



ASX & Media Release

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ASX Symbol

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Issued Capital

Fully Paid Ordinary Shares
197,016,915

Performance Rights
6,149,400

Options
3,000,000

ABN 30 614 289 342

Ardea and Japanese Consortium: Update on Progress on KNP - Goongarrie Hub

Highlights

- Ardea and a consortium (Consortium) consisting of Sumitomo Metal Mining (SMM) and Mitsubishi Corporation (MC) have reached agreement on the Kalgoorlie Nickel Project - Goongarrie Hub Definitive Feasibility Study (DFS) service provider scope and budget, subject to further discussion and reaching agreement on binding Final Agreements.
- After extensive technical and commercial due diligence, the Consortium has advised Ardea that they have completed their due diligence.
- Ardea and the Consortium will continue discussions to agree on binding Final Agreements, aiming to be finalised and executed by 31 March 2024.
- Upon execution of Final Agreements, future work will be aimed at completing the DFS, making a Final Investment Decision (FID) and securing project development funding for the Goongarrie Hub to become a globally significant producer of nickel-cobalt.

Ardea Resources Limited (**Ardea** or the **Company**) is pleased to provide an update on the progress being made with the **Consortium**, comprising of Sumitomo Metal Mining Co., Ltd (**SMM**) and Mitsubishi Corporation (**MC**) following the previously announced signing of a non-binding Memorandum of Understanding (**MOU**)¹.

Ardea and the Consortium have reached agreement on the third party service provider scope of work and budget for the Kalgoorlie Nickel Project (**KNP**) Goongarrie Hub Definitive Feasibility Study (**DFS**), subject to further discussion and reaching agreement on binding Final Agreements. The treatment of Consortium and Ardea service fees is the remaining item to settle. Awarding of DFS contracts will commence upon the signing of Final Agreements.

The Consortium have completed their due diligence process, including extensive site visits and technical meetings.

Ardea and the Consortium will further discuss towards agreeing on binding Final Agreements, which are aimed to be finalised and executed by 31 March 2024. Completion of this milestone will formalise the process to forming a joint venture to facilitate the completion of the KNP Goongarrie Hub DFS, make a Final Investment Decision (**FID**) and jointly secure funding to develop the project.

Despite some of the recent challenges in the Australian nickel sector leading to mine closures and project suspensions, Ardea acknowledges the increased State and Federal government support through initiatives such as nickel being added to the Australian Critical Minerals list.

The KNP Goongarrie Hub 2023 PFS defined direct cash cost after cobalt by products of US\$5,763/t nickel in MHP over life of mine² which provides a significant cash margin at current nickel prices. With this context in mind, Ardea considers the timing to complete the DFS and develop the project is ideal.

¹ Ardea ASX announcements 5 July 2023, 29 September 2023 and 21 December 2023.

² Ardea ASX PFS announcement 5 July 2023.



Managing Director and CEO Andrew Penkethman noted:

"It is pleasing to see nickel added to the Australian Critical Minerals list and the nickel sector receiving State and Federal government support.

This initiative reiterates that Australia and key ally nations remain focussed on supply chain diversity and security, with planning for the KNP Goongarrie Hub taking into account the high ESG standards expected by modern democratic society.

With the long term fundamentals for nickel remaining strong, Ardea and the Consortium continue their proactive engagement and collaboration which has helped facilitate significant progress in finalising the KNP Goongarrie Hub DFS scope of work and budget.

Commercial discussions are continuing as a priority. Key considerations being covered include DFS funding, through to securing project development capital to enable project construction and achieve steady state nickel-cobalt production, from within the best resources operating jurisdiction in the world.

Ardea and the Consortium look forward to executing Final Agreements, and commencing the DFS."

Ardea and Japanese Consortium Update

Ardea is pleased to advise that since Ardea and the Consortium's agreement on the scope of work for the DFS³, the DFS budget has been agreed for third party service providers and the Consortium's due diligence on Ardea and the KNP Goongarrie Hub has been completed.

Discussions are continuing as to the breadth and remuneration of service inputs by the Consortium and Ardea towards the DFS.

Since the last project update (Ardea ASX announcement 21 December 2023), Ardea and the Consortium have continued to productively work together to define and agree upon the scope of work and a budget for the DFS.

Ardea and supporting consultants have continued to advance some early DFS workstreams, including a more detailed review of in pit tailings disposal which supports this proposal being carried forward into the DFS.

An extensive hydrogeology drilling program has been planned and is due to commence in March 2024, with all contracts committed and drill sites prepared with the Ardea team awaiting arrival of the specialist drilling contractor.

Ardea and the Consortium continue to work collaboratively towards the execution of Final Agreements. Execution of Final Agreements will enable Ardea and the Consortium to fund and commence the DFS, enter into a joint venture and jointly secure project development funding in order to make a Final Investment Decision on the KNP Goongarrie Hub.

