

GREAT WHITE KAOLIN PROJECT

WATER AND POWER

During construction and operation there will be no significant impact to local water supply pressures from Project water usage.

WATER

The Great White Kaolin Project is within the Eyre Peninsula Natural Resources Management (EPNRM) Region.

Andromeda and consultants Inside Infrastructure are in discussion with SA Water on the supply of water to the Project. SA Water advises there is capacity in the reticulated water (trunk) main at Poochera for the water demands of a wet processing operation. This is based on preliminary modelling of construction and operational demands of 10L/s.

Andromeda is currently planning to install its own pipeline from the trunk main at Poochera to service the Project.

The proposed pipeline would be installed parallel to the existing water network along the Streaky Bay Road and along the road verges of the Poochera-Port Kenny Road to the Project access road.

A new connection from the trunk main at Poochera should only have a minor impact on supply pressures in the region and it is not expected that any upgrades to the SA Water network would be needed to support a connection (at Poochera).

GROUNDWATER

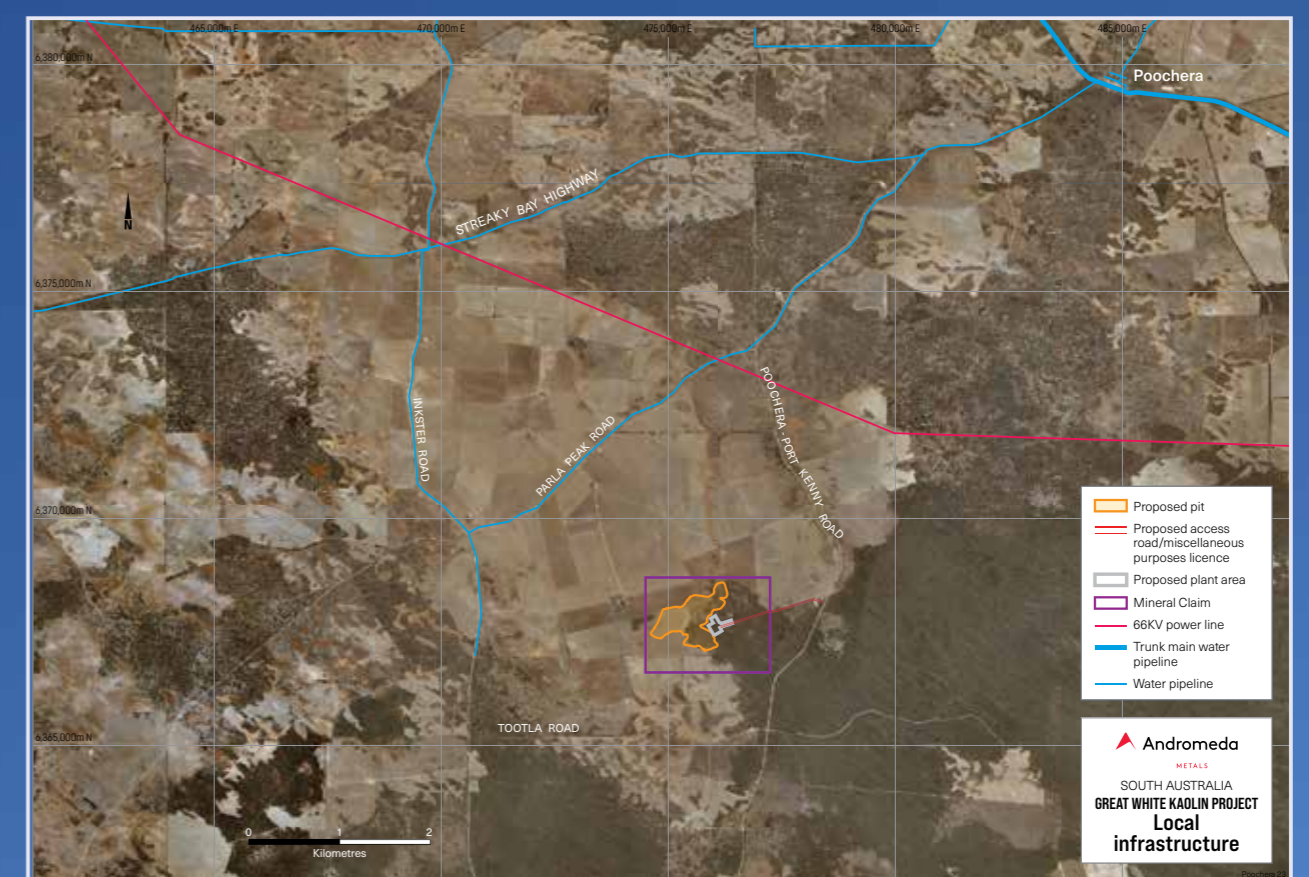
Pastoral properties in the vicinity of the Project rely on drains, boreholes and windmill-equipped wells to supplement the low annual rainfall. Groundwater is drawn from aquifers within the Bridgewater Formation and underlying Tertiary sediments, which receive limited recharge from local winter rainfall.

Rainfall typically soaks into the ground, resulting in limited surface flow. Site drainage will be established to avoid offsite discharge from work areas.

Recent water bore installation and pump testing undertaken by Andromeda indicates the fractured rock aquifer beneath the Project is compartmentalised, with fractures not uniformly connected.

Water quality is suitable for industrial purposes but marginal for stock and unsuitable for human consumption.

Groundwater consultants Aldam Geoscience have modelled groundwater beneath the Project and advised that extraction (for dust suppression) is not likely to affect local groundwater users.



WATER MANAGEMENT

Project water uses include:

- Dust suppression
- Road construction
- Stage Two – wet processing operation

Andromeda's processing plant will recycle ~90% of water used.

POWER MANAGEMENT

Andromeda is currently evaluating options for the supply and connection of power for the project. Power solutions being considered include:

- connection to the power grid or
- on-site gas turbine generation.