

# ASX ANNOUNCEMENT

ANDROMEDA METALS LTD (Andromeda, ASX: ADN)



17 December 2021

## Great White Kaolin Project – Mining Lease Granted

### Andromeda Metals Limited

ABN: 75 061 503 375

### Corporate details:

ASX Code: ADN

Cash (30 Sept 2021): \$46.17m

Issued Capital:

2,483,727,046 ordinary shares

70,300,000 unlisted options

29,274,475 performance rights

### Directors:

**Rhod Grivas**

Non-Executive Chair

**James Marsh**

Managing Director

**Joe Ranford**

Operations Director

**Andrew Shearer**

Non-Executive Director

**Melissa Holzberger**

Non-Executive Director

### Company Secretary:

**Andrea Betti**

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### Highlights

- **Great White Kaolin Project Mining Lease and supporting Miscellaneous Purposes Licences have been granted by South Australian Minister for Energy and Mining.**
- **Terms are consistent with the original Mining Lease Application (incl. the Mining Proposal and Miscellaneous Purposes Licences Management Plans) and have been accepted by Andromeda**
- **This is a significant positive step forward for the Great White Project. The next step will be submission of the Program for Environment Protection and Rehabilitation (PEPR) for subsequent approval. Both the tenements and PEPR approvals are required to allow the Project to progress to the construction phase which is anticipated during 2022.**

**Andromeda Metals Ltd (ASX:ADN) (“Andromeda”, “the Company”)** is pleased to announce that it has received notification that the Great White Kaolin Project (the Project) Mining Proposal and Mining Lease Application have been assessed. With the outcome that the South Australia Minister for Energy and Mining has granted the Company the Mineral Lease (ML) and two Miscellaneous Purposes Licences (MPLs) for the Project. Andromeda is the manager of the Great White Kaolin Project, (ADN 75% and Minotaur Exploration Limited 25% (ASX:MEP)).

Grant of the ML and MPLs represents a major milestone for the Project and is the culmination of significant environmental and engineering works undertaken by the Company and supporting independent consulting companies.

With these approvals, the Mining Lease conditions have been received which will form the basis for developing the next stage of approvals, the Program for Environmental Protection and Rehabilitation. These conditions are consistent with the original Mining Lease Application (incl. the Mining Proposal and Miscellaneous Purposes Licences Management Plans) lodged in February 2021.

Under South Australian legislation, prior to granting a ML and/or MPL, the Minister for Energy and Mining must notify the applicant of the proposed terms and conditions. The applicant then has an opportunity to accept or may make submissions on those terms and conditions before the Minister finalises them and formally grants the tenement(s).

Andromeda considered and was satisfied with the terms and conditions of the tenements and advised DEM that it had no submissions to make. This will reduce the timing associated with the next stage of the approval process.

The ML Application, MPL applications and supporting Mining Proposal and MPL Management Plans for the Project were lodged with the South Australian Department for Energy and Mining (DEM) on 26 February 2021 (refer ADN ASX announcement dated 1 March 2021 titled "Mining Lease Application Submitted for Great White Kaolin Project"). The two MPLs are for an access road to the ML, and a water supply pipeline from Poochera. Collectively, the documentation describes the proposed Project, and considers all potential impacts on the environment.

Community consultation is a key part of this process. Following receipt of Applications, DEM invited public submissions on the Applications and supporting documents, during a consultation period that was open until 29 April 2021. In August 2021, DEM accepted and published Andromeda's Mining Proposal Response Document, which outlines the Company's response to public and government agency submissions raised regarding the Project during the public consultation process.

Andromeda will submit a Program for Environment Protection and Rehabilitation (PEPR) to DEM for subsequent approval. Both the tenements and PEPR approvals are required to allow the Project to progress to the construction phase which is anticipated during 2022. Considerable components of the ML application and MLA will be used in preparation of the PEPR, which will assist in completing the PEPR in the scheduled timeframe.

The ML and MPL terms and conditions, State Governments assessment report and supporting technical appendices will be released by DEM and published on its website. In addition to this information, Andromeda has posted a list of Frequently Asked Questions, along with further information about the Project on the Company's website.

Andromeda has undertaken significant work on the Definitive Feasibility Study (DFS) and has made considerable progress since securing a major paints and coatings product (Great White PRM™) offtake agreement in June 2021 (*Significant Binding Offtake Agreement Signed for Great White*, ASX, 10 June 2021), as well as a previously announced premium ceramic product (Great White CRM™) offtake agreement in March 2021 (*First Customer Binding Offtake Signed for Great White*, ASX 17 March 2021). The Andromeda team is dedicated to delivering a robust DFS while the Company continues its progression on the journey from explorer to developer and ultimately to operator/producer.

