the disposal of Minotaur Shares to Andromeda

The disposal of Minotaur Shares pursuant to acceptance of the Offer will constitute a CGT event. The CGT implications of disposing the Minotaur Shares will depend on a number of factors, including:

- the status of the Minotaur Shareholder (that is, whether the Minotaur Shareholder is an individual, trust, superannuation fund or company);
- the length of time the Minotaur Shareholder has held the Minotaur Shares; and
- whether or not the Minotaur Shareholder is entitled to scrip-for-scrip roll-over relief.

The CGT event will happen at the earlier time of acceptance of the Offer or when the Minotaur Shares are disposed of under the Offer. For completeness, if a Minotaur Shareholder does not dispose of their Minotaur Shares under the Offer and their Minotaur Shares are compulsory acquired in accordance with Part 6A.1 of the Corporations Act, those Minotaur Shareholders will also be treated as having disposed of their Minotaur Shares for CGT purposes. In that case, the date of disposal for CGT purposes will be the date when Andromeda becomes the owner of the Minotaur Shares.

(b) Calculation of capital gain or capital loss

When the Minotaur Shares are disposed of, a capital gain (or loss) will arise, being the difference between the capital proceeds and the cost base (or reduced cost base) of the Minotaur Shares:

- The value of the capital proceeds should be equal to the market value of the new Andromeda Shares received by the Minotaur Shareholder, determined as at the time of the CGT event.
- The cost base (or reduced cost base) of the Minotaur Shares would generally be the total amount paid to acquire the relevant Minotaur Shares plus any incidental costs of acquisition, holding and disposal such as brokerage fees and stamp duty, to the extent you have not previously claimed an income tax deduction for such costs. If Minotaur Shareholders have received a return of capital while holding Minotaur Shares (including as a result of the Demerger), the

cost base of those Minotaur Shares should be appropriately adjusted. The reduced cost base of a Minotaur Share is usually determined in a similar but not identical, manner. There are a number of circumstances which may result in your cost base or reduced cost base being calculated in a different manner to that outlined above. You should consult your tax adviser to confirm the cost base or reduced cost base of your Minotaur Shares.

A Minotaur Shareholder will make a capital gain if the capital proceeds from the disposal of their Minotaur Shares to Andromeda exceeds the cost base of those Minotaur Shares. Any net capital gain should be included in your assessable income for that income year. Broadly, your net capital gain in respect of an income year will be calculated by aggregating all of your capital gains realised in that income year and reducing that amount by your capital losses realised in that income year and any available net capital losses from prior years.

A Minotaur Shareholder will make a capital loss if the value of the capital proceeds is less than the reduced cost base. Capital losses can usually only be offset against capital gains you realise in the same income year or in later income years. Capital losses cannot be offset against ordinary income nor carried back for offset against net capital gains arising in earlier income years.

In the situation where the Minotaur Shareholder is a company or trust, the relevant loss testing rules will need to be considered before capital losses can be utilised.

(c) CGT Discount

For individuals, trusts, or complying superannuation funds that have held Minotaur Shares for 12 months or longer at the time of the CGT event (not including the date of acquisition or the date of disposal), the discount capital gain provisions described below should automatically apply in calculating any capital gain on disposal:

- for an individual or a trust only one-half of the capital gain will be taxable;
- for complying superannuation funds, only two-thirds of the capital gain will be taxable; or
- in respect of the trustee of a trust, the discount capital gains provisions may also apply to a distribution of the capital gain to beneficiaries in the trust (other than beneficiaries that are companies). Note, the CGT Discount rules relating to trusts are complex. Subject to certain requirements being satisfied, the capital gain may flow through to the beneficiaries in that trust, who will assess eligibility for the CGT Discount in their own right. Accordingly, we recommend trustees seek their own independent advice on how the CGT Discount applies to them and the trust's beneficiaries.

The discount capital gains provisions do not apply to shareholders and trust beneficiaries that are companies. If the discount capital gain provisions apply, any available capital loss will be applied to reduce the realised nominal gain before discounting the resulting net amount by either the 50% or 33 1/3% discount (as applicable) to calculate the capital gain that is assessable.

For Minotaur Shareholders that have held their Minotaur Shares for less than 12 months (not including the date of acquisition or the date of disposal) or are another category of shareholder (for example, a company), the discount capital gain method is not available. A capital gain on the Minotaur Shares, being any excess of the value of the capital proceeds over the cost base of the shares, will be assessable in full.

(d) Roll-over relief

Scrip-for-scrip roll-over relief enables a shareholder to choose to disregard a capital gain that the shareholder would have made from exchanging shares in one company for shares in another company (for example, as part of a takeover or merger), but only to the extent that the shareholder receives replacement shares. Note that any subsequent disposal of Andromeda Shares issued under the Offer will be a separate CGT event.

Whether scrip-for-scrip roll-over relief is available in a particular case will depend on whether the relevant arrangement satisfies certain requirements and whether the particular shareholder satisfies certain requirements. Specifically, roll-over relief will only be available if Andromeda (together with members of Andromeda's wholly-owned group) obtain a holding of at least 80% of the voting shares in Minotaur as a result of the Offer. Whether the 80% threshold is met can only be determined at a later date, noting that it is Andromeda's intention to acquire in excess of 90% of all Minotaur shares (refer to Key conditions to the Offer) unless this condition is waived (see section 13.5)

A Minotaur Shareholder may, to the extent that Andromeda Shares are received in consideration for the disposal of its Minotaur Shares to Andromeda, be entitled to scrip-for-scrip roll-over relief if the following conditions are satisfied:

- Andromeda acquires the Minotaur Shares in consequence of a single 'arrangement';
- the Minotaur Shareholder would otherwise make a capital gain on the disposal of its Minotaur Shares to Andromeda;
- Andromeda and members of Andromeda's wholly-owned group become the owners of at least 80% of Minotaur Shares as a result of the Offer;
- the Minotaur Shareholder chooses to obtain the roll-over; and
- the arrangement must be or be part of or include a takeover bid (within the meaning of the Corporations Act) that is not carried out in contravention of the provisions mentioned in paragraphs 612(a) to (g) of that Act.

A Minotaur Shareholder does not need to document its choice to claim the scrip-for-scrip roll-over relief for Australian tax purposes, other than to complete its income tax return in a manner that is consistent with that choice.

Where a Minotaur Shareholder does not qualify for scrip-for-scrip roll-over relief or chooses not to apply the scrip-for-scrip roll-over relief to a capital gain, the treatment outlined in section 12.2(a)-(c) applies.

(e) Cost base of new Andromeda Shares received**(i) Scrip-for-scrip rollover applies**

Where scrip-for-scrip rollover applies and is chosen by a Minotaur Shareholder, the cost base of the new Andromeda Shares received by Minotaur Shareholders is worked out by attributing, on a reasonable basis, the cost base of the Minotaur Shares (recalculated as required post-Demerger) that were exchanged for new Andromeda Shares under the Offer. For the purposes of determining a Minotaur Shareholder's future eligibility for the CGT discount, the acquisition date of the new Andromeda Shares is taken to be the date when the relevant Minotaur Shareholder originally acquired their Minotaur Shares.

The cost base of the new Andromeda Shares is determined under the following formula:

$$= \frac{\text{Total cost base of Minotaur Shares at time of transfer}}{\text{Number of new Andromeda Shares received in exchange for Minotaur Shares transferred}}$$

(ii) Scrip-for-scrip rollover does not apply

Where scrip-for-scrip rollover is not available, or is not chosen by a Minotaur Shareholder, the cost base of the new Andromeda Shares received by Minotaur Shareholders will be equal to the market value of the Minotaur Shares exchanged for the Andromeda Shares. For these purposes, the market value of the Minotaur Shares is calculated at the time of the CGT event for the Minotaur Shareholder (see section 12.2(a) above).

The cost base of the new Andromeda Shares in this case would be determined under the following formula:

$$= \frac{\text{Total market value of Minotaur Shares at time of transfer}}{\text{Number of new Andromeda Shares received in exchange for Minotaur Shares transferred}}$$

12.3 Non-resident shareholders

(a) CGT may not apply

Minotaur Shareholders who are not residents in Australia for income tax purposes and who hold Minotaur Shares on capital account should not be subject to Australian capital gains tax on the disposal of the Minotaur Shares unless both of the following tests are satisfied:

–the 'non-portfolio interest' test - that is, the Minotaur Shareholder, together with their Associates, holds a 10% or greater interest in (broadly) all of the Minotaur Shares at the time of disposal, or held such an interest throughout a 12-month period that began no earlier than 24 months before the time of disposal;

–the 'principal asset' test (that is, the sum of the market values of Minotaur's direct and indirect assets that are 'taxable Australian real property' exceeds the sum of the market values of its assets that are not 'taxable Australian real property' at the time you accept the Offer).

If either element is absent, any capital gain made on the disposal of your Minotaur Shares should not be subject to income tax in Australia.

(b) Foreign Resident Capital Gains Withholding

Specific rules can apply to the disposal of certain taxable Australian property whereby a 12.5% non-final withholding tax may be applied.

Under the foreign resident capital gains withholding rules, an acquirer of shares has an obligation, subject to certain exceptions, to pay an amount equal to 12.5% of the Offer Consideration to the ATO if the shares acquired from a shareholder qualify as 'indirect Australian real property interests' (i.e. they satisfy the two requirements outlined in section 12.3(a) above) and the acquirer either:

- Knows or reasonably believes that the target shareholder is a foreign resident; or

- Does not reasonably believe that the target shareholder is an Australian resident and either:
 - The shareholder has an address outside Australia; or
 - The acquirer is authorised to make payment of the Offer Consideration to a place outside Australia (whether to the shareholder or to anyone else).

Any Minotaur Shareholder who has a registered address outside Australia should complete, sign and return a Non-Withholding Declaration as part of Step 3 of the Takeover Acceptance Form, in order to confirm that either:

- The registered holder of the relevant Minotaur Shares is an Australian tax resident at the date of this acceptance (**Residency Declaration**); or
- The registered holder of the relevant Minotaur Shares, together with its associates, has not held an interest of 10% or more in Minotaur as at the date of this acceptance nor for any 12-month period during the 2 years preceding the date of this acceptance (**Non-Portfolio Interest Declaration**).

Where a valid declaration is received from the Minotaur Shareholder, the disposal will not be subject to foreign resident capital gains withholding tax.

For Minotaur Shareholders with a registered address outside Australia, Andromeda may withhold a foreign resident capital gains withholding amount where it does not receive a signed and completed Non-Withholding Declaration prior to Andromeda acquiring the Minotaur Shares from that Minotaur Shareholder. In addition, despite any other provision of this section or the terms of the Offer to this Bidder's Statement, if Andromeda reasonably believes that there is, or is reasonably likely to be, a liability to withhold and pay an amount to the ATO in respect of the disposal of Minotaur Shares by a Minotaur Shareholder, Andromeda will withhold the applicable amount from the payment of the Offer Consideration to the Minotaur Shareholder and pay the amount withheld to the ATO.

If the withholding applies:

- Minotaur Shareholders (who are not Ineligible Foreign Shareholders) will then only receive a net number of Andromeda Shares equal to 87.5% of the full Offer Consideration after deduction of this withheld amount. In this case the issue of the net amount of Andromeda Shares will be taken to be full settlement of the Offer Consideration for the purposes of this Offer.
- For Minotaur Shareholders who are Ineligible Foreign Shareholders, the cash payment to be made will be reduced by the withholding amount. For the purposes of section 14.2(g)(iii)(D), the withholding amount will be 12.5% of the amount otherwise payable. In this case the payment of the net cash amount will be taken to be full settlement of the Offer.

If Andromeda considers that a withholding will be required, Andromeda will notify the relevant Minotaur Shareholder at their registered address. A Minotaur Shareholder who believes the disposal of their Minotaur Shares may trigger a foreign resident capital gains withholding liability should obtain their own independent advice and consider contacting Andromeda.

The foreign resident capital gains withholding amount deducted from the Offer Consideration is not considered to be a final withholding tax. As a result, the relevant Minotaur Shareholder who has had an amount deducted from the Offer Consideration should be able to claim a tax credit for any withholding tax amount deducted to reduce their income tax liability arising for the relevant income year. In addition, relevant Minotaur Shareholders may apply to the ATO prior to the disposal of their Minotaur Shares to vary the withholding down from 12.5%, if the tax liability expected to arise from the disposal is less than 12.5% of the Offer Consideration.

(c) Scrip-for-scrip rollover

Non-resident shareholders who would otherwise be subject to CGT and who hold their Minotaur Shares on capital account may also be eligible to claim scrip-for-scrip rollover relief as outlined in section 12.2(d) above, provided the new Andromeda Shares are 'taxable Australian property'. This will be the case if the Andromeda Shares held by a non-resident Minotaur Shareholder pass both the following tests at the time of the CGT event (see section 12.2(a)):

- the 'non-portfolio interest' test - that is, the non-resident Minotaur Shareholder, together with all Associates, holds a 10% or greater interest in (broadly) all of the Andromeda Shares; and
- the 'principal asset' test – that is, the sum of the market values of Andromeda's direct and indirect assets that are 'taxable Australian real property' exceeds the sum of the market values of its assets that are not 'taxable Australian real property'.

Non-resident Minotaur Shareholders should seek independent professional advice in relation to their particular circumstances.

(d) CGT discount

Changes to Australia's tax laws have removed any CGT discount concession for non-resident taxpayers after 8 May 2012. Non-resident taxpayers may be eligible for the CGT discount (referred to in 12.2(c) above) on increments in value up to 8 May 2012.

Any foreign resident individual Minotaur Shareholder who was previously a resident of Australia and chose to disregard a capital gain or capital loss on ceasing to be an Australian resident will be subject to Australian CGT consequences on disposal of their Minotaur Shares, although the CGT discount should only be available to the extent of the period that the foreign resident individual Minotaur Shareholder was an Australian resident.

You should seek specific advice on the application of these rules to your particular circumstances.

