



Andromeda Metals Limited ASX: ADN

ASX Announcement

10/431 King William Street
Adelaide, SA 5000

Tel: +61 8 7089 9800
ir@andromet.com.au

ABN
75 061 503 375

Andromeda Launches Placement and Entitlement Offer to raise up to \$6.3 million

KEY POINTS**Share Placement**

- Share Placement of New Shares conducted with firm commitments received from new sophisticated and institutional investors at \$0.012 per New Share, raising approximately \$3.4 million before costs.

Pro-rata Non-renounceable Entitlement Offer

- Pro-rata non-renounceable 1 for 13 Entitlement Offer to Eligible Shareholders at \$0.012 per New Share to raise up to approximately \$2.9 million before costs.
- Directors of the Company entitled to participate in Entitlement Offer have indicated intention to take-up their entitlements

Issue Price for each New Share

- New Shares issued under both the Placement and Entitlement Offer are to be issued at the same price of \$0.012 per New Share, representing a discount of:
 - 25% to the last close price on Thursday, 15 August 2024 of \$0.016; and
 - 25.6% to the 5-day volume-weighted average price of \$0.0161 up to 15 August 2024.

Attaching Options

- Each New Share allocated under the Placement¹ and Entitlement Offer will have a free attaching option (**New Option**)
- Each New Option is exercisable at \$0.0175 for a fully paid ordinary share, expiring 30 September 2027.
- Application will be made for quotation of New Options on ASX.

Total proceeds to be raised from the Placement and Entitlement Offer is up to \$6.3 million before costs.

Funds raised will be used to progress the Great White Project, including advanced plant design and engineering, product and market development, technical, financial and legal activities to support the funding process for project development.

It is intended the Entitlement Offer will be launched on Tuesday 27 August 2024, will open on Wednesday 4 September 2024 and will close at 5.00pm (Sydney time) on Monday 23 September 2024, unless extended.

All prices quoted are in Australian Dollars (AUD), unless otherwise stated.

¹ Subject to shareholder approval



Andromeda Metals Limited (ASX: **ADN**) (**Andromeda**, the **Company**) announces it is undertaking a capital raising (**Capital Raising**) of up to approximately \$6.3 million by way of:

- a successful placement of approximately 283 million new fully paid ordinary shares with firm commitments received from new sophisticated and institutional investors at \$0.012 per new Andromeda share (**New Shares**), raising approximately \$3.4 million before costs with Placement participants receiving, subject to shareholder approval, a free attaching New Option for every New Share allocated (**Placement**), and
- a 1 for 13 pro-rata non-renounceable entitlement offer to Eligible Shareholders (defined below) of New Shares at an issue price of A\$0.012 per New Share with a free attaching New Option for every New Share allocated (**Entitlement Offer**).

Luke Anderson, Andromeda's CEO and Managing Director said *"With the securing of binding offtake agreements to support our expanded Stage 1A+ production we are now ready to move the Great White Project forward. The funds raised from this capital raising, including significant interest from new investors in the Placement, will enable us to continue advanced plant design and engineering works, progress with product development and marketing activities, as well as those activities required to support the project financing process. Following this fund raising, Andromeda will be well placed to advance the project towards a final investment decision and production."*

Placement

Andromeda has received firm commitments for approximately \$3.4 million before costs, through offering New Shares at a price of A\$0.012 per New Share (**Issue Price**) to new sophisticated and institutional investors. New Shares will be issued in accordance with Andromeda's placement capacity under ASX Listing Rule 7.1.

The Issue Price of A\$0.012 per New Share represents a discount of:

- 25% discount to the last close price of A\$0.016; and
- 25.66% to the 5-day volume-weighted average price of \$0.0161

in each case on (or ending on) 15 August 2024, being the last trading day prior to this announcement.

Each New Share issued under the Placement will have a free attaching New Option, subject to shareholder approval which is to be sought at general meeting in October 2024.

Settlement of the Placement is scheduled to occur on Friday 23 August 2024, with issue of the New Shares under the Placement scheduled to occur on Monday 26 August 2024 which is prior to the Record Date for the Entitlement Offer, such that participants in the Placement may be entitled to participate in the Entitlement Offer in respect of any New Shares issued to them under the Placement.

The Company is pleased by the strong support shown from these new investors and welcomes them as new shareholders in the Company.

