



Andromeda Metals Limited ASX: ADN ASX Announcement

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Sale of Moonta Copper Gold Project

Andromeda Metals Limited (ASX: **ADN**) (**Andromeda**, the **Company**) advises that it has entered into a Sale and Purchase Agreement (**Agreement**), via its wholly owned subsidiary Peninsula Resources Pty Ltd (**Peninsula**), for exploration licence EL5984 (related to the Moonta Copper Gold Project) with EnviroCopper Ltd (**ECL**) and its wholly owned subsidiary Environmental Metals Recovery Pty Ltd (**EMR**).

Under the Agreement, Andromeda will sell its interests in EL5984 to EMR, via the subdivision process in section 30AA of the *Mining Act 1971 (SA)* as follows¹:

- 100% of its interest in the Alford Project Area;
- 100% of its interest in the Moonta Project Area, excluding the Moonta Porphyry Project Area;
- Its 90% interest in the Moonta Porphyry Project Area; and,
- All information, rights and obligations held by Peninsula, related to the above.

If subdivision process is not approved, the sale of EL 5984 will occur via a tenement transfer.

As consideration for the sale, Andromeda will receive the following:

- **At completion of the sale:**
 - \$50,000 in cash;
 - 203,008 fully paid ordinary shares in ECL, representing 5% of current issued capital in ECL;
 - Grant of a royalty, equal to 10% of the operating cashflow derived from the Moonta ISR JV Project Area, up to \$15 million, and
 - Grant a royalty, equal to 10% of the operating cashflow derived from in respect of the Moonta Project Area, up to \$15 million.
- **Following successful completion of a Site Environmental Lixiviant Test (SELT)** within the Project Area being undertaken, at the sole discretion of Andromeda, either:
 - \$100,000 in cash; or
 - 101,504 fully paid ordinary shares in ECL, representing 2.5% of current issued capital in ECL;
- **Following granting of a Mining Lease** within the Project Area to ECL, its related body corporate, nominee or assignee, a further \$150,000 in cash.

Completion is subject to:

- shareholders of ECL entering into a Shareholder's Deed in an agreed form; and
- to the extent it relates to the Moonta Porphyry Project Area, a deed of assignment and assumption being entered into in relation to the Moonta Porphyry Joint Venture, including any third party consents and waivers that may be required.

¹ Refer to Figure 1 – Moonta Copper Gold Project – Proposed tenement subdivision.



CEO and Managing Director, Bob Katsioularis, said: “The sale of these assets continues our consistent approach to implementing our corporate strategy, through divesting non-core assets to support the commercialisation and development of The Great White Project.”

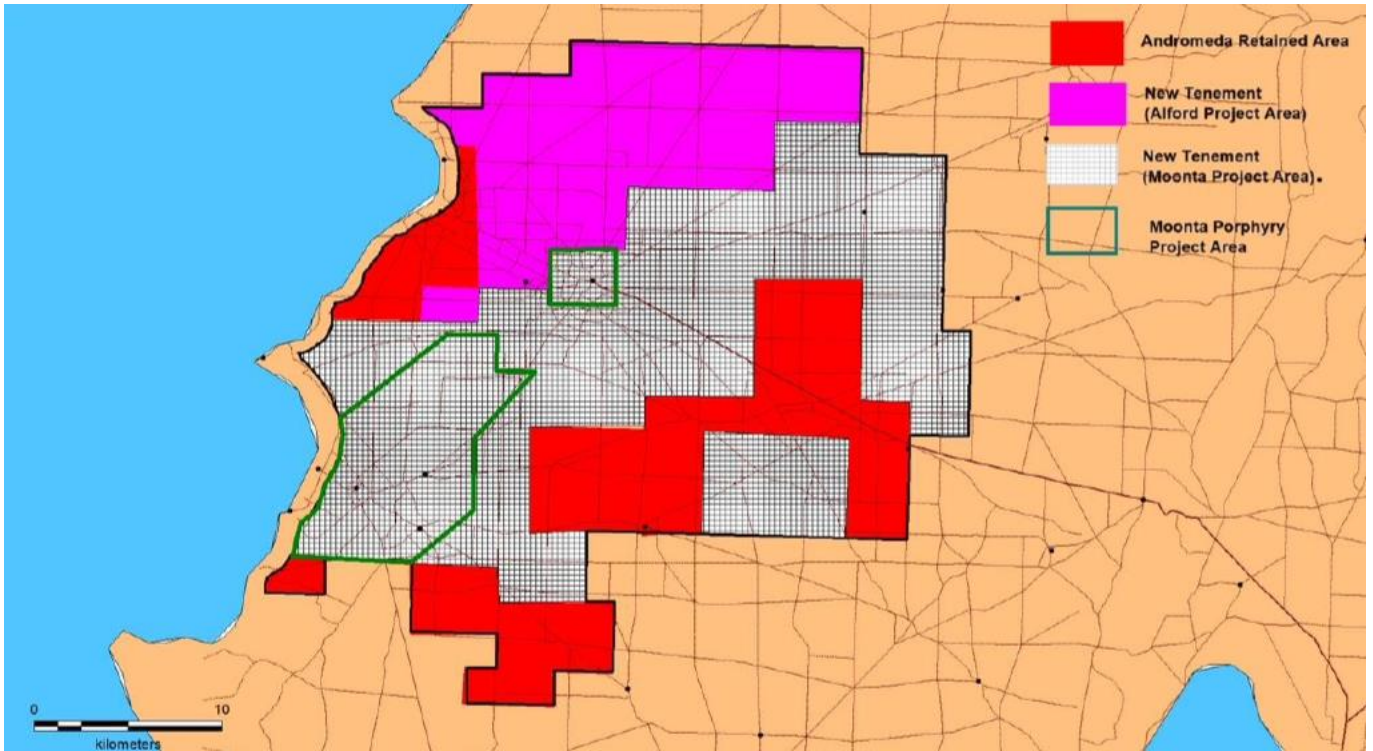


Figure 1 - Moonta Copper Gold Project – Proposed tenement subdivision

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 contact:

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