12.4 Australian tax consequences of owning Andromeda Shares**(a) Dividends from Andromeda**

Any dividends and franking credits received by an Australian resident shareholder of Andromeda by virtue of holding Andromeda Shares should be included in the assessable income of the Andromeda Shareholder. Where the Andromeda Shareholder is an individual who is an Australian resident or a complying superannuation fund, and the shareholder has excess franking credits available for the income year, those excess franking credits may be refunded by the ATO to the Andromeda Shareholder.

Andromeda Shareholders who are companies are not entitled to receive a refund of excess franking credits, but may convert any excess franking credits into a loss that may be utilised in future years (subject to the loss utilisation rules).

Shareholders are generally required to have held their shares 'at risk' for 45 days in order to be eligible for the franking benefits outlined above.

Dividend withholding tax will apply to any 'unfranked' dividend received by a non-resident Andromeda Shareholder (or other holders whose registered address is outside Australia, or who authorise or direct that their dividends be paid at a place

outside Australia). The rate will be 30% unless varied by a relevant double tax agreement or treaty.

Tax File Number (TFN) – ABN (Australian Business Number)

It is not compulsory for investors to provide Andromeda with their Tax File Number. However, without the TFN or appropriate exemption information, Andromeda will be required to withhold tax from dividends paid to the investor at the highest Australian marginal income tax rate (plus Medicare levy) until the TFN or exemption is quoted.

An ABN (Australian Business Number) may be used as an alternative to quoting a TFN where the investment in Andromeda is in the course of carrying on an enterprise. Andromeda is authorised under Australia's taxation laws to collect the TFN and ABN.

(b) Disposal of Andromeda Shares

The taxation consequences of a disposal of Andromeda Shares will depend upon a number of factors, including the circumstances of the disposal, the residency of a shareholder and whether the shareholder holds their shares on capital account, revenue account or as trading stock.

More specifically, the taxation consequences of a disposal of Andromeda Shares (if held on capital account) will be broadly in accordance with the principles outlined under section 12.2(a) - 12.2(c) above.

If scrip-for-scrip rollover applies then when determining whether the 12 month holding period requirement is satisfied for CGT discount purposes, the acquisition date for the Andromeda Shares is 'grandfathered' and taken to be the date of acquisition of the Minotaur Shares. If scrip-for-scrip does not apply, then the acquisition date should be the time of the CGT event arising from the disposal of Minotaur Shares (see section 12.2(a) above).

12.5 Goods and services tax

Holders of Minotaur Shares should not be liable to GST in respect of a disposal of those shares, regardless of whether they are registered for GST. A Minotaur Shareholder may incur GST on third party costs (such as advisor fees) incurred, and which relate to their participation in the Offer. A Minotaur Shareholder registered for GST may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent advice in relation to their specific circumstances.

12.6 Stamp duty

No stamp duty should be payable by Minotaur Shareholders on disposal of Minotaur Shares and acquisition of Andromeda Shares under the Offer in any Australian State or Territory.

13 Additional information

13.1 Bid Implementation Agreement

On 10 November 2021, Andromeda and Minotaur entered into the BIA. This document sets out the agreed basis on which Andromeda will make the Offer and the respective obligations of Andromeda and Minotaur in relation to the Offer, and also sets out an overview and timing of the Demerger.

The BIA was released to ASX on 10 November 2021 and a copy is available from the ASX website at www.asx.com.au.

A summary of the key elements of the BIA is set out below.

- a) Andromeda has agreed to offer 1.15 Andromeda Shares for every 1 Minotaur Share held.
- b) Minotaur has represented and warranted that all of the Minotaur Directors have informed Minotaur they will:
 - (i) each recommend that all Minotaur Shareholders accept the Offer, subject to there being no superior proposal.
 - (ii) each make a statement that they intend to accept the Offer in respect of all Shares owned or controlled by them within 7 days of the Offer opening, subject to there being no superior proposal; and
 - (iii) not withdraw, revise, revoke or qualify, or make any public statement inconsistent with, their recommendation to accept the Offer unless a superior proposal emerges.
- c) The Offer is subject to conditions which include:
 - (i) Andromeda acquiring a Relevant Interest in 90% or more of Minotaur Shares;
 - (ii) no material adverse change (as defined in the BIA) occurring in relation to the Minotaur Group (including any event that diminishes net assets by \$4,000,000 or more, compared to the value of net assets set out in Minotaur's balance sheet as at 30 September 2021); and
 - (iii) Minotaur shareholders pass all necessary resolutions to implement the Demerger, and the record date for the Demerger has occurred (a condition which cannot be waived by Andromeda other than with Minotaur's consent).
- d) The Offer is conditional on the Demerger being approved, which requires Minotaur Shareholder approval. Under the proposed Demerger, eligible Minotaur Shareholders will receive shares in Demetallica on a pro-rata basis for Minotaur Shares held at the record date for the Demerger. The Demerger will entail a capital reduction and in specie distribution of shares in Demetallica to eligible Minotaur Shareholders to effect the Demerger.

- e) Minotaur Shareholders will retain rights to vote on the Demerger and participate in the Demerger after accepting the Offer.
- f) Minotaur and Demetallica must use their best endeavours to give effect to, and to implement, the Demerger. The costs of the Demerger are to be borne by Minotaur and Demetallica, subject only to the arrangements reached with Andromeda in the Breakaway Finance Facility Deed.
- g) Minotaur has agreed to prepare a Target's Statement, and a notice of a meeting of Minotaur Shareholders in relation to the Demerger, in response to the Offer that is consistent with the BIA and all applicable laws.
- h) Under the BIA, Minotaur is subject to customary no shop, no talk restrictions (subject to a customary fiduciary exception), and must also notify Andromeda of any third party approaches which may reasonably be expected to lead to a competing proposal, or requests for information relating to Minotaur, other than requests occurring in the ordinary course of business, during the exclusivity period.
- i) Either Andromeda or Minotaur is entitled to a \$1 million reimbursement fee for costs incurred if the proposed transaction does not occur in customary prescribed circumstances.
- j) Each party's liability to all other parties under or in connection with the BIA (including in respect of any breach of the BIA) is limited to the \$1 million reimbursement fee.
- k) Demetallica has indemnified Andromeda (and its related entities and each of their respective shareholders and key personnel (and the Minotaur Group after the implementation of the Demerger)) as well as Minotaur for Demetallica's breach of its obligations under the BIA. Andromeda and Minotaur have provided a reciprocal indemnity to Demetallica on similar terms, but Andromeda has no liability whatsoever until the Demerger has been completed, it has acquired a minimum 50% of the Minotaur Shares and the Offer has become unconditional (whether or not declared to be so by Andromeda).
- l) The BIA can be terminated:
 - (i) by either party including for breach by another party, where Andromeda withdraws the Offer, where a party is insolvent, the Offer is prohibited or restrained at law, the Minotaur Directors change their recommendation that Minotaur Shareholders accept the Offer, or a majority of the Minotaur Directors decide that a superior proposal has been received;
 - (ii) by Andromeda where a superior proposal for the acquisition of Minotaur Shares is announced by Minotaur or made by a third party; a Minotaur Director fails to recommend the Offer (or having recommended the Offer,

withdraws or adversely changes their recommendation), any person has a greater than 20% interest in Minotaur Shares, or certain customary material adverse changes or prescribed corporate occurrences happen to Minotaur; or

(iii) by Minotaur if a material adverse change happens to Andromeda.

13.2 Funding Facilities

With effect from 10 November, Andromeda and Minotaur entered into two short term funding facility deeds for the purposes of Andromeda providing funding to assist Minotaur with its corporate activities and to seed fund \$2 million to Demetallica.

Under the first facility between Andromeda, AIM, Minotaur and GSK (the **Short Term Funding Facility Deed**):

- Andromeda has agreed to provide up to \$2 million to Minotaur, bearing interest at a commercial rate, to fund corporate activities and to fund the Minotaur group's proportionate share of a future cash call for the Great White Kaolin Project (with that funding to then be provided by Minotaur to GSK, as the relevant joint venturer in the Great White Joint Venture);
- The short term funding may only be used by Minotaur in accordance with a budget approved by Andromeda, which has specifically taken into account Minotaur's short term funding needs, including its share of the Great White Kaolin Project cash call.
- The facility is only available to Minotaur until the end of the Offer period or the date the BIA is terminated (whichever is earlier).
- All moneys owing are repayable by Minotaur to Andromeda on the earlier of:
 - the date agreed by them if Minotaur becomes a wholly-owned subsidiary of Andromeda as a result of the Offer (ie; in the event the Offer is successful);
 - 3 months after the date the BIA is terminated; and
 - 3 months after the Offer closes,

or any earlier date on which the money owing becomes repayable in accordance with the terms of the facility; ie, including on default by Minotaur).
- Andromeda may elect to treat any non-payment of moneys owing (including interest) on the due date by Minotaur as if GSK had elected not to contribute funds and, consequently, to dilute its joint venture interest in the Great White Kaolin Project (in accordance with the GWJV agreement). On application of the dilution calculation, the outstanding amount will be deemed to have been repaid.

The second facility (the **Breakaway Funding Facility Deed**) is between the same parties to, and is on substantially similar terms as, the Short Term Funding Facility Deed, with the following exceptions:

- Andromeda has agreed to provide up to \$2 million to Minotaur, bearing interest at a commercial rate, for use if the Demerger is approved, to seed fund Demetallica and cover costs incurred in and in anticipation of the Demerger.
- Funding is to be made available on the Record Date for the Demerger under the BIA, but Minotaur has the ability to request draw downs at earlier times (but not so as to exceed the \$2 million facility limit).
- All moneys owing are repayable by Minotaur to Andromeda on the same timetable as under the Short Term Funding Deed, with the addition of a further repayment trigger date being 6 months after the Offer closes if the Offer becomes unconditional and Andromeda is entitled to acquire less than 90% of the Minotaur Shares when the Offer closes.

- In circumstances where the Offer has become unconditional but Andromeda is only entitled to less than 90% of the Minotaur Shares, Minotaur may elect to pay the outstanding amount by issuing Andromeda with ordinary Minotaur Shares calculated on a 5 day VWAP immediately prior to the issue of those Minotaur Shares. If however, Minotaur Shareholders do not approve that issue of Minotaur Shares to Andromeda, then the outstanding amount is repayable in cash to Andromeda.

13.3 Agreements with Minotaur Directors

There is no agreement between Andromeda and any Minotaur Director or another Officer of Minotaur in connection with or conditional on the outcome of the Offer.

13.4 No inducing benefits given, offered or agreed during previous four months

During the four months before the date of this Bidder's Statement, neither Andromeda nor any of its Associates gave, offered to give or agreed to give a benefit to another person that induced, or was likely to induce, the other person or an associate to:

- accept the Offer; or
- dispose of Minotaur Shares,

that was not offered to all holders of securities in the bid class.

13.5 Potential for waiver of Conditions

The Offer is subject to the Conditions as set out in section 14.7. Under the terms of the Offer and the Corporations Act, any or all of those Conditions may be waived by Andromeda (other than the Condition relating to Minotaur Shareholders passing all necessary resolutions to implement the Demerger, and the record date for the Demerger having occurred, which Condition can only be waived by Andromeda with Minotaur's consent).

If an event occurs which results (or would result) in the non-fulfilment of a Condition, Andromeda might not make a decision as to whether it will either rely on that non-fulfilment, or instead waive the Condition in respect of the occurrence, until the date for giving the Notice of Status of the Conditions under section 630(3) of the Corporations Act (referred to in section 14.2). If Andromeda decides that it will waive a Condition, it will announce that decision to ASX in accordance with section 650F of the Corporations Act.

If any of the Conditions are not fulfilled, and Andromeda decides to rely on the non-fulfilment, then any contract resulting from acceptance of the Offer will become void at (or, in some cases, shortly after) the end of the Offer Period, and the relevant Minotaur Shares will be returned to the holder.

13.6 Status and effect of other Conditions

As at the date of this Bidder's Statement, Andromeda is not aware of any events or circumstances which would result in the non-fulfilment of any of the Conditions in section 14.7.

13.7 Foreign Shareholders

Restrictions in certain foreign countries make it impractical or unlawful for Andromeda to offer Minotaur Shareholders shares in Andromeda.

If you are an Ineligible Foreign Shareholder and you accept the Offer, you will not receive any Andromeda Shares. Instead, you will receive in respect of your Minotaur

Shares a cash amount calculated in accordance with section 14.2(g) of this Bidder's Statement.

The Offer is not registered in any jurisdiction outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia applicable to you to accept this Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

13.8 Expiry date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

13.9 Minotaur's material disclosures to ASX

Minotaur is a disclosing entity for the purposes of the Corporations Act and therefore is subject to regular reporting and disclosure obligations.

13.10 Consents

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the company announcement platform of ASX by Minotaur and others. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these documents, please contact the Offer Information Line on 1300 395 837 (within Australia) or +61 3 9415 4064 (from outside Australia) and you will be sent copies free of charge. Information may also be obtained from Minotaur's platform on ASX's website at www.asx.com.au (ASX code: MEP).

This Bidder's Statement also includes statements based on trading data reflecting trading on the ASX prepared by IRESS. IRESS has not consented to the use of such trading data reference in this Bidder's Statement. Under the terms of ASIC Corporations (Consents to Statements) Instrument 2016/72, IRESS is not required to consent to, and has not consented to, the inclusion of those statements in this Bidder's Statement.

The following persons have given, and have not at the date of this Bidder's Statement withdrawn, their written consent to being named in this Bidder's Statement:

- Taylor Collison – in relation to being named as financial adviser to Andromeda;
- Minter Ellison – in relation to being named as legal adviser to Andromeda; and
- Computershare Investor Services Pty Limited – in relation to being named as the share registry to Andromeda.

None of these persons, firms or companies has caused or authorised the issue of this Bidder's Statement or has in any way been involved in the making of the Offer. The Offer is made by Andromeda. Each of these persons, firms and companies, to the maximum extent permissible by the law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement.

13.11 Date for determining holders of securities

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) for each Offer is the Register Date.