Henslow Pty Ltd (**Henslow**) and PAC Securities Pty Ltd (**PAC**) acted as Joint Lead Managers to the Placement, 180 Markets Pty Ltd acted as Co-Manager.



Entitlement Offer

Andromeda is also undertaking an Entitlement Offer, through a 1 for 13 pro-rata non-renounceable entitlement offer of New Shares, to Eligible Shareholders, with a free attaching New Option for every New Share allocated.

'**Eligible Shareholders**' are shareholders registered as at 6.30pm (Adelaide time) on Friday 30 August 2024 (**Record Date**) with an Australian or New Zealand address or for certain sophisticated, institutional or other limited numbers of Shareholders, with a registered address in jurisdictions where the Company is satisfied that it is lawful to make the Entitlement Offer and issue the New Shares under the Entitlement Offer.

The Issue Price of A\$0.012 per New Share is the same under both the Placement and Entitlement Offer.

If fully subscribed, the Entitlement Offer will raise up to approximately \$2.9 million, before costs.

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

Eligible Shareholders, as at the Record Date, will be invited to participate in the Entitlement Offer, which is anticipated to open on Wednesday 4 September 2024 and is expected to close on Friday 23 September 2024, unless extended. A timetable including indicative key dates is set out further below.

Full details of the terms and conditions, as well as other important information on how to participate in the Entitlement Offer, will be set out in a prospectus (**Prospectus**), which is expected to be made available on Wednesday 4 September 2024, accompanied by a personalised Entitlement and Acceptance Form, setting out each shareholder's entitlement and how to accept the offer. Copies of the Prospectus will also be made available through ASX and Andromeda's website.

As the Entitlement Offer is non-renounceable, entitlements will not be tradeable or otherwise transferable. Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up.

Top-up Facility

Eligible Shareholders who elect to take up their Entitlement in full, are also offered the opportunity to apply for additional New Shares in excess of their Entitlement (**Additional New Shares**) at the Issue Price, together with free attaching New Options.

Additional New Shares and New Options will only be available to the extent that there are Entitlements that are not taken up by Eligible Shareholders (**Top-up Facility**).

Allocations under the Top-Up Facility will be determined by Andromeda in its sole and absolute discretion, including by applying a scale-back mechanism and on the understanding that any allotment of Additional New Shares is not guaranteed. In addition:

- no Eligible Shareholder may receive any New Shares which would result in the relevant Shareholder having voting power in Andromeda in excess of 20% of the total issued share capital of Andromeda;
- in applying its sole and complete discretion, Andromeda will have regard to all relevant circumstances, including (but not limited to) the current shareholding (as at the Record Date) of any Eligible Shareholders to ensure that any issue of Additional New Shares is done in a manner proportionate (as determined by Andromeda) to the current shareholding of any Eligible Shareholder (as at the Record Date).

Should there be any shortfall of New Shares and New Options under the Entitlement Offer and Top-Up Facility, the Directors reserve the right to place the shortfall of New Shares available at their discretion within



a period of up to three months following the Closing Date, at a price no less than offered under the Entitlement Offer.

Use of funds

Under the Placement and the Entitlement Offer, the Company aims to raise up to approximately A\$6.3 million, before costs. Funds raised will be used to progress the Great White Project whilst development funding is progressed.

If the Entitlement Offer is fully subscribed, the Company intends to apply the funds raised from the Placement and Entitlement Offer as below.

Sources and Uses for the Raise			
Sources		Uses	
Entitlement Offer	\$ 2,900,000	Detailed Engineering & Work Packages	\$ 2,320,000
Placement	\$ 3,400,000	Product and Market Development	\$ 250,000
		Project Development Funding Costs	\$ 500,000
		Working Capital	\$ 2,780,000
		Costs of Raise	\$ 450,000
Total	\$ 6,300,000	Total	\$ 6,300,000

This includes:

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

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

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

Further details in relation to the Placement and Entitlement Offer are contained in the equity raising presentation which will be released via the ASX following this announcement and the Prospectus expected to be made available on ASX on Tuesday 27 August 2024.