Exclusivity arrangements

The Consortium has notified Ardea it has completed technical and commercial due diligence on the KNP Goongarrie Hub and is satisfied with the results. As an outcome of the Consortium completing their due diligence, Ardea and the Consortium's exclusivity arrangements require that Ardea cease discussions with other interested parties that had commenced KNP Goongarrie Hub due diligence under the previous Strategic Partner process. Customary fiduciary carve-outs will continue to apply.

Ardea looks forward to providing additional updates as the Company advances collaboration with the Consortium on the KNP Goongarrie Hub.

³ Ardea ASX announcement 13 February 2024.



About Sumitomo Metal Mining

Sumitomo Metal Mining Co., Ltd. (SMM) dates from the 16th century and copper mining and processing in Japan. SMM is an integrated producer covering from mineral resources development, smelting & refining, to the production of battery materials and functional materials. By connecting the core businesses, it has advantages in sustainable value chains. With experience and know-how in mining development, it owns a number of quality resource interests for copper and gold. For nickel, its strength lies in HPAL (High Pressure Acid Leach), a technology to recover metals such as nickel and cobalt from nickel oxide ores. SMM successfully developed and operates two HPAL operations in the Philippines, at Coral Bay and Taganito.

About Mitsubishi Corporation

Mitsubishi Corporation (MC) is a global integrated business enterprise that develops and operates businesses together with its offices and subsidiaries worldwide, as well as with its global network of around 1,700 group companies. MC engages in a wide range of businesses spanning multiple industries and overseen by its Industry DX Group, Next-Generation Energy Business Group and 10 Business Groups: Natural Gas, Industrial Materials, Chemicals Solution, Mineral Resources, Industrial Infrastructure, Automotive & Mobility, Food Industry, Consumer Industry, Power Solution, and Urban Development. With an unwavering commitment to conducting business with integrity and fairness, MC remains fully dedicated to growing its businesses while contributing to a prosperous society.

This announcement is authorised for release by the Board of Ardea Resources Limited.

For further information regarding Ardea, please visit <https://ardearesources.com.au/> or contact:

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About Ardea Resources

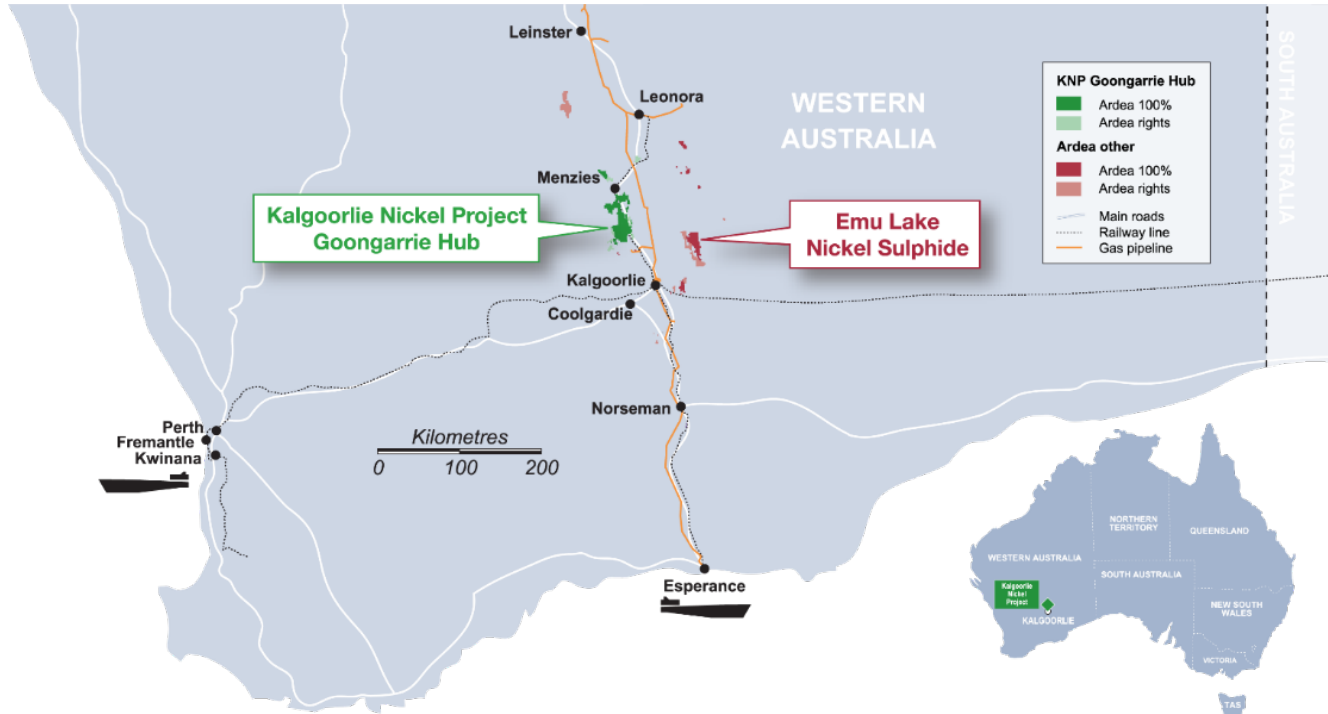
Ardea Resources Limited (ASX:ARL) is an ASX-listed nickel resources company, with a large portfolio of 100%-controlled West Australian-based projects, focussed on:

- Development of the Kalgoorlie Nickel Project (KNP) and its sub-set the Goongarrie Hub, a globally significant series of nickel-cobalt and Critical Mineral deposits which host the largest nickel-cobalt resource in the developed world at **854Mt at 0.71% Ni and 0.045% Co for 6.1Mt of contained nickel and 386kt of contained cobalt** (Ardea ASX announcement 30 June 2023), located in a jurisdiction with exemplary Environmental Social and Governance (ESG) credentials, notably environment.
- Advanced-stage exploration at compelling nickel sulphide targets, such as Emu Lake, and Critical Minerals targets including scandium and Rare Earth Elements throughout the KNP Eastern Goldfields world-class nickel-gold province, with all exploration targets aimed at complementing the KNP nickel development strategy.

Ardea's KNP development with its 6.1 million tonnes of contained nickel is the foundation of the Company, with the nickel sulphide exploration, such as Emu Lake, as an evolving contribution to Ardea's building of a green, forward-facing integrated nickel company.

Put simply, in the Lithium-Ion Battery sector, the Electric Vehicle and Energy Storage System battery customers demand an ESG-compliant, sustainable, and ethical supply chain for nickel and other inputs. In the wet tropics, with their signature HPAL submarine tailings disposal and rain forest habitat destruction, an acceptable ESG regime is problematic. In contrast, the world-class semi-arid, temperate KNP Great Western Woodlands with its benign environmental setting is likely the single greatest asset of the KNP.

The KNP is located in a well-established mining jurisdiction with absolute geopolitical acceptance and none of the land-use and societal conflicts that commonly characterise nickel laterite proposals elsewhere. All KNP Goongarrie Hub production tenure is on granted Mining Leases with Native Title Agreement in place or no registered claim.



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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements and forward-looking information within the meaning of applicable Australian securities laws, which are based on expectations, estimates and projections as of the date of this news release.

This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management's expectations with respect to, among other things, the timing and amount of funding required to execute the Company's exploration, development and business plans, capital and exploration expenditures, the effect on the Company of any changes to existing legislation or policy, government regulation of mining operations, the length of time required to obtain permits, certifications and approvals, the success of exploration, development and mining activities, the geology of the Company's properties, environmental risks, the availability of labour, the focus of the Company in the future, demand and market outlook for precious metals and the prices thereof, progress in development of mineral properties, the Company's ability to raise funding privately or on a public market in the future, the Company's future growth, results of operations, performance, and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "intend", "may" and similar expressions have been used to identify such forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time.

Forward-looking information involves significant risks, uncertainties, assumptions, and other factors that could cause actual results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors, including, but not limited to, the ability to create and spin-out a gold focussed Company, fluctuations in currency markets, fluctuations in commodity prices, the ability of the Company to access sufficient capital on favourable terms or at all, changes in national and local government legislation, taxation, controls, regulations, political or economic developments in Australia or other countries in which the Company does business or may carry on business in the future, operational or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves, contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Prospective investors should not place undue reliance on any forward-looking information.

Although the forward-looking information contained in this news release is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure prospective purchasers that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. The Company does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.

No stock exchange, regulation services provider, securities commission or other regulatory authority has approved or disapproved the information contained in this news release.

Competent Persons statement

The Resource Estimation, exploration and industry benchmarking summaries are based on information reviewed or compiled by Mr. Ian Buchhorn, and Mr Andrew Penkethman. Mr Buchhorn is a Member of the Australasian Institute of Mining and Metallurgy and Mr Penkethman is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Both Mr Buchhorn and Mr Penkethman are full-time employees of Ardea Resources Limited and have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Buchhorn and Mr Penkethman have reviewed this press release and consent to the inclusion in this report of the information in the form and context in which it appears. Mr Buchhorn and Mr Penkethman own Ardea shares.

Ardea wishes to clarify that its current Kalgoorlie Nickel Project (KNP) Mineral Resource Estimate (MRE) following JORC Code (2012) guidelines is:

Camp	Prospect	Resource	Size	Ni	Co	Contained Metal	
		Category	(Mt)	(%)	(%)	Ni (kt)	Co (kt)
KNP TOTAL		Measured	22	0.94	0.079	207	17
		Indicated	361	0.73	0.047	2,622	169
		Inferred	471	0.70	0.043	3,272	200
GRAND TOTAL		Combined	854	0.71	0.045	6,101	386

Note: 0.5% nickel cutoff grade used to report resources. Minor discrepancies may occur due to rounding of appropriate significant figures.

The Mineral Resource Estimate information shown in this ASX release has been previously released on the ASX platform by Ardea in ASX release 30 June 2023, in accordance with Listing Rule 5.8.

The Ore Reserve information shown in this ASX release has been previously released on the ASX platform by Ardea in ASX release 5 July 2023, in accordance with Listing Rule 5.9.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements noted above and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate and Ore Reserve in the previous market announcements continue to apply and have not materially changed.