13.12 Competent Person's statement

The information in this Bidder's Statement that relates to Andromeda's Mineral Resources and Ore Reserves is based on information extracted from Andromeda's FY21 Full Year Report which is available to view at Andromeda's website www.andromet.com.au and on Andromeda's company announcement platform at www.asx.com.au (ASX code ADN). Andromeda confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of the estimates of reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. Andromeda confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

13.13 Disclosure of interests of certain persons

Other than as set out in this Bidder's Statement, no:

- Andromeda Director;
- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- promoter of Andromeda;
- underwriter to the issue or sale or a financial services licensee involved in the issue or sale,

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the two years prior to the date of this Bidder's Statement:

- an interest in the formation or promotion of Andromeda;
- an interest in property acquired or proposed to be acquired by Andromeda in connection with Andromeda's formation or promotion or the offer of Andromeda Shares under the Offer; or
- an interest in the offer of Andromeda Shares under the Offer.

13.14 Disclosure of fees and benefits received by certain persons

Other than as set out in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- to any Andromeda Director, or proposed Andromeda Director, to induce them to become, or to qualify as, a Andromeda Director; or

- for services provided by any of the Interested Persons in connection with the formation or promotion of Andromeda or offer of Andromeda Shares under the Offer.

The fees paid in connection with the preparation and distribution of this Bidder's Statement and for services provided in connection with the Offer (on the basis that the Offer is successful), are as follows:

- Taylor Collison –up to \$1.66 million in relation to acting as financial adviser to Andromeda in connection with the Offer; and
- MinterEllison –up to \$ 300,000(ex GST) in relation to acting as legal adviser to Andromeda in connection with the Offer together with ongoing fees on a normal commercial basis.

13.15 Director interests in Andromeda Shares and Minotaur Shares

As at the date of this Bidder's Statement, the beneficial interests of each Andromeda Director in Andromeda Shares and Minotaur Shares are set out in sections 4.8 and 7.5 (respectively).

13.16 Information

Except for the information contained in this Bidder's Statement and in Minotaur's releases to ASX before the date of this Bidder's Statement, there is no information known to Andromeda which:

- is material in the making of a decision by a holder of Minotaur Shares whether to accept the Offer; and
- has not been previously disclosed to the holders of Minotaur Shares.

14 Terms and conditions of the Offer

14.1 Andromeda's Offer

(a) Offer

Andromeda offers to acquire all of your Minotaur Shares and all the Rights attaching to them on the terms set out in this section 14. This Offer extends to any Minotaur Shares issued before end of the Offer Period due to the exercise of rights attached to Minotaur Options that are on issue as at the Register Date.

(b) Persons to whom the Offer is made

Andromeda is making an offer in the form of the Offer to:

- (i) each holder of Minotaur Shares registered in Minotaur's register of members at 7.00pm (AEDT) on the Register Date; and
- (ii) each holder of Minotaur Shares during the Offer Period where such Minotaur Shares were issued:
 - (A) after the Register Date; and
 - (B) as a result of the exercise of rights attached to Minotaur Options that are on issue as at the Register Date.

Copies of this Bidder's Statement will be made available to holders of Minotaur Shares who appear on Minotaur's register of members as at 7.00pm (AEDT) on the Register Date.

(c) Offer Date

The Offer is dated 8 December 2021, being the date on which the first of the Offers is sent to the persons referred to in section 14.1 (b).

(d) Offer Period

The Offers will remain open for the period:

- (i) starting on the Offer Date; and
- (ii) ending at 7.00pm (AEDT) on 31 January 2022,

unless this period is extended in accordance with the Corporations Act or the Offers are withdrawn in accordance with the Corporations Act.

(e) Extension of the Offer Period

Andromeda may, in its sole discretion, extend the Offer Period in accordance with the Corporations Act.

If, within the last seven days of the Offer Period:

- (i) the Offer is varied to improve the consideration offered; or
- (ii) Andromeda's voting power in Minotaur increases to in excess of 50%,

the Offer Period will be automatically extended so that it ends 14 days after the relevant event.

(f) Conditions

Each Offer is subject to the Conditions in section 14.7.

(g) If you have sold any of your Minotaur Shares

If you have sold some or all of your Minotaur Shares when this Offer is made to you, or you sell some or all of your Minotaur Shares during the Offer Period, please refer to section 14.4(a).

(h) If you are a trustee or nominee

If you are a trustee or nominee of some or all of your Minotaur Shares, please refer to section 14.4(b)

14.2 Consideration**(a) Offer Consideration**

The offer consideration is 1.15 Andromeda Shares for every 1 Minotaur Shares held.

(b) Ineligible Foreign Shareholders

If you are an Ineligible Foreign Shareholder then, despite any other provision of this Offer, you will not receive Andromeda Shares as consideration for your Minotaur Shares under this Offer. Instead, if you accept this Offer, you will be paid a cash amount determined in accordance with section 14.2(g).

(c) Equal ranking

The Andromeda Shares issued under the Offer will be fully paid ordinary shares issued by Andromeda and will rank equally with existing Andromeda Shares from the date of issue.

(d) Date of issue

(i) If the Acceptance Form does not require you to give another document for your acceptance, Andromeda will issue to you the Andromeda Shares as consideration for your Minotaur Shares by the end of whichever of the following periods ends earlier:

- (A) if this Offer is unconditional when you accept this Offer, within one month after the date this Offer is accepted by you;
- (B) if this Offer is subject to a defeating Condition when you accept this Offer, within one month after the date the takeover contract resulting from your acceptance of this Offer becomes unconditional; and
- (C) 21 days after the end of the Offer Period if the takeover contract resulting from your acceptance of this Offer becomes unconditional.

(ii) If the Acceptance Form requires another document to be given for your acceptance (such as a power of attorney):

- (A) if the document is given with your acceptance, Andromeda will issue the Andromeda Shares to you in accordance with section 14.2(d)(i);
- (B) if the document is given after your acceptance and before the end of the Offer Period and the Offer is subject to a defeating Condition at the time Andromeda is given the document, Andromeda will issue to you the Andromeda Shares as consideration for your Minotaur Shares by the end of whichever of the following periods ends earlier:

- (I) one month after the date the takeover contract resulting from your acceptance of this Offer becomes unconditional; or
- (II) 21 days after the end of the Offer Period if the takeover contract resulting from your acceptance of this Offer becomes unconditional;
- (C) if the document is given after your acceptance and before the end of the Offer Period and this Offer is unconditional at the time Andromeda is given the document, Andromeda will issue to you the Andromeda Shares as consideration for your Minotaur Shares by the end of whichever of the following periods ends earlier:
 - (I) one month after the date that document is given; or
 - (II) 21 days after the end of the Offer Period if the takeover contract resulting from your acceptance of this Offer becomes unconditional;
- (D) if the document is given after your acceptance and after the end of the Offer Period and at the time Andromeda is given the document the takeover contract is unconditional, Andromeda will issue to you the Andromeda Shares as consideration for your Minotaur Shares within 21 days after the date Andromeda is given the document; or
- (E) if the document is given after your acceptance and after the end of the Offer Period and at the time Andromeda is given the document the takeover contract is subject to a Condition that relates only to the happening of a 'Prescribed Occurrence' (as described in section 14.7(i)), Andromeda will issue to you the Andromeda Shares as consideration for your Minotaur Shares within 21 days after the date this Offer becomes unconditional.

(e) Delivery of Consideration

The obligation of Andromeda to allot and issue Andromeda Shares to you under this Offer will be satisfied by Andromeda:

- (i) entering your name on the register of members of Andromeda; and
- (ii) if your name is entered on the Issuer Sponsored Subregister of Andromeda, no later than five Business Days after such entry, dispatching or procuring the dispatch to you, by pre-paid post to your address as shown in the latest copy of the register of Minotaur members provided by Minotaur to Andromeda before dispatch, a holding statement in accordance with the ASX Listing Rules. If your Minotaur Shares are held in joint names and those names are entered on the Issuer Sponsored Subregister of Andromeda, the holding statement will be issued in the name of, and dispatched to, the holder whose name appears first in Minotaur's register of members.

(f) Contract avoided

Andromeda may avoid a contract between Andromeda and you if Andromeda has not been given a document required in the Acceptance Form within one month after the end of the Offer Period.

(g) Ineligible Foreign Shareholders

If you are an Ineligible Foreign Shareholder (or if Andromeda believes that you are an Ineligible Foreign Shareholder) and you accept this Offer, you will not be entitled to receive Andromeda Shares as consideration for your Minotaur Shares. Instead, you agree that:

- (i) Andromeda will arrange for the issue to a nominee (the Foreign Holder Nominee), approved by ASIC, of the Andromeda Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for this section 14.2(g);
- (ii) Andromeda will cause those Andromeda Shares to be offered for sale by the Foreign Holder Nominee on ASX or another relevant financial market licensed under section 795B of the Corporations Act through which retail clients may trade in securities, as soon as practicable and otherwise in such manner, at such price and on such terms and conditions as are determined by the Foreign Holder Nominee;
- (iii) Andromeda will cause the amount ascertained in accordance with the formula below to be paid to you:

$$\text{net proceeds of sale} \times \frac{\text{your Shares}}{\text{total Shares}} - \text{withholding amount}$$

where:

- (A) **net proceeds of sale** is the total amount (if any) remaining after deducting the expenses of sale and any costs of appointing the Foreign Holder Nominee from the total proceeds of sale of the Andromeda Shares issued to the Foreign Holder Nominee under this section 14.2(g);
 - (B) **your Shares** is the number of Andromeda Shares that would, but for this section (g), have been issued to you under the Offer;
 - (C) **total Shares** is the total number of Andromeda Shares issued to the Foreign Holder Nominee under this section 14.2(g); and
 - (D) **withholding amount** any amount withheld in accordance with section 12.3(b).
- (iv) payment of the amount calculated in accordance with section 14.2(g)(iii) will be made by cheque drawn in Australian currency in your favour that is sent to you, at your risk, by ordinary mail (or, in the case of Minotaur Shareholders with addresses outside Australia, by airmail) to your address shown on the latest copy of the register provided by Minotaur to Andromeda, and that under no circumstances will any interest be paid on or in relation to that amount, regardless of any delay in the remittance of the amount to you; and
 - (v) you irrevocably appoint Andromeda as your agent to receive any notice, including a Financial Services Guide, if any, and any update of any such notice or document, that the Foreign Holder Nominee or its broker may provide under the Corporations Act and you acknowledge and agree that any such notice or document will be made available by Andromeda on Andromeda's website (www.andromet.com.au).

- (vi) Neither Andromeda nor the Foreign Holder Nominee makes any representation, warranty, undertaking or assurance as to the price that will be achieved for the sale of Andromeda Shares described in this section 14.2(g).

(h) Certain overseas residents

If, at the time you accept this Offer, any authority or clearance of the Reserve Bank of Australia, the Australian Taxation Office or the Minister for Foreign Affairs is required for you to receive any consideration under this Offer, or you are resident in, or a resident of, a place to which, or you are a person to whom:

- (i) the Charter of the United Nations Act 1945 (Cth);
- (ii) the *Autonomous Sanctions Act 2011* (Cth); or
- (iii) any other law of Australia that would make it unlawful for Andromeda to provide consideration for your Minotaur Shares,

applies, then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by you in favour of Andromeda.

14.3 How to accept

(a) Full acceptance required

Subject to section 14.4(b), you may only accept this Offer during the Offer Period for all your Minotaur Shares.

(b) CHESS Holdings

If your Minotaur Shares are in a CHESS Holding and you are not a Participant, you may accept the Offer by doing one of the following:

- (i) **Online acceptance:** to accept the Offer online, you must log in to www.andromedaoffer.com.au, follow the instructions, select the 'Accept' option and submit your acceptance of the Offer before the Offer closes. You will need your Holder Identification Number and postcode or country of residence (if your registered address for your Minotaur Shares is outside of Australia) associated with your Minotaur Shares to log in. You will receive an on-screen confirmation of submission via email to the email address you provided after you logged in.

For your online acceptance to be an effective acceptance of the Offer, it must be received in time for the Registry to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period;

- (ii) **Acceptance Form:** to accept the Offer using a physical acceptance form, complete the CHESS Acceptance Form in accordance with the instructions on it and return it by post to the address on the CHESS Acceptance Form to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules. For return of a CHESS Acceptance Form to be an effective acceptance of the Offer, it must be received in time for the Share Registry to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period; or

- (iv) Contact your Controlling Participant: contact your Controlling Participant (usually your Broker) and instruct them to accept the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules, in sufficient time, so that it is processed before 7.00pm (AEDT) on the last day of the Offer Period.

(c) Participant

If your Minotaur Shares are in a CHESS Holding and you are a Participant, acceptance of this Offer may be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period (7.00pm AEDT) on 31 January 2022, unless the Offer Period is extended).

(d) Issuer Sponsored Holdings

If you hold Minotaur Shares in an Issuer Sponsored Holding, may accept the Offer by doing one of the following:

- (i) **Online Acceptance:** to accept the Offer online, you must log in to www.andromedaoffer.com.au follow the instructions, select the 'Accept' option and submit your acceptance of the Offer before the Offer closes. You will need your Securityholder Reference Number and postcode or country of residence (if your registered address for your Minotaur Shares is outside of Australia) associated with your Minotaur Shares to log in. You will receive and on-screen confirmation of submission via email to the email address you provided after you logged in; or
- (ii) **Acceptance Form:** to accept the Offer using a physical acceptance form, complete the Issuer Acceptance Form in accordance with the instructions on it and return it by post to the address on the Issuer Acceptance Form so that it is received before 7.00 pm (AEDT) on the last day of the Offer Period.

(e) Andromeda's discretion regarding incomplete or invalid acceptance

Andromeda may, in its absolute discretion, determine that any Acceptance Form it receives is a valid acceptance, even if one or more of the requirements set out in the Acceptance Form has not been complied with or you have been sent (and you have therefore completed) the wrong Acceptance Form for the subregister on which your Minotaur Shares are held, but Andromeda may, in its absolute discretion, decide not to pay you until:

- (i) the irregularity has been resolved; and
- (ii) the share certificate (if any), or an acceptable indemnity, and any other document required to enable Andromeda to be registered as the holder of your Minotaur Shares, have been given to Andromeda.