Managing Director James Marsh commented "***This really is a fantastic success for all Andromeda stakeholders and a crucial milestone in the evolution of the Company, it will allow us to progress with full confidence into a very exciting 2022 and become a sustainable, world-class producer of kaolin minerals. Once in production a whole range of new and significant halloysite-kaolin opportunities will open up for us, and I would like to thank the whole Andromeda Team for their dedication and professionalism***".

## Project Background

### Great White Kaolin Project

The Great White Kaolin Project comprises four Exploration Licences east of Streaky Bay on the Eyre Peninsula (Figure 1). High quality halloysite-kaolin occurrences exist extensively across the Great White Project area making this a region of global significance for the mineral and capable of supporting a considerable long-life mining operation. The Project includes Great White and Hammerhead Deposits as well as several additional exploration targets: Manta, Tiger and Bronze Whaler.

Andromeda also holds a 100% interest in the Mount Hope Kaolin Project which is located approximately 160 km southeast of Great White.

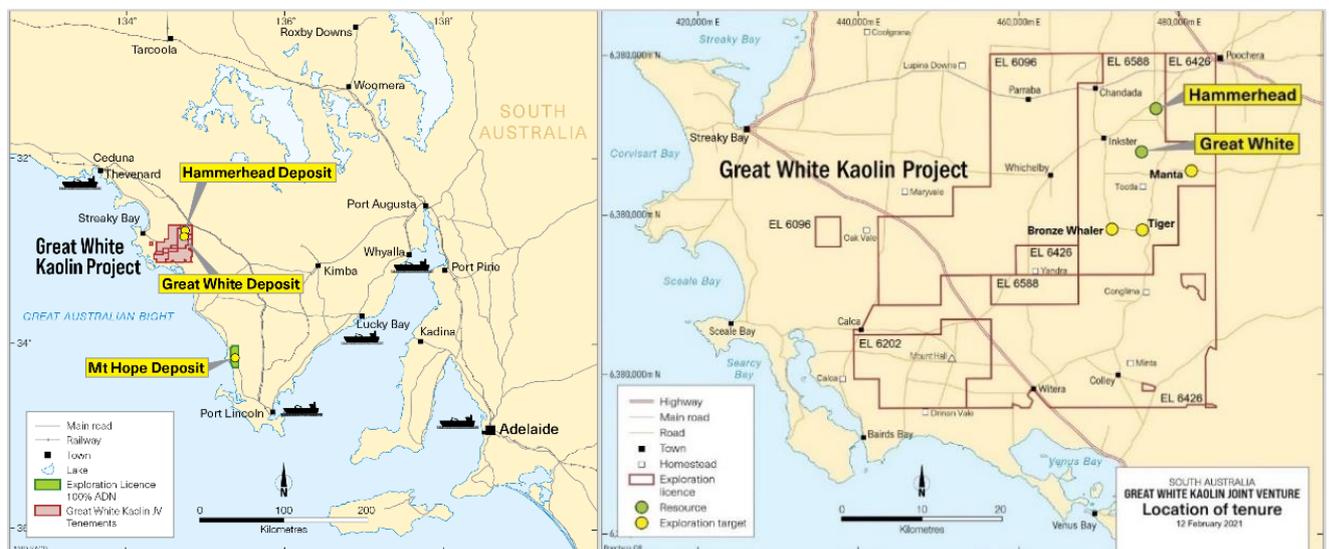


Figure 1 - Project Location Plan

Figure 2 - Great White Project

Authorised for release by the Board of Directors of Andromeda Metals Ltd.

For more information about the Company and its projects, please visit our website [www.andromet.com.au](http://www.andromet.com.au) or contact:

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### **Forward Looking Statements**

*Some of the statements contained in this announcement are forward looking statements. Forward looking statements, include, but are not limited to, statements concerning estimates of tonnages, expected costs, statements relating to the continued advancement of Andromeda's projects and other statements that are not historical facts. When used in this report, and on other published information of Andromeda, the words such as 'aim', 'could', 'estimate', 'expect', 'intend', 'may', 'potential', 'should' and similar expressions are forward looking statements. Although Andromeda believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.*

*Various factors could cause actual results to differ from these forward-looking statements include the potential that Andromeda's project may experience technical, geological, metallurgical, and mechanical problems, changes in market prices and other risks not anticipated by Andromeda. Andromeda is pleased to report this summary of the Study in a fair and balanced way and believes that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any mining of mineralised material, modifying factors, production targets and operating cost estimates.*