Timetable

The indicative timetable for the Placement and Entitlement Offer is set out as follows:

Activity	Date
Announcement of Placement and Entitlement Offer	Wednesday 21 August 2024
Voluntary Suspension ends and normal trading in ADN shares recommences	Wednesday 21 August 2024
Settlement of the Placement	Friday 23 August 2024
Announcement of Allotment of New Shares under the Placement	Monday 26 August 2024
Lodgement of Prospectus with ASIC and ASX	Tuesday 27 August 2024
Entitlement Offer Record Date (7.00pm) AEST)	Friday 30 August 2024
Entitlement Offer opens	Wednesday 4 September 2024
Prospectus and Entitlement and Acceptance Forms made available to Eligible Shareholders	Wednesday 4 September 2024
Entitlement Offer closes (5.00pm AEST)	Monday 23 September 2024*
If agreed by ASX, New Shares quoted on a deferred settlement basis	Tuesday 24 September 2024*
Announcement of results of Entitlement Offer	No later than Monday 30 September 2024*
Allotment of New Shares; deferred settlement trading ends at market close	No later than noon on Monday 30 September 2024*
General meeting to seek approval to issue New Options	October 2024

Dates and times after the opening of the Entitlement Offer are indicative only and are subject to change. Any material changes will be notified to ASX. All dates and times are references to AEST, Australia time.

In respect of the dates marked above with an asterisk (*), Andromeda reserves the right to amend any or all of these dates and times, in accordance with the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws and regulations. In particular, Andromeda reserves the right to extend the closing date for the Entitlement Offer (Closing Date) and/or accept late applications under the Entitlement Offer without prior notice. Any extension of the Closing Date may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms (if paying by EFT) or pay for their New Shares by BPay® as soon as possible after the Entitlement Offer opens.



Capital Structure

The effect of the Placement and Entitlement Offer on the Company's capital structure is expected to be as follows (assuming full subscription under the Entitlement Offer:

	Number of Shares	Number of Options	Number of Performance Rights
As at the date of this announcement	3,110 million	1,650,000	37,653,500
To be issued under the Placement ¹	283 million	283 million	Nil
To be issued under the Entitlement Offer ²	240 million	240 million	Nil
Number on issue after the Placement and Entitlement Offer ^{1,2}	3,633 million	523 million	37,653,500

Notes:

1. It is anticipated that the Placement will settle on Friday 23 August 2024, and that allotment of New Shares under the Placement will occur on Monday 26 August 2024. The issue of New Options will be subject to shareholder approval, to be sought at a general meeting in October 2024.

2. Assuming full subscription under the Entitlement Offer; no options or performance rights are exercised prior to the Record Date; and subject to rounding

Henslow and PAC are acting as Joint Lead Manager and bookrunner of the Capital Raising and will be entitled to the following fees (to be split equally between them):

- 2% management fee on all funds raised under the Capital Raising
- 4% selling fee on funds raised under the Placement or via the placement of shortfall of the Entitlement Offer by them
- 20 million broker options, in the same class as the New Options (subject to shareholder approval).

The voluntary suspension of trading in the Company's shares can now end.

Investor Briefing Presentation and access details

New Managing Director and CEO, Luke Anderson, will conduct an Investor Briefing Presentation at the time of release of the Prospectus for the Entitlement Offer.

Investors can access the webcast of the Investor Briefing Presentation via the following:

When: Wednesday 28 August 2024

Time: 2:30pm AEST (2pm Australian Central Time)

Webcast: <https://edge.media-server.com/mmc/p/myq43vzi>

Any questions shareholders wish to have addressed as part of the Investor Briefing Presentation should be provided ahead of the Investor Briefing Presentation by sending to ir@andromet.com.au.



Departure of Mr Katsioularis

A recently announced, Bob Katsioularis concluded his position as Managing Director and CEO of the Company on 31 July 2024.

The Board thanks Mr Katsioularis for his contribution to the Company during his tenure, including by undertaking a strategic review of Andromeda's corporate positioning and business strategy, completing the 2023 Definitive Feasibility Study and securing the binding offtake agreements to support Stage 1A+ of the Project. In recognition of his contribution to the Company, shareholder approval will be sought to issue 10,138,200 performance rights to Mr Katsioularis under the long term incentive plan at the next general meeting of the Company.

Mr Katsioularis will not be consulting to the Board following his departure as announced on 6 May 2024.

This announcement has been approved for release by the Board of Directors of Andromeda Metals Limited.

For more information about the Company and its projects, please visit our website, www.andromet.com.au or send us on email on ir@andromet.com.au.