(f) Status of the Acceptance Form

The Acceptance Form that accompanies this Bidder's Statement forms part of this Offer, and the instructions on the Acceptance Form must be followed in using it to accept this Offer.

14.4 Application of this Offer

(a) If another person is entitled to your Minotaur Shares

If, when this Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of your Minotaur Shares (**Transferred Shares**), then Andromeda will be taken to have:

- (i) made to the other person a corresponding offer for the Transferred Shares;
- (ii) made you a corresponding offer for your Minotaur Shares except the Transferred Shares; and
- (iii) withdrawn this Offer.

(b) If you are a trustee or nominee

If at any time during the Offer Period you are a trustee for or nominee of two or more persons or your Minotaur Shares for some other reason consist of two or more separate and distinct parcels within the meaning of section 653B of the Corporations Act, then:

- (i) a separate Offer will be taken to have been made to you in relation to each separate and distinct parcel of Minotaur Shares; and
- (ii) an acceptance by you of the Offer in respect of any separate and distinct parcel of Minotaur Shares will be ineffective unless:
 - a. you have given Andromeda a notice, delivered in accordance with section 14.4(c), stating that your Minotaur Shares consist of separate and distinct parcels; and
 - b. your acceptance specifies the number of Minotaur Shares in each separate parcel to which the acceptance relates.

(c) Notice of separate parcels

A notice in accordance with section 14.4(b) must:

- (i) if it relates to Minotaur Shares not in a CHESS Holding, be in writing; or
- (ii) if it relates to Minotaur Shares in a CHESS Holding, be in an electronic form calling in the distinct parcel indicator approved by the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act.

14.5 Effect of acceptance

By initiating acceptance of this Offer through CHESS in accordance with sections 14.3(b) or 14.3(c), lodging an online Acceptance Form or signing and returning an Acceptance Form in accordance with sections 14.3(b) or 14.3(d), you will have:

- a) unless section 14.2(g) applies to you, irrevocably authorised Andromeda to issue to you the Andromeda Shares you are entitled to receive under the Offer and to enter (or cause the entry of) your name and address (as shown in the register of members of Minotaur last notified to Andromeda by Minotaur) in the register of members of Andromeda in respect of those Shares, and agree to be bound by the Constitution of Andromeda;

- b) accepted this Offer (and each variation of the Offer (if any) permitted under Part 6.6 of the Corporations Act) for all your Minotaur Shares;
- c) subject to the Conditions in section 14.7 being fulfilled, agreed to transfer your Minotaur Shares to Andromeda;
- d) represented and warranted to Andromeda that:
 - (i) your Minotaur Shares are at the time of acceptance, and will be on registration of the transfer of your Minotaur Shares to Andromeda, fully paid up, and Andromeda will acquire good title to them and full beneficial ownership of them free from all mortgages, charges, liens and other encumbrances and restrictions on transfer of any kind; and
 - (ii) you have full power and capacity to sell and transfer those securities;
- e) irrevocably and unconditionally authorised Andromeda (by its servants or agents) to complete or alter the Acceptance Form on your behalf (and irrevocably and unconditionally appoint Andromeda, its directors, secretaries, officers, servants and agents as your attorney for that purpose) by:
 - (i) inserting correct details of your Minotaur Shares;
 - (ii) filling in any blanks remaining on the Acceptance Form;
 - (iii) rectifying any error in or omission from the Acceptance Form; and
 - (iv) completing and signing on your behalf (or as your attorney) any other instrument or transfer,

as may be necessary to make the Acceptance Form an effective acceptance of this Offer or to enable the registration of the transfer of your Minotaur Shares to Andromeda;

- f) if any of your Minotaur Shares are held in a CHESS Holding and you have signed an Acceptance Form for them, irrevocably authorised Andromeda (by its servants or agents) to:
 - (i) instruct your Controlling Participant to initiate acceptance of this Offer for those Minotaur Shares in accordance with the ASX Settlement Operating Rules; and
 - (ii) give any other instructions in relation to those Minotaur Shares to your Controlling Participant on your behalf under the Sponsorship Agreement between you and the Controlling Participant as may be necessary to make the Acceptance Form an effective acceptance of this Offer or to enable the registration of the transfer of your Minotaur Shares to Andromeda;
- g) irrevocably appointed Andromeda and its directors, secretaries and officers jointly and each of them severally as your attorney, with effect from the date this Offer or any contract resulting from the acceptance of this Offer, is declared free

from all its conditions or those conditions are fulfilled, with power to exercise the powers and rights which you could lawfully exercise as the registered holder of your Minotaur Shares, including:

- (i) requesting Minotaur to register your Minotaur Shares in the name of Andromeda;
- (ii) applying for a replacement certificate in respect of any share certificate that has been lost or destroyed;
- (iii) attending and voting at a meeting of Minotaur except at the meeting of Minotaur Shareholders to consider whether to approve the Demerger;
- (iv) demanding a poll for a vote taken at or proposing or seconding a resolution to be considered at a meeting of Minotaur except at the meeting of Minotaur Shareholders to consider whether to approve the Demerger;
- (v) requisitioning a meeting of Minotaur;
- (vi) signing any form, notice or instrument relating to your Minotaur Shares; and
- (vii) doing all things incidental and ancillary to any of sections 14.5(g)(i) to (g)(vi),

and you acknowledge and agree that the attorney may exercise those powers in the interests of Andromeda as the intended registered holder of your Minotaur Shares;

- h) except at the meeting of Minotaur Shareholders to consider whether to approve the Demerger, agreed not to attend or vote in person at any meeting of Minotaur, except as permitted by Andromeda, or to exercise or purport to exercise any of the powers conferred on Andromeda and its directors, secretaries and officers in section 14.5(g);
- i) other than in respect of any Rights arising from participation in the Demerger, irrevocably authorised and directed Minotaur to pay or account to Andromeda for all Rights if and when the contract resulting from your acceptance of the Offer becomes unconditional. Andromeda will account to you for any Rights received by it if this Offer is withdrawn or the contract resulting from your acceptance of this Offer is rescinded under section 14.11 or is rendered void under section 14.14;
- j) other than in respect of any Rights arising from participation in the Demerger, except where Rights have been paid or accounted for under section 14.5(i), irrevocably authorised Andromeda to deduct from the consideration payable for your Minotaur Shares, the amount or value of all Rights under sections 14.6(a) and 14.6(b);
- k) irrevocably authorised Andromeda and its nominees to do all things necessary to transfer your Minotaur Shares to Andromeda (including to cause the transmission of a message in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to transfer your Minotaur Shares which are in a CHESS Holding to the

Takeover Transferee Holding) even if Andromeda has not yet paid the consideration due to you;

- l) agreed to execute all documents, transfers and assurances as may be necessary or desirable to convey your Minotaur Shares and Rights to Andromeda; and
- m) agreed to fully indemnify Andromeda in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or your Security Reference Number or in consequence of the transfer of your Minotaur Shares to Andromeda being registered by Minotaur without production of your Holder Identification Number or your Security Reference Number.

14.6 Dividends and other entitlements

(a) Cash Rights

Other than in respect of any Rights arising from participation in the Demerger, if any cash Rights are declared, paid, made, arise or accrue to you as the holder of your Minotaur Shares, Andromeda may reduce the price specified in section 14.2(a) by the amount of the Rights, unless the benefit of the Rights is passed to Andromeda under section 14.5(i).

(b) Non-cash Rights

Other than in respect of any Rights arising from participation in the Demerger, if any non-cash Rights are issued, made, arise or accrue to you as the holder of your Minotaur Shares, Andromeda may reduce the price specified in section 14.2(a) by the value (as reasonably determined by the chair of ASX or his nominee or, if such a determination is not made within two weeks of a request being made of them by Andromeda, as reasonably determined by Andromeda) of the non-cash Rights, unless the benefit of the Rights is passed on to Andromeda under section 14.5(i).

(c) Demerger

For the avoidance of doubt, Minotaur Shareholders retain all Rights arising from and associated with voting in respect of and participating in the Demerger.

14.7 Conditions to the Offer

The Offer, and any contract resulting from acceptance of the Offer, are subject to the following conditions:

(a) Minimum Acceptance Condition

At the end of the Offer Period, Andromeda has a Relevant Interest in excess of 90% of Minotaur Shares then on issue.

(b) Regulatory Approvals

During the Offer Period, all Regulatory Approvals which are required in order to permit the Offer to be made to and accepted by Minotaur Shareholders and the lawful completion of the Offer if it is accepted and becomes unconditional are granted, given, made or obtained in each case on an unconditional basis and remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(c) No regulatory action

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i)** there is not in effect any preliminary or final decision, order or decree issued by a Regulatory Authority;
- (ii)** no action or investigation is announced, commenced or threatened by any Regulatory Authority with respect to Minotaur or a Controlled Entity of Minotaur; and
- (iii)** no application is made to any Regulatory Authority (other than by Andromeda), in consequence of or otherwise relating to the Offer (other than an application or determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act or if the Regulatory Action results from action or inaction of Andromeda) which is reasonably likely to or purports or threatens to:
 - a. restrain, prohibit or impede, or otherwise materially adversely impact on, the making of the Offer or the completion of any transaction contemplated by this Bidder's Statement in connection with the Offer (including the acquisition of Minotaur Shares) or the continued ownership and operation of the business of Minotaur or a Controlled Entity of Minotaur; or
 - b. require the variation of the terms of the Offer; or
 - c. require or approve the divestiture of any Minotaur Shares or the divestiture of any assets of any Minotaur Group Company or of any Andromeda Group Member.

(d) No material adverse event

No act, omission, event, condition, action, proceeding, circumstance or change in circumstance has happened or happens, is announced, disclosed or otherwise becomes known to Andromeda (whether it becomes public or not), during the period from and including the Announcement Date to the end of the Offer Period, that (individually or with others) has or is reasonably likely to have a material adverse effect on the business, assets, liabilities, financial or trading positions or prospects of the Minotaur Group (taken as a whole) including but not limited to any one or more of the following effects:

- (i)** diminishing the net assets of the Minotaur Group by A\$1,000,000 or more, compared to the value of the net assets of Minotaur set out in its balance sheet as at 30 September 2021;
- (ii)** Minotaur being unable to carry on its operations or business, or to exercise its rights or perform its obligations under any Mineral Tenement or any Material Contract, in substantially the same manner as carried on, exercised or performed (as applicable) as at the Announcement Date, including as a result of a material regulatory approval or licence being varied, cancelled, revoked or terminated by a Regulatory Authority;
- (iii)** any material rights under any Mineral Tenement or any Material Contract in which a Minotaur Group Company (or management company associated with a joint venture in which a Minotaur Group Company has an interest) has an interest being (or being capable of being) suspended, revoked, invalidated,

varied, terminated or otherwise brought to an end, other than on the expiration of its term in the ordinary course;

- (iv) a material restraint on or hindrance to the development, timely completion, feasibility, operation or profitability of the material projects in which Minotaur has an interest; or
- (v) any change in any applicable laws or regulations which would result in a material impairment of the costs structure of the Minotaur Group.

However, this condition does not apply to:

- (i) any matter which was fully disclosed in a public announcement to the ASX before the Announcement Date;
- (ii) any event or matter which affects the mineral resources industry generally and which impacts on Minotaur and its competitors in a similar manner;
- (iii) any change in general economic, financial, currency exchange, securities or commodities market conditions; or
- (iv) any change in accounting policy required by law.

(e) No material acquisitions, disposals, commitments, etc

Between the Announcement Date and the end of the Offer Period (each inclusive), other than as fully disclosed in a public announcement to the ASX before the Announcement Date, no Minotaur Group Company:

- (i) acquires, offers to acquire, agrees to acquire or announces an intention to acquire, one or more companies, businesses, properties or assets (or shares or any other interest in one or more companies, businesses, properties or assets):
 - (A) if the total amount of:
 - (I) the consideration provided or to be provided; and
 - (II) any other expenditure, work or other commitments assumed, by the Minotaur Group Companies (or any of them) in respect of any or all such acquisitions exceeds or could exceed A\$250,000 (and for this purpose, non-cash consideration or other commitments will be converted into an equivalent Australian dollar amount at fair market value or (where no fair market value is readily obtainable) at a reasonable estimation of the arm's length value or cost of the relevant consideration or other commitment);
 - (B) or if the acquisition results or would result in a Minotaur Group Company having a Relevant Interest of greater than 5% in the shares or other securities of an entity that is listed, or in any securities which are quoted, on the ASX or a Recognised Stock Exchange;
- (ii) disposes of, offers to dispose of, agrees to dispose of or announces an intention to dispose of any legal, beneficial or economic interest in:
 - (A) any Mineral Tenement; or
 - (B) any entity which, or a Controlled Entity of which, holds or is entitled to any legal, beneficial or economic interest in any Mineral Tenement; or

- (C) (without limitation to sub-paragraphs (ii)(A) and (B) above) any one or more entities, businesses, properties or assets (or shares or any other interest in one or more entities, businesses, properties or assets), for an amount, or in respect of which the book value (as recorded in Minotaur's statement of financial position as at 30 June 2021) is, in aggregate with all other such disposals, greater than A\$250,000);
- (iii) enters into, offers to enter into, agrees to enter into or announces an intention to enter into, any agreement, lease, joint venture, partnership, farm-in agreement, management agreement, arrangement or commitment (including a commitment to contribute to exploration, appraisal, development or other costs and expenditure if a call or other demand is made upon it) which would require the members of the Minotaur Group (or any of the them) to incur or otherwise be responsible (directly or indirectly) for costs and expenditure:
- (A) of a capital nature exceeds A\$200,000; or
- (B) of any kind outside the ordinary course of business of the Minotaur Group, if the aggregate of all costs and expenses incurred by Minotaur Group Companies on or after the Announcement Date outside the ordinary course of business of the Minotaur Group exceeds or could reasonably be expected to exceed A\$200,000,
- other than pursuant to a budget or other expenditure proposal submitted on or after the Announcement Date to a Minotaur Group Company by Andromeda;
- (iv) enters into or terminates, or, in any material respect, amends or waives, any of the terms applicable to, or rights (including any rights of pre-emption or first or last refusal) under, a Material Contract, other than:
- (A) where entering into the relevant Material Contract would be contrary to any of the conditions in paragraphs (e)(i), (ii), (iii), (v), (vi), (vii), (viii) or (ix) but for an express financial threshold in or exception to the relevant condition; or
- (B) an extension of the term of an agreement that is expressly permitted by sub-paragraph (vi)(B) below;
- (v) enters into, offers to enter into, agrees to enter into or announces an intention to enter into, any transaction, or is otherwise affected by any transaction or proposal, under which:
- (A) any third party would, or on the satisfaction of any conditions would be entitled to, acquire any legal, beneficial or economic interest in, or an overriding royalty interest, net profit interest or other right to payment calculated on or by reference to production, revenue, earnings or profit of or attributable to; or
- (B) there would be any diminution in the rights granted under or held by any Minotaur Group Company in respect of,

any Tenement in which any Minotaur Group Company holds a legal, beneficial or economic interest, other than a disposal of an interest in an Excluded Tenement on arm's length terms;

- (vi) enters into, offers to enter into, agrees to enter into or announces an intention to enter into:
- (A) any transaction, or is otherwise affected by any transaction or proposal, under which any third party would, or on the satisfaction of any conditions would be entitled to, acquire any legal, beneficial or economic interest in production from Minotaur's current or future operations or right to sell or market production (other than an agreement with Andromeda);
 - (B) any agreement (including by way of amendment to any existing agreement) for the sale, lending, exchange or disposal by other means of minerals of any kind, or under which a Minotaur Group Company commits to utilise, or to pay for the right to utilise, (by way of tolling or otherwise) any third party facility or other infrastructure for the processing, treatment, transportation or storage of minerals of any kind, other than:
 - (I) any agreement that extends the term of an agreement in effect immediately prior to the Announcement Date or that replaces such an agreement and is with the same counterparty(ies), provided that the term of the relevant extension or replacement agreement ends no later than 31 December 2022 and the terms and conditions of the extended or replacement agreement are otherwise substantially the same as or more favourable to the Minotaur Group than those in effect under the relevant agreement immediately prior to the Announcement Date;
 - (II) any swap, option, hedge, forward, futures or similar transaction (whether relating to any mineral, foreign exchange rates, securities or any other commodity, interest or index);
- (vii) incurs or enters into any arrangement to incur borrowings or similar indebtedness owing to any entity other than Minotaur or a wholly-owned subsidiary of Minotaur, other than:
- (A) entering into an agreement that amends or replaces the Minotaur Group's existing \$308,444.56¹³ bank facility secured over property located at Cloncurry, Queensland, provided that the total of all drawn and undrawn commitments under the amended or replacement facility does not exceed \$308,444.56 and that Minotaur has the right to repay and cancel the facility at any time by the giving of not more than 90 days' prior notice and subject only to repayment of the principal outstanding plus interest accrued and unpaid plus a pre-payment fee not exceeding one percent (1%) of the principal amount outstanding; or
 - (B) borrowings of A\$953,028.96¹⁴ under the Minotaur Group's non-recourse Jericho project loan carry amount arrangement;
- (viii) enters into any arrangement under which Minotaur or a Controlled Entity of Minotaur may be required to advance or provide financial accommodation to another party, other than to Minotaur or a wholly-owned subsidiary of Minotaur;

¹³ Approximate figure as at the date of this Bidder's Statement.

¹⁴ As at the Announcement Date.

- (ix) exercises or waives any pre-emptive rights or rights of first or last refusal in respect of any shares, assets or property held by another person prior to the final date on which those rights may be exercised; or
- (x) announces an intention to do any of the matters referred to in sub-paragraphs (i) to (ix) above.

(f) Corporate matters

Between the Announcement Date and the end of the Offer Period (each inclusive), other than as fully disclosed in a public announcement to the ASX before the Announcement Date, no Minotaur Group Company:

- (i) declares, pays or distributes any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise, other than the declaration and/or payment of a dividend by a subsidiary of Minotaur where the only recipient of that dividend is Minotaur or a wholly-owned subsidiary of Minotaur;
- (ii) amends its constitution;
- (iii) except as required by law:
 - (A) increases the remuneration of, pays any bonus to, or varies the redundancy terms of any of its directors, employees, contractors or consultants, except as expressly required under the terms of any employment agreement existing as at the Announcement Date; or
 - (B) varies the terms applicable to any Minotaur Options or the terms of the employment agreements with any of its directors or employees; or
 - (C) issues to any of its directors, contractors or employees any securities, options or rights entitling the holder or its nominee to be issued Minotaur Shares, other than the issue of Minotaur Shares pursuant to Minotaur Options issued before the Announcement Date; or
 - (D) accelerates the rights of any of its directors, contractors or employees to benefits of any kind, other than the exercise of Minotaur Options which (in each case) were on issue, and in accordance with the terms applicable, immediately before the Announcement Date; or
 - (E) pays a director, contractor or employee a termination payment, other than as provided for in an existing employment contract and approved by shareholders for the purposes of the Corporations Act or ASX Listing Rules (as appropriate) before the Announcement Date;
- (iv) gives or agrees to give a financial benefit to a related party of Minotaur within the meaning of Chapter 2E of the Corporations Act; or
- (v) announces an intention to do any of the matters referred to in sub-paragraphs (i) to (iv) above.

(g) No litigation on foot or pending

Between the Announcement Date and the end of the Offer Period (each inclusive), no claim, litigation, arbitration proceedings, prosecution or other legal proceedings against any Minotaur Group Company is commenced, threatened to be

commenced, announced or made known to Andromeda (whether or not becoming public) or Minotaur, which involves a claim:

- (i) of more than A\$100,000; or
- (ii) the amount of which, when aggregated with the amount of all other such claims, exceeds A\$1,000,000,

other than where such claim, litigation or proceedings has been disclosed in a public announcement to the ASX before the Announcement Date and there has been no material adverse change from the position as described in such disclosure.

(h) Non-existence or exercise of certain rights

No person (other than Andromeda or any of its Subsidiaries) having any rights, being entitled to or exercising any rights, alleging an entitlement, or expressing or announcing an intention (whether or not that intention is stated to be a final or determined decision of that person), and in all cases whether subject to conditions or not, as a result of any change of control event in respect of Minotaur (including but not limited to Andromeda acquiring shares in Minotaur) or any of its Subsidiaries or assets, to:

- (i) acquire, or require the termination, modification or disposal or offer to dispose of, any material interest or asset, corporate body, other entity, partnership or joint venture (incorporated or unincorporated); or
- (ii) accelerate or adversely modify the nature or performance of any material obligations of Minotaur or any of its Controlled Entities, other than in accordance with the terms of the Minotaur Options issued before the Announcement Date.

(i) No Prescribed Occurrences

Between the period beginning on the Announcement Date and ending at the end of the Offer Period (each inclusive), none of the following events occur in relation to Minotaur or any of its Subsidiaries (each a **Prescribed Occurrence**):

- (i) Minotaur converts all or any of its shares into larger or smaller number of shares under section 254H of the Corporations Act;
- (ii) Minotaur or a subsidiary of Minotaur resolves to reduce its share capital in any way;
- (iii) Minotaur or a subsidiary of Minotaur:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Minotaur or a subsidiary of Minotaur issues shares or grants an option over its shares or agrees to make such an issue or grant such an option, other than:
 - (A) the issue of Minotaur Shares upon the exercise of Minotaur Options in each case where those Minotaur Options were issued before the Announcement Date; or

(B) if previously publicly announced by Minotaur prior to the Announcement Date, in respect of the acquisition of interests in other mineral projects.

- (v) Minotaur or a subsidiary of Minotaur issues, or agrees to issue, convertible notes;
- (vi) Minotaur or a subsidiary of Minotaur disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Minotaur or a subsidiary of Minotaur grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- (viii) Minotaur or a subsidiary of Minotaur resolves to be wound up;
- (ix) a liquidator or provisional liquidator of Minotaur or a subsidiary of Minotaur is appointed;
- (x) a court makes an order for the winding up of Minotaur or a subsidiary of Minotaur;
- (xi) an administrator of Minotaur, or a subsidiary of Minotaur, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Minotaur or a subsidiary of Minotaur executes a deed of company arrangement;
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Minotaur or a subsidiary of Minotaur.

(j) No untrue statements

Between the Announcement Date and the end of the Offer Period (each inclusive), Andromeda does not become aware of:

- (i) any statement that is untrue or misleading in any material respect; or
- (ii) any fact that is required to be stated to make a statement not misleading in any material respect,

in any document filed by or on behalf of Minotaur with ASX, other than changes, events or conditions fully and publicly announced or fully and publicly disclosed by Minotaur prior to the Announcement Date.

(k) No break fees

Between the Announcement Date and the end of the Offer Period (each inclusive), no Minotaur Group Company agrees (whether conditionally or unconditionally) to make any payment by way of break fee, inducement fee, cost reimbursement or otherwise, to any person or forego any amount to which it would otherwise be entitled, in connection with a proposal by that person or any of its associates to undertake:

- (i) a takeover bid for, or scheme of arrangement in respect of, Minotaur;
 - (ii) an acquisition of all, or a material part, of the assets and operations of the Minotaur Group; or
- any other transaction having a similar economic effect.

This condition does not apply to a payment by way of remuneration for professional services or to directors of Minotaur for the discharge of their duties in connection with the Offer.

(l) Demerger

Minotaur shareholders pass all necessary resolutions to implement the Demerger, and the record date for the Demerger has occurred.

14.8 Declaration of Offer being free from conditions

Andromeda may, subject to the Corporations Act, declare this Offer and all other Offers and all contracts resulting from the acceptance of Offers free from the conditions (or any one or more or any part of them) in section 14.7 (other than the Condition in section 14.7(l), which may only be waived by Andromeda with Minotaur's consent).

Subject to compliance with sections 630 and 650F of the Corporations Act, a declaration made under this section 14.8 must be made by Andromeda by notice in writing to Minotaur:

- in the case of a Condition relating to the happening of a Prescribed Occurrence, not later than three Business Days after the end of the Offer Period; and
- in any other case, not later than 7 days before the end of the Offer Period.

14.9 Voting rights on Demerger

Minotaur Shareholders will retain rights to vote on the Demerger and participate in the Demerger after accepting the Offer.

14.10 Official Quotation of Andromeda Shares

Andromeda has been admitted to the official list of ASX and Andromeda Shares of the same class as those to be issued as consideration under the Offer have been granted Official Quotation by ASX.

An application will be made within 7 days after the start of the Bid Period to ASX for the granting of Official Quotation of the Andromeda Shares to be issued in accordance with the Offer. However, Official Quotation is not granted automatically on application.

In accordance with the Corporations Act, this Offer and any contract that results from your acceptance of it are subject to a condition that permission for the admission to Official Quotation by ASX of the Andromeda Shares to be issued under the Offer being granted no later than 7 days after the end of the Bid Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offer will be automatically void.

14.11 Breach of Conditions

Each of the Conditions in section 14.7 is a condition subsequent and does not prevent a contract to sell your Minotaur Shares resulting from an acceptance of this Offer. However, if a Condition in section 14.7 is breached or not fulfilled, Andromeda may by notice in writing to you rescind that contract as if that contract had not been formed.

14.12 Benefit of Conditions

Subject to the Corporations Act:

- Andromeda alone has the benefit of the Conditions in section 14.7;
- a breach or non-fulfillment of any of those Conditions may be relied on only by Andromeda; and
- Andromeda may, at its sole discretion, waive the breach or non-fulfillment of all or any of those Conditions.

14.13 Status notice

The date for giving the notice referred to in section 630(1) of the Corporations Act relating to the status of the conditions in section 14.7 is 24 January 2022 (**Notice of Status of Conditions**). This date may be extended in accordance with section 630(2) of the Corporations Act if the Offer Period is extended.

14.14 Void contracts

If at the end of the Offer Period the Conditions in section 14.7 have not been fulfilled and Andromeda has not declared this Offer and all contracts resulting from the acceptance of Offers free from those Conditions, all contracts resulting from the acceptance of Offers and all Offers that have been accepted from whose acceptance binding contracts have not yet resulted will be automatically void.

In that event Andromeda will, if you have accepted this Offer, return at your risk your Acceptance Form together with all documents forwarded by you with the Acceptance Form to your address shown in the Acceptance Form.

14.15 Withdrawal

Andromeda may withdraw this Offer with the written consent of ASIC. That consent may be given subject to any conditions specified in the consent.

14.16 Variation

(a) Andromeda's entitlement

Andromeda may at any time before the end of the Offer Period vary this Offer in accordance with the Corporations Act:

- by extending the Offer Period;
- by increasing the consideration payable under the Offer; and
- with the written consent of ASIC, and subject to any conditions specified by ASIC in that consent, in the manner that ASIC permits.

(b) Extension of Offer

If Andromeda extends the Offer Period, you will receive notice of the extension, unless, at the date of the extension, you have already accepted this Offer and the Offer has become free from the Conditions in section 14.7 or those Conditions have been fulfilled.

14.17 Costs

All costs and expenses of the preparation of this statement, and any stamp duty payable on the transfer of Minotaur Shares for which Offers are accepted, will be paid by Andromeda.

14.18 Notices

(a) Service on Minotaur

Andromeda may give a notice to Minotaur under the Offer by leaving it at, or sending it by prepaid ordinary post to, the registered office of Minotaur.

(b) Service on Andromeda

You or Minotaur may give a notice to Andromeda under the Offer by leaving it at, or sending it by prepaid ordinary post to, Andromeda at the address set out in the Acceptance Form.

(c) Service on you

Andromeda may give a notice to you under the Offer by leaving it at, or sending it by prepaid ordinary post or by airmail (if your address is outside Australia) to, your address given to Andromeda by Minotaur under section 641 of the Corporations Act.

14.19 Governing law

This Offer and any contract resulting from your acceptance of it is governed by the laws in force in South Australia.

15 Definitions and interpretation

15.1 Definitions

Term	Meaning
\$ or A\$ or AUD	the currency of Australia, Australian dollars
AASB	Australian Accounting Standards Board
Acceptance Form	the transfer and acceptance form accompanying this Bidder's Statement
AEDT	Australian Eastern Daylight Saving Time
Andromeda	Andromeda Metals Limited (ACN 061 503 375)
Andromeda Board	the board of directors of Andromeda
Andromeda Director	a director of Andromeda
Andromeda's FY20 Full Year Report	Andromeda's Full-Year Report for the year ended 30 June 2020, including Annexure 4E, Director's Report and Financial Statements, lodged with the ASX on 1 October 2020
Andromeda's FY21 Full Year Report	Andromeda's Full-Year Report for the year ended 30 June 2021, including Annexure 4E, Director's Report and Financial Statements, lodged with the ASX on 30 September 2021
Andromeda Group	Andromeda and each of its Controlled Entities (and Andromeda Group Member means any of them)

Term	Meaning
Andromeda Register	the register of members of Andromeda from time to time
Andromeda Share	a fully paid ordinary share in Andromeda
Andromeda Shareholders	each person who is registered as a holder of Andromeda Shares
Announcement Date	10 November 2021 being the date of notification by Andromeda to ASX of Andromeda's intention to make the Offer
ASIC	Australian Securities and Investments Commission
Associate or Associated	has the meaning given in sections 12 and 16 of the Corporations Act
ASX	ASX Limited ACN 008 624 691 and the financial market that it operates as the context requires
ASX Listing Rules	the listing rules of ASX
ASX Settlement	ASX Settlement Pty Ltd ABN 49 008 504 532
ASX Settlement Operating Rules	the operating rules of the Settlement Facility (as defined in those rules) for the purposes of the Corporations Act
ATO	Australian Taxation Office
Australian Accounting Standards	the approved accounting standards issued by the Australian Accounting Standards Board
Bidder's Statement	this bidder's statement and each annexure to it
BIA or Bid Implementation Agreement	the bid implementation agreement between Andromeda, Minotaur and Demetallica dated 10 November 2021.
Bid Period	has the meaning given to that term in the Corporations Act
Business Day	a day that is not a Saturday, Sunday, public holiday or bank holiday in Adelaide, South Australia
CGT	capital gains tax
CHESS	the clearing house electronic sub-register system of share transfers operated by ASX Settlement
CHESS Holding	means a holding on the CHESS Sub register of Minotaur
CHESS Sub register	has the meaning set out in the ASX Settlement Operating Rules
Competing Proposal	any proposal, offer or transaction by a third party (other than Andromeda or its related parties (within the meaning of section 228 of the Corporations Act) that, if completed, would mean: • a person would acquire a Relevant Interest or voting power in 10% or more of Minotaur Shares or of the securities of Minotaur or any subsidiary of Minotaur; • a person would enter into, buy, dispose of, terminate or otherwise deal with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 10% or more of Minotaur

Term	Meaning
	Shares or of the securities of any subsidiary of Minotaur; - a person would directly or indirectly acquire or obtain an interest (including an economic interest) in all or a substantial part or material part of the business conducted by, or assets or property of, Minotaur or any subsidiary of Minotaur; - a person would acquire control (within the meaning of section 50AA of the Corporations Act) of Minotaur or any subsidiary of Minotaur; - a person may otherwise acquire, or merge with, Minotaur or any subsidiary of Minotaur (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership); - Minotaur will issue, on a fully diluted basis, 10% or more of its capital as consideration for the assets or share capital to another person; or - any proposal by Minotaur to implement any reorganisation of capital or dissolution
Conditions	the conditions to the Offer, which are set out in section 14.7
Controlled Entity	means an entity that is subject to the control of another entity in terms of section 50AA of the Corporations Act
Controlling Participant	in relation to Minotaur Shares, has the same meaning as in the ASX Settlement Operating Rules
Corporations Act	the <i>Corporations Act 2001</i> (Cth)
Foreign Holder Nominee	has the meaning given to it in section 14.2(g)(i)
Demerger	means the transaction to spin off Minotaur's existing copper and gold exploration assets (together with its interests in various other Minotaur group subsidiaries and assets) through Demetallica via a pro-rata in specie distribution of shares in Demetallica to Minotaur Shareholders, in accordance with the terms of the Demerger as set out in the BIA.
Demerger Assets	has the meaning in the BIA.
Demetallica	Demetallica Pty Ltd ACN 061 595 051, (formerly Breakaway Resources Pty Ltd) a wholly-owned Minotaur subsidiary as at the date of this document and prior to the Demerger the subject of the BIA.
FY20	financial year ending 30 June 2020

Term	Meaning
FY21	financial year ending 30 June 2021
Great White Deposit	means the Mineral Resource deposit located at the site of the Great White Kaolin Project
Great White Kaolin Project	means the joint venture between Andromeda and Minotaur at the Great White Deposit
Great White Kaolin Project Joint Venture Tenements	means each of EL 5814, EL 6096, EL 6202 and EL 6426
Great White Joint Venture or GWJV	means the Great White Joint Venture, a joint venture between Andromeda and Minotaur on the Great White Kaolin Project.
GWJV Agreement	means the joint venture agreement constituting the Great White Joint Venture
Holder Identification Number	the number identifying registration on the CHESS sub register
HPA	means High Purity Alumina
Ineligible Foreign Shareholder	a Minotaur Shareholder: • who is resident of a jurisdiction other than Australia, its external territories or New Zealand; • whose address, as shown in the register of members of Minotaur, is in a jurisdiction other than Australia, its external territories or New Zealand; or • who is acting on behalf of such a person, unless Andromeda otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to a Minotaur Shareholder in the relevant jurisdiction and to issue Andromeda Shares to such a Minotaur Shareholder on acceptance of the Offer, and that it is not unlawful for such a Minotaur Shareholder to accept the Offer in such circumstances in the relevant jurisdiction
Inferred Resource	has the meaning in the JORC Code
Interested Person	has the meaning given to it in section 13.13
Issuer Sponsored Holding	a holding of Minotaur Shares on Minotaur issuer sponsored sub-register
JORC or JORC Code	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
km	kilometre
km²	square kilometres
Material Contracts	each and any of the following: • a contract, lease, instrument or commitment requiring total payments by any party of more than, or which are reasonably likely to be more than, A\$100,000; • a joint operating agreement, shareholders' agreement, joint venture agreement, farm-in or

Term	Meaning
	farm-out agreement, royalty agreement, gas sales agreement or similar agreement; - a contract or commitment which is otherwise material in the context of Minotaur or Minotaur and its Subsidiaries taken as a whole; - a contract or commitment which is entered into other than in the ordinary course of the business of the Minotaur Group, but excluding any Mineral Tenement and excluding any contract, agreement or commitment to which any Andromeda Group Member is a party
Merged Group	Andromeda together with its interests in the Minotaur Group.
Mineral Resource	has the meaning in the JORC Code
Mineral Tenement or Tenement	a mineral tenement (however described) issued pursuant to an applicable law, held by Minotaur
Minimum Acceptance Condition	the minimum acceptance condition set out in section 14.7(a)
Minotaur	Minotaur Exploration Limited (ACN 108 483 601)
Minotaur Board	the board of directors of Minotaur
Minotaur Director	a director of Minotaur
Minotaur's FY20 Full Year Report	Minotaur's Full-Year Report for the year ended 30 June 2020, including Annexure 4E, Director's Report and Financial Statements, lodged with the ASX on 30 September 2020
Minotaur's FY21 Full Year Report	Minotaur's Full-Year Report for the year ended 30 June 2021, including Annexure 4E, Director's Report and Financial Statements, lodged with the ASX on 24 September 2021.
Minotaur Group	Minotaur and each of its Controlled Entities (and Minotaur Group Company means any such company)
Minotaur Optionholder	each person who is registered as a holder of Minotaur Options
Minotaur Option	an unquoted option to acquire, upon exercise at the exercise price, a new Minotaur Share
Minotaur Register	the register of members of Minotaur from time to time
Minotaur Share	a fully paid ordinary share in Minotaur
Minotaur Shareholders	each person who is registered as a holder of Minotaur Shares
Notice of Status of Conditions	has the meaning given to it in section 14.13
Offer	the off-market takeover bid by Andromeda for Minotaur Shares under the terms and conditions contained in section 14, as may be varied in accordance with the Corporations Act
Offer Consideration	consideration offered to Minotaur Shareholders under the Offer, being 1.15 Andromeda Shares for every 1 Minotaur Share held
Offer Date	has the meaning given to it in section 14.1(c).
Offer Information Line	1300 395 837 (within Australia) or +61 3 9415 4064 (from outside Australia)
Offer Period	has the meaning given to it in section 14.1(d)
Officer	in relation to any entity, any of its directors and officers

Term	Meaning
Official Quotation	official quotation on ASX
Prescribed Occurrence	has the meaning given to it in section 14.7(i)
Pro-forma Statement of Financial Position	has the meaning given to it in section 10.5
Recognised Stock Exchange	the ASX or an exchange or market listed in the Schedule to ASIC Class Order 02/259
Register Date	7.00pm AEDT on 3 December 2021
Regulatory Action	any action by a Regulatory Authority in respect of the Offer
Regulatory Approvals	- any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver or exemption from, by or with a Regulatory Authority; or - in relation to anything that would be fully or partly prohibited or restricted by law if a Regulatory Authority intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action
Regulatory Authority	includes: - a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority; - a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government; - any regulatory organisation established under a statute; and - in particular, ASX and ASIC
Relevant Interest	has the same meanings as given by sections 608 and 609 of the Corporations Act
Rights	all accretions and rights that accrue to or arise from Minotaur Shares after the date of this Bidder's Statement is lodged with ASIC, including all rights to receive dividends, to receive or subscribe for shares, notes, options or other securities and all other distributions or entitlements declared, paid, made or issued by Minotaur after that date
section	a section of this Bidder's Statement
Shareholder Reference Number	the number identifying a Minotaur Shareholder's Issuer Sponsored Holding
Share Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277
t	tonnes
Takeovers Panel	the takeovers panel having powers under Part 6.10 of the Corporations Act
Target's Statement	being Minotaur's target's statement in respect of the Offer
Trading Days	has the meaning given to it in Chapter 19 of the ASX Listing Rules
Transferred Shares	has the meaning given to it in section 14.4(a)
US\$ or USD	the currency of the United States of America, United States dollars
Voting Power	has the meaning given to it in the Corporations Act

Term	Meaning
VWAP	volume weighted average price

15.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:

- words and phrases have the same meaning (if any) given to them in the Corporations Act, unless otherwise defined in section 15.1 (Definitions);
- words importing a gender include any gender;
- words importing the singular include the plural and vice versa;
- other parts of speech and grammatical forms of a word or phrase defined in this Bidder's Statement have a corresponding meaning;
- an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this section implies that performance of part of an obligation constitutes performance of the obligation;
- a reference to a section, attachment and schedule is a reference to a section of and an attachment and schedule to this Bidder's Statement as relevant;
- a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- an expression defined in, or given a meaning for the purpose of, the Corporations Act in a context similar to that in which the expression is used in this Bidder's Statement has the same meaning or definition;
- specifying anything in this Bidder's Statement after the words "including" or "for example" or similar expressions does not limit what else is included unless there is express wording to the contrary;
- a reference to time is a reference to AEDT; and
- a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

Headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement.

16 Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution passed by the Andromeda Board.



Signed for and on behalf of Andromeda

by

Rhoderick Grivas

Annexure 1 - Joint Announcement in relation to the Offer

10 November 2021

Andromeda and Minotaur to Combine

**Creating a Leading Australian Industrial Minerals and Technology Company
Minotaur's Shareholders to Participate in New Minerals IPO**

- **Andromeda and Minotaur to create a leading Australian kaolin/halloysite and technology company by consolidating 100% ownership of the Great White kaolin project and Natural Nanotech into Andromeda**
- **Andromeda to acquire Minotaur via a unanimously recommended off-market takeover offer with 1.15 new Andromeda shares offered for every 1 Minotaur share**
- **The offer values Minotaur at 20.8 cents per share¹ representing a:**
 - 59.8% premium to last close of Minotaur shares on 8 November 2021
 - 55.1% premium to 5-day VWAP
 - 67.6% premium to 30-day VWAP
- **An accretive transaction for Andromeda that unlocks significant strategic and financial benefits by:**
 - Increasing Andromeda shareholders' effective equity interest in Great White and Natural Nanotech
 - Consolidating 100% ownership of Great White and Natural Nanotech into a single entity to provide Andromeda full development optionality
 - Simplifying ownership and streamlining management of Great White ahead of DFS completion, financing and construction
 - Enhancing project finance and development alternatives that are expected to optimise the funding and development of Great White
 - Creating a company with increased scale, market relevance and trading liquidity
 - Providing an enhanced investment proposition for existing and new shareholders with potential for market re-rating of Andromeda's share price post Offer completion
- **Minotaur shareholders will hold ~19.5% interest in the enlarged Andromeda thereby:**
 - Retaining significant exposure to the upside of Great White and Natural Nanotech
 - Gaining exposure to Andromeda's broader kaolin projects and other initiatives
 - Benefiting from Andromeda's strong market knowledge, development team and the combined company's enhanced scale and financial strength
 - Mitigating the risk associated with funding and development risks associated with developing Great White as a minority joint venture partner
- **In addition, Minotaur to separately demerge its copper and gold assets into Minotaur subsidiary, Breakaway, which it intends to list on the ASX:**
 - Minotaur shareholders to retain full exposure to the potential upside of these assets via a pro-rata distribution of shares in Breakaway
 - Continuing to benefit from Minotaur's strong exploration and project generation expertise

¹ Based on 5 day volume weighted average price (VWAP) of Andromeda shares on ASX of 18.1 cents prior to and including 8 November 2021

Transaction Overview

Andromeda Metals Limited (“**Andromeda**”) (ASX: ADN) and Minotaur Exploration Limited (“**Minotaur**”) (ASX: MEP) are pleased to announce that they have entered into a Bid Implementation Agreement (“**BIA**”), pursuant to which Andromeda will offer to acquire all the issued ordinary shares of Minotaur by way of an off-market takeover offer (“**Offer**”).

The Offer, once fully implemented, will result in Andromeda consolidating 100% ownership of both the Great White Kaolin Project (“**Great White**”) and Natural Nanotech Pty Ltd (“**Natural Nanotech**”) via the acquisition of Minotaur’s current 25% and 50% respective joint venture interests in Great White and Natural Nanotech.

The Offer is accretive for Andromeda, provides Andromeda shareholders with an increased effective interest in Great White and Natural Nanotech, whilst delivering significant strategic and financial benefits. 100% ownership of Great White will deliver a simplified and streamlined ownership and will enable the design, funding mix and timetable for development of Great White to be optimised. Similarly, 100% ownership of Natural Nanotech will enable enhanced development and commercialisation of any future intellectual property in relation to new technology created for halloysite applications and uses, including battery technology, water purification and carbon capture.

The Offer delivers a compelling premium for Minotaur shareholders and implies a Minotaur equity valuation of \$108 million². Minotaur shareholders will own approximately 19.5% of Andromeda post the Offer being fully implemented.

Andromeda, post the Offer being fully implemented, will become a company with enhanced scale and market relevance, with an implied market capitalisation of \$552 million (prior to any re-rate) and where the all-scrip consideration of the Offer will preserve Andromeda’s strong balance sheet which has current cash of \$46 million and nil debt (as at 30 September 2021).

In addition, Minotaur intends to demerge its existing copper and gold exploration assets through its subsidiary, Breakaway Resources Pty Ltd (“**Breakaway**”), via a pro-rata in specie distribution of Breakaway shares (the “**Demerger**”) to Minotaur shareholders. The Demerger enables Minotaur shareholders to retain full exposure to the value and the potential upside of these assets and the benefit of Minotaur’s highly credentialled board and management team in a clearly focused exploration company which is intended to be listed on the Australian Securities Exchange (“**ASX**”).

The Offer and Demerger will be undertaken in parallel, with the Demerger completed by way of an equal capital reduction. The Demerger is subject to Minotaur shareholder approval.

Details of the Offer

Under the Offer, Minotaur shareholders will receive 1.15 Andromeda shares for every one Minotaur share held (“**Offer Ratio**”).

Based on the 5-day VWAP of Andromeda’s shares of \$0.181 on 8 November 2021, being the last trading day before the announcement of the Offer (“**Announcement Date**”), the Offer Ratio values

² Using the Implied Offer Price.



Minotaur at \$108 million and implies a value of \$0.208 per Minotaur share (the “**Implied Offer Price**”).

The Implied Offer Price represents a premium of:

- 59.8% to Minotaur’s last close price of \$0.130 prior to the Announcement Date;
- 55.1% to Minotaur’s 5-day volume weighted average price (“**VWAP**”) of \$0.134 up to the Announcement Date; and
- 67.6% to Minotaur’s 30-day VWAP of \$0.124 up to the Announcement Date;

The Offer is subject to certain conditions customary for a transaction of this nature, including a 90% minimum acceptance condition, deal protection mechanisms including “no shop, no talk” restrictions, a market-standard break fee payable in certain circumstances and Minotaur Shareholder approval for the Demerger.

The Offer will extend to all Minotaur shares, including those issued as a result of the exercise of options during the Offer period. Separate offers are being made for unlisted options in Minotaur, on terms that are consistent with the Offer.

The Offer terms will provide that Minotaur shareholders who accept their Minotaur shares into the Offer will retain the rights to vote those shares on the resolutions to approve the Demerger and participate in the Demerger.

Further details of the Offer, including its material terms and conditions, can be found in the attached BIA.

The Andromeda’s Bidder’s Statement and Minotaur’s Target’s Statement are expected to be despatched to Minotaur shareholders by the end of November 2021. The Bidder’s Statement and Target’s Statement will set out important information, including how to accept the Offer, information about Andromeda and the key reasons as to why Minotaur shareholders should accept the Offer.

Minotaur Board Recommendation and Shareholder Support

The Minotaur Board of Directors unanimously recommend that Minotaur shareholders accept the Offer, in the absence of a superior proposal.

Minotaur’s Directors have advised they will accept the Offer in respect of all Minotaur shares they own or control (representing 1.8% of Minotaur’s issued shares) within 5 days after the Offer has opened, in the absence of a superior proposal.

In addition, several of Minotaur’s largest shareholders (representing 12.9% of Minotaur’s issued shares) have indicated to Minotaur their intention to accept the Offer for all the shares they currently own or control, in the absence of a superior proposal. Those shareholders have consented to the inclusion of this intention statement in this announcement.

Management Commentary

Andromeda's Managing Director, James Marsh, commented that the transaction and combination with Minotaur was logical and an exciting opportunity to unlock and create value:

"The acquisition of Minotaur and consolidation of the Great White Kaolin Project represents a significant step towards optimising value for both Andromeda and Minotaur shareholders. We view this acquisition and resultant consolidation of Great White and Natural Nanotech ownership as a logical positive next step in the evolution of the project, unlocking value for all Andromeda and Minotaur shareholders."

Great White is an exciting, low-cost project capable of supplying premium grade refined kaolin minerals into growing market demand for high value bright-white halloysite-kaolin in ceramic/paint sectors and other applications. Consolidating ownership of Great White provides for increased future funding flexibility and development optionality.

We will welcome Minotaur shareholders to Andromeda's register and for them to continue to benefit from further progress at Great White as we optimise the project and progress towards production in 2022."

Minotaur's Managing Director, Andrew Woskett, provided Minotaur's directors' view on the clear rationale of the transaction for Minotaur shareholders:

"It is an opportune time for Minotaur shareholders to crystallise value for Great White and Natural Nanotech, whilst retaining their exposure to Minotaur's copper and gold projects."

By accepting the Offer, Minotaur shareholders will realise immediate value for their stake in the Great White Project and maintain exposure to the project, via their new Andromeda shares. In addition, we are excited to be packaging up Minotaur's base metal and gold assets into subsidiary Breakaway and apply for its listing on the ASX, in which Minotaur shareholders will receive pro-rata shares. Breakaway will focus primarily on its gold, copper and base metals projects in Queensland and South Australia, continuing the quality work which has brought discovery recognition."

Details of the Demerger and Breakaway

Under the proposed Demerger, eligible Minotaur shareholders will receive shares in Breakaway on a pro-rata basis for Minotaur shares they hold at the record date for the Demerger.

Key details of Breakaway are summarised below:

- A copper and gold exploration focused company
- Ownership of Minotaur's existing copper gold exploration projects and joint venture interests located in Queensland and South Australia
- Minotaur current board, management and staff will transfer to Breakaway
- Cash of \$2 million (pre-costs of the IPO) on completion of the Demerger

The Demerger will entail a capital reduction and in specie distribution of shares in Breakaway to eligible Minotaur shareholders to effect the Demerger. The Demerger will require Minotaur shareholder approval.

Breakaway intends to apply for listing on the ASX (subject to receipt of necessary approvals) raising new equity through issue of a Prospectus.

Further information in relation to the Demerger will be provided to Minotaur shareholders through separate announcements and Minotaur's Notice of Meeting.

Interim Funding

Andromeda and Minotaur have agreed on a budget for Minotaur for the period from the date of the BIA to the expected completion of the takeover ("**Approved Budget**").

Andromeda is making available to Minotaur an amount of up to \$4.0 million by way of short term funding for the purpose of funding expenditure within the Approved Budget and to seed Breakaway with up to \$2 million (pre-costs of the IPO) on completion of the Demerger.

Further detail on the interim funding arrangements, including triggers for maturity and methods of repayment, are set out in the funding deeds annexed to the BIA (available with this announcement) and will also be provided in the Bidder's and Target's Statements.

Timetables

Detailed information relating to the Offer and timetable will be set out in the Bidder's Statement and Target's Statement, which are expected to be dispatched to Minotaur shareholders in late November 2021.

The Demerger timetable will be set out in Minotaur's Notice of Meeting.

Great White DFS Update

In conjunction with this transaction announcement, Andromeda has released a separate announcement providing an update on its Definitive Feasibility Study ("**DFS**") at Great White. The DFS update outlines the strong progress made on the DFS, the significant work being completed on scenario analysis and optimisation, the potential inclusion of low start-up cost DSO and the benefits of project ownership consolidation. In order to optimise the DFS, further time is required to incorporate all of the advantages of 100% ownership and to complete further scenario and optimisation analysis. As such, Andromeda has deferred the release of the DFS to Q1 2022. For further detail on the DFS, refer ASX announcement "Definitive Feasibility Study Update" released 10 November 2021.

Advisors

Andromeda has appointed Taylor Collison as financial advisor and MinterEllison as legal advisor.

Minotaur has appointed Argonaut PCF as financial advisor and Steinepreis Paganin as legal advisor.

Annexure 2 - ASX announcements by Andromeda since 2021 Annual Report as at 3 December 2021

02/11/2021	Notification regarding unquoted securities - ADN
02/11/2021	Notification regarding unquoted securities - ADN
25/11/2021	Results of Meeting
25/11/2021	Annual General Meeting Chair's Address
25/11/2021	Andromeda AGM Presentation
23/11/2021	Change of Director's Interest Notice
18/11/2021	Change of Director's Interest Notice – James Marsh
17/11/2021	Establishment of Technical Advisory Committee
16/11/2021	Cleansing Notice – option conversion
16/11/2021	Application for quotation of securities - ADN
12/11/2021	Cleansing Notice – Option Conversion
12/11/2021	Application for Quotation of Securities - ADN
11/11/2021	Presentation to Noosa Mining Conference
10/11/2021	Webinar – Q&A Session with James Marsh, Managing Director
10/11/2021	Definitive Feasibility Study (DFS) Updated
10/11/2021	Andromeda and Minotaur to Combine
9/11/2021	Trading Halt
2/11/2021	Appointment of Chief Commercial Officer
26/10/2021	Letter to Shareholders – Annual General Meeting
26/10/2021	Notice of Annual General Meeting/Proxy Form
25/10/2021	Quarterly Activities/Appendix 5B Cash Flow Report
22/10/2021	Jobkeeper Disclosure – s323DB Notice
12/10/2021	Annual Report to Shareholders

Annexure 4 - List of Andromeda Subsidiaries

Name of Company	Place of incorporation	Percentage of shares held
Adelaide Exploration Pty Ltd	South Australia	100%
Peninsula Resources Limited	South Australia	100%
ADN LFESP Pty Ltd	South Australia	100%
Mylo Gold Pty Ltd	South Australia	100%
Frontier Exploration Pty Ltd	South Australia	100%
Andromeda Industrial Minerals Pty Ltd	South Australia	100%
Andromeda Green Technologies Pty Ltd	South Australia	100%

Annexure 5 – Schedule of Andromeda's tenements as at 3 December 2021

Lease ID	Lease Name	State	Holding Company	ADN Equity or Equity Earned %	JV Partner
Wudinna Gold Joint Venture					
EL 6317	Pinkawillnie	SA	Peninsula Resources Ltd	100	Cobra Resources PLC
EL 6131	Corrobinnie	SA	Peninsula Resources Ltd	100	Cobra Resources PLC
EL 6489	Wudinna Hill	SA	Peninsula Resources Ltd	100	Cobra Resources PLC
EL 5953	Minnipa	SA	Peninsula Resources Ltd	100	Cobra Resources PLC
EL 6001	Waddikee Rocks	SA	Peninsula Resources Ltd	100	Cobra Resources PLC
EL 6262	Acraman	SA	Peninsula Resources Ltd	100	Cobra Resources PLC
Moonta Copper Gold Project					
EL 5984	Moonta-Wallaroo	SA	Peninsula Resources Ltd	100	n/a
EL 5984	Moonta Porphyry JV	SA	Peninsula Resources Ltd	90	Minotaur Exploration Ltd
Great White Kaolin Project					
EL 6588	Tootla	SA	Andromeda Industrial Minerals Pty Ltd	75	Great Southern Kaolin Pty Ltd
EL 6096	Whichelby	SA	Andromeda Industrial Minerals Pty Ltd	75	Great Southern Kaolin Pty Ltd
EL 6202	Mt Hall	SA	Andromeda Industrial Minerals Pty Ltd	75	Great Southern Kaolin Pty Ltd
EL 6426	Mt Cooper	SA	Andromeda Industrial Minerals Pty Ltd	75	Great Southern Kaolin Pty Ltd
Camel Lake Halloysite-Kaolin Project					
EL 6128	Camel Lake	SA	Andromeda Industrial Minerals Pty Ltd	75	Great Southern Kaolin Pty Ltd
ELA 2019/73	Dromedary	SA	Minotaur Operations Pty Ltd	75	Minotaur Operations Pty Ltd
Eyre Kaolin Joint Venture					

ELA 2020/00 168	n/a	SA	Peninsula Exploration Pty Ltd	0	Peninsula Exploration Pty Ltd
ELA 2020/00 169	n/a	SA	Peninsula Exploration Pty Ltd	0	Peninsula Exploration Pty Ltd
ELA 2020/00 170	n/a	SA	Peninsula Exploration Pty Ltd	0	Peninsula Exploration Pty Ltd
ELA 2020/00 181	n/a	SA	Peninsula Exploration Pty Ltd	0	Peninsula Exploration Pty Ltd
Drummond Gold Project					
EPM 18090	Glenroy	QLD	Adelaide Exploration Pty Ltd	100	n/a
EPM 25660	Gunthorpe	QLD	Adelaide Exploration Pty Ltd	100	n/a
EPM 26154	Sandalwood Creek	QLD	Adelaide Exploration Pty Ltd	100	n/a
EPM 26155	Mount Wyatt	QLD	Adelaide Exploration Pty Ltd	100	n/a
EPM 27501	Packhorse Creek	QLD	Adelaide Exploration Pty Ltd	100	n/a
Dundas Project					
E 63/2089 (Applic ation)	Circle Valley	WA	Mylo Gold Pty Ltd	100	n/a

Annexure 3 - ASX announcements by Minotaur since 2021 Annual Report as at 3 December 2021

01/12/2021	OZ Minerals farms-in to \$10M JV at Peake and Denison
12/11/2021	Corporate Governance Statement
12/11/2021	Appendix 4G
12/11/2021	Annual Report 2021

Annexure 6 – Schedule of Minotaur's tenements as at 3 December 2021

Lease ID	Lease Name	State	Holding Company	Minotaur Equity or Equity Earned %	JV Partner
Wudinna Gold Joint Venture					
MDL432	Altia	QLD	Levuka Resources	40	Sandfire Resources
Highlands Project					
EPM16197	Blockade	QLD	Minotaur Operations	100	
EPM17914	Blockade East	QLD	Minotaur Operations	100	
EPM17947	Blockade East Extension	QLD	Minotaur Operations	100	
EPM19733	Mt Remarkable Consolidated	QLD	Minotaur Operations	100	
EPM18492	Mt Remarkable Extension	QLD	Minotaur Operations	100	
EPM17638	Phillips Hill	QLD	Minotaur Operations	100	
EPM14281	Yamamilla	QLD	Minotaur Operations	100	
Windsor Project					
EPM27426	Crooked Creek	QLD	Minotaur Operations	100	
EPM25135	Liontown 3	QLD	Minotaur Operations	100	
EPM25134	Liontown 4	QLD	Minotaur Operations	100	
EPM25148	Liontown 5	QLD	Minotaur Operations	100	
EPM25270	Liontown 6	QLD	Minotaur Operations	100	
EPM25271	Liontown 7	QLD	Minotaur Operations	100	
EPM25437	Liontown 8	QLD	Minotaur Operations	100	
EPM25680	Liontown 9	QLD	Minotaur Operations	100	
Jericho Joint Venture (OZ Minerals)					

EPM 25389*	Fullarton	QLD	Minotaur Operations	20	OZ Minerals
EPM 26233*	Route 66	QLD	Minotaur Operations	20	OZ Minerals
MDL 431*	Eloise	QLD	Levuka Resources	20	OZ Minerals
EPM 17838*	Levuka	QLD	Levuka Resources	20	OZ Minerals
Eloise Joint Venture (OZ Minerals)					
MDL 431~	Eloise	QLD	Levuka Resources	30	OZ Minerals
EPM 25389~	Fullarton	QLD	Minotaur Operations	30	OZ Minerals
EPM 26233~	Route 66	QLD	Minotaur Operations	30	OZ Minerals
EPM 26703	Holy Joe	QLD	Minotaur Operations	30	OZ Minerals
EPM 17838~	Levuka	QLD	Levuka Resources	30	OZ Minerals
EPM 27052	Matilda	QLD	Minotaur Operations	30	OZ Minerals
EPM 18624	Oorindi Park	QLD	Minotaur Operations	30	OZ Minerals
EPM 26684	Pink Hut	QLD	Minotaur Operations	30	OZ Minerals
EPM 25238	Saxby	QLD	Minotaur Operations	30	OZ Minerals
EPM 27279	Swagman	QLD	Levuka Resources	30	OZ Minerals
EPM 26521	Sybellah	QLD	Minotaur Operations	30	OZ Minerals
Great White Kaolin Project					
EL 6128	Camel Lake	SA	Great Southern Kaolin	25	AIM
EL 6426	Mount Cooper	SA	Great Southern Kaolin	25	AIM
EL 6202	Mount Hall	SA	Great Southern Kaolin	25	AIM
MC 4510	Mineral Claim 4510	SA	Great Southern Kaolin	25	AIM
EL 6588	Tootla	SA	Great Southern Kaolin	25	AIM
EL 6096	Whichelby	SA	Great Southern Kaolin	25	AIM

Peake and Denison Project					
EL 6221	Big Perry	SA	Minotaur Operations	100	n/a
EL 6270	Davenport	SA	Minotaur Operations	100	n/a
EL 6222	Teemurrina	SA	Minotaur Operations	100	n/a
EL 6223	Wood Duck	SA	Minotaur Operations	100	n/a
Other Projects					
EL 6465	Blinman	SA	Minotaur Operations	10	Perilya Limited
EL 5117	Ediacara	SA	Minotaur Operations	10	Perilya Limited
ML 4386	Third Plain	SA	Perilya Limited	10	
EL 6504	Wilkawillina	SA	Minotaur Operations	10	Perilya Limited
ELA 5502	Casteron South	VIC	Minotaur Industrial Minerals	0	n/a
M15 395	West Kambalda	WA	Tychean Resources	1.5% NSR	1.5% NSR all minerals other than Nickel
ELA 2019/73	Dromedary	SA	Minotaur Operations	0	n/a
ELA 2020/217	Yanerbie	SA	Minotaur Operations	100	n/a
EL 6285	Sceales	SA	Minotaur Operations	100	n/a
EL 5984	Moonta	SA	Minotaur Operations	10	Peninsula Resources Ltd
M15 703	West Kambalda	WA	Tychean Resources	1.5% NSR	1.5% NSR all minerals other than Nickel
L15 128	West Kambalda	WA	Tychean Resources	1.5% NSR	1.5% NSR all minerals other than Nickel
L15 255	West Kambalda	WA	Tychean Resources	1.5% NSR	1.5% NSR all minerals other than Nickel
E15 1688	West Kambalda	WA	Mariner Mining	1.5% NSR	1.5% NSR all minerals other than Nickel
E15 1689	West Kambalda	WA	Spargoville Minerals	1.5% NSR	1.5% NSR all minerals other than Nickel

* OZ Minerals 80% in portion of tenement

~ OZ Minerals 70% in portion of tenement,

1.5% NSR = 1.5% NSR all minerals other than Nickel.

Annexure 7 - Andromeda corporate directory

Directors

Rhoderick Grivas
James Marsh
Joe Ranford
Andrew Shearer
Melissa Holzberger

Financial Adviser to Andromeda

Taylor Collison
Level 16, 211 Victoria Square
ADELAIDE SA 5000
AUSTRALIA

Company Secretary

Andrea Betti

Legal Adviser

MinterEllison
Level 10, 25 Grenfell Street
ADELAIDE SA 5000
AUSTRALIA

Registered Office

69 King William Road
UNLEY SA 5061
AUSTRALIA
Telephone: 08 8271 0600
Facsimile: 08 8271 0033
Website: www.andromet.com.au

Share Registry

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



MEPTKO
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Return your Form:



To Your Controlling Participant:
Return this form directly to your stockbroker



By Mail:
Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

Phone:
(within Australia) 1300 395 837
(outside Australia) +61 3 9415 4064



Web:
www.andromedaoffer.com.au

Takeover Acceptance Form

CHESS



Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Andromeda Metals Limited ("Andromeda") (ACN 061 503 375) to acquire all of your shares in Minotaur Exploration Ltd ("Minotaur") (ACN 108 483 601) the terms of which are set out in the Bidder's Statement from Andromeda dated 3 December 2021 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined. If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor. Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

If you are a foreign Minotaur Shareholder, you will not receive Andromeda Shares. Instead, you will be paid the net proceeds of the Andromeda Shares you would have otherwise been entitled to receive.

In this regard, Andromeda Shares to which you would otherwise be entitled will be issued to a sale nominee approved by ASIC, who will sell those Andromeda Shares on the ASX and provide you the net sale proceeds. In this regard, please refer to section 14.2 of the Bidder's Statement.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Minotaur register, as provided to Andromeda. The current address recorded by Andromeda is printed above and overleaf. If you have recently bought or sold Minotaur Shares your holding may differ from that shown. If you have already sold all your Minotaur Shares in Minotaur, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Minotaur Shares. As your Minotaur Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Andromeda to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Andromeda and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to Andromeda (and authorise Andromeda to warrant on your behalf) that you have full legal and beneficial ownership of the Minotaur Shares to which this form relates and that Andromeda will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights. You should allow sufficient time for your Controlling Participant or Andromeda to initiate the acceptance of Andromeda's Offer on your behalf. Neither Andromeda or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Non-Withholding Declaration

Note: You are only required to attend to Step 3 of this Form if you have a registered address outside of Australia.

Please refer to Section 12.3, 13.7 and 14.2(b) and (g) of the Bidder's Statement for further details before completing Step 3 overleaf. If you mark the box in Step 3, Andromeda will NOT withhold 12.5% of the Offer consideration payable to you, unless Andromeda considers or reasonably believes the declaration is false in respect of the Minotaur Shares to be disposed of by you.

Penalties apply to the making of a false declaration.

Step 4: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →

Takeover Acceptance Form



X 2222222222 I N D

For your security keep your SRN/
HIN confidential.

STEP 1

Registration Name & Offer Details

Registration Name:

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

Offer Details:

Securityholding as at 7.00pm (AEDT) on 3 December 2021:

2000

By accepting the Offer for ALL of your Minotaur Shares, you are accepting the Offer for ALL the Minotaur Shares as recorded by Andromeda as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Minotaur Shares. The consideration applicable is set out in the terms of Andromeda's Offer.

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Andromeda Shares and will be provided with the net proceeds of sale of the Andromeda Shares, to which you would otherwise have become entitled to receive as a consequence of accepting the Offer (see section 12.3, 13.7 and 14.2(b) and (g) of the Bidder's Statement).

STEP 3

Non-Withholding Declaration

Note: You are only required to attend to Step 3 of this Form if you have a registered address outside of Australia. Please refer to Section 12.3 and 14.2(b) and (g) of the Bidder's Statement for further details before completing the below section.

By marking this box, I/we declare that:

- ☐
- I/we am/are an Australian tax resident(s) (residency declaration); or
 - I/we am/are not Australian tax resident(s) and I/we, together with my/our associates, have not held 10% or more of the Minotaur Shares at the time of accepting the Offer, or for a continuous 12 month period during the two years preceding that time, as described in section 12.3 of the Bidder's Statement (non-portfolio interest declaration).

For Minotaur Shares held in a CHESS holding, I/we authorise Andromeda to inform my/our Controlling Participant on my/our behalf to select CHESS takeover consideration code **MEPNWD** to reflect the above Non-Withholding Declaration.

- If I/we have not marked the box, I/we authorise Andromeda to instruct my Controlling Participant on my/our behalf to select CHESS takeover consideration code **MEP001**.

STEP 4

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

I/We accept the Offer made by Andromeda for Minotaur Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Minotaur Shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Andromeda Metals Limited. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Andromeda Metals Limited or to third parties upon direction by Andromeda Metals Limited where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

MEPTKO

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Computershare +

MEPTKO
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:



Phone:

(within Australia) 1300 395 837
(outside Australia) +61 3 9415 4064



Web:

www.andromedaoffer.com.au

Takeover Acceptance Form

ISSUER



Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Andromeda Metals Limited ("Andromeda") (ACN 061 503 375) to acquire all of your shares in Minotaur Exploration Ltd ("Minotaur") (ACN 108 483 601) the terms of which are set out in the Bidder's Statement from Andromeda dated 3 December 2021 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

If you are a foreign Minotaur Shareholder, you will not receive Andromeda Shares. Instead, you will be paid the net sale proceeds of the Andromeda Shares you would have otherwise been entitled to receive.

In this regard, Andromeda Shares to which you would otherwise be entitled will be issued to a sale nominee approved by ASIC, who will sell those Andromeda Shares on the ASX and provide you the net sale proceeds. In this regard, please refer to section 14.2 of the Bidder's Statement.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Minotaur register, as provided to Andromeda. The current address recorded by Andromeda is printed above and overleaf. If you have recently bought or sold Minotaur Shares your holding may differ from that shown. If you have already sold all your Minotaur Shares, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Minotaur Shares.

Step 3: Non-Withholding Declaration

Note: You are only required to attend to Step 3 of this Form if you have a registered address outside of Australia.

Please refer to Section 12.3, 13.7 and 14.2(b) and (g) of the Bidder's Statement for further details before completing Step 3 overleaf. If you mark the box in Step 3, Andromeda will NOT withhold 12.5% of the Offer consideration payable to you, unless Andromeda considers or reasonably believes the declaration is false in respect of the Minotaur Shares to be disposed of by you. **Penalties apply to the making of a false declaration.**

Step 4: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

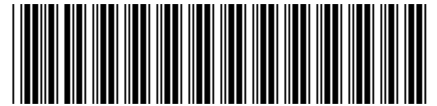
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →



Takeover Acceptance Form

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For your security keep your SRN/
HIN confidential.

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Details: Securityholding as at 7.00pm (AEDT) on 3 December 2021:

2000

By accepting the Offer for ALL of your Minotaur Shares, you are accepting the Offer for ALL the Minotaur Shares as recorded by Andromeda as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Minotaur Shares. The consideration applicable is set out in the terms of Andromeda's Offer.

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Andromeda Shares and will be provided with the net proceeds of sale of the Andromeda Shares, to which you would otherwise have become entitled to receive as a consequence of accepting the Offer (see section 12.3, 13.7 and 14.2(b) and (g) of the Bidder's Statement).

STEP 3 Non-Withholding Declaration

Note: You are only required to attend to Step 3 of this Form if you have a registered address outside of Australia. Please refer to Section 12.3 and 14.2(b) and (g) of the Bidder's Statement for further details before completing the below section.

By marking this box, I/we declare that:

- ☐
- I/we am/are an Australian tax resident(s) (residency declaration); or
 - I/we am/are not Australian tax resident(s) and I/we, together with my/our associates, have not held 10% or more of the Minotaur Shares at the time of accepting the Offer, or for a continuous 12 month period during the two years preceding that time, as described in section 12.3 of the Bidder's Statement (non-portfolio interest declaration).

STEP 4 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Andromeda for Minotaur Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Minotaur Shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

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