
QUARTERLY ACTIVITIES REPORT – DECEMBER QUARTER 2021

Arcadia Minerals Ltd (ASX:AM7, FRA:8OH) (Arcadia, AM7 or the Company), the diversified exploration company targeting a suite of projects aimed at Lithium, Tantalum, Nickel, Copper and Gold in Namibia, is pleased to provide its quarterly activities report for the period ending December 2021.

HIGHLIGHTS

- **Corporate:** Arcadia lists on the Frankfurt Stock Exchange under ticker FRA:8OH
- **Bitterwasser Lithium Project:** Arcadia acquires neighbouring lithium clay project with a JORC resource of 15.1 million tons @ 828ppm Li and 1,79% K (at a cut-off of 680ppm Li)
- **Bitterwasser Lithium Project:** Arcadia commences 64-hole hand auger drilling program to test expansions of acquired lithium clays project
- **Bitterwasser Lithium Project:** Large clay sample dispatched to Anzplan in Germany for mineralogical and metallurgical test work
- **Swanson Tantalum Project:** Completed 83% for 907m of 1,100m drilling program.
- **Swanson Tantalum Project:** Assay results from 4 holes confirmed high grade intercepts with an average thickness of 2.31 m (from 1.40m to 3.67m) and a weighted average grade of 559 g/t Ta₂O₅(479 to 705 g/t Ta₂O₅)

SUMMARY OF MINING EXPLORATION FOR THE QUARTER

Swanson Tantalum Project

A total of 19 diamond boreholes, totalling 907,21m of the planned 27-hole, 1,100m program have been completed. Fifteen drillholes have been sampled and sent for analyses. Assayed drill cores confirm intercepts with an average thickness of 2.31 m (from 1.40m to 3.67m) and a weighted average grade of 559 g/t Ta₂O₅ (479 to 705 g/t Ta₂O₅).

Further information can be found in the ASX announcement dated 16 December 2021.

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Bitterwasser Lithium Project

LexRox Management Services (Pty) Ltd (LexRox), a South African company owned and operated by the executive directors of Arcadia, entered into an acquisition agreement (Acquisition Agreement) to acquire exclusive prospecting licences 5358, 5354 and 5353 on 1 February 2019. The licenses contain an inferred JORC Mineral Resource of 15.1 million tons @ 828ppm Li and 1,79% K (at a cut-off of 680ppm Li). Arcadia has taken cession, subject to approval by shareholders of the Company (as is required by Asx) of the Acquisition Agreement to acquire up to 100% of the licenses. No consideration in relation to the cession and assignment is to be paid by Arcadia or any of its associate companies to LexRox except to reimburse expenses amounting to \$18,000 associated with the preservation of the licenses and to keep the Acquisition Agreement in good standing.

In terms of the Acquisition Agreement, Arcadia's associate company Brines Mining and Exploration Namibia (Pty) Ltd has acquired the right to acquire up to 100% of the licenses for a total consideration of A\$263,000. Further consideration of A\$615,000 is to be paid at completion of a DFS over a Mineral Resource containing >500,000 tons of lithium carbonate equivalent arising from lithium-in-brines.

Further information can be found in the ASX announcement dated 3 November 2021.

Arcadia commenced with a 64-hole auger drilling program in December 2021, which program is primarily aimed at possibly extending the existing inferred JORC Mineral Resource located in only one of seven exposed pans, and which resource is from an area that represents approximately 6% of the total exposed clay pan surfaces at the project. A total of 143 drillhole samples consisting of 17 Quality Assurance & Quality Control (QA/QC) samples and 126 clay samples have been sent in mid-December to ALS Laboratories in Johannesburg, South Africa for analysis from the first 12 holes drilled up to end of the quarter.

In addition, a representative 153.7 kg clay sample from the upper lithium enriched clay horizon was collated from 5 boreholes and sent to Anzaplan in Germany for mineralogical and metallurgical test work.

Further information can be found in the ASX announcements dated 1 December and 20 December 2021.

Kum-Kum Nickel & PGE Project

Mineral Systems approach and VTEM survey results commenced in August 2021 are expected to be available in February 2022.

Karibib Copper Gold Project

No exploration was conducted on this project during the reporting quarter.

CORPORATE

In November 2021, the Company executed a dual listing on the Frankfurt Stock Exchange (DAX) with the Company's shares trading under ticker 80H.

On 22 December 2021, a total of 142,425 Chess Depositary Interests (CDIs) were released from mandatory escrow.

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FINANCIAL

During the Quarter, a total of \$748,781 was spent on activities related to the exploration and development of the Company's Projects. The Company has not incurred any expenditure for mining production activities during the Quarter.

Payments totalling approximately \$119,847 were made to related parties of the Company with respect to the Quarter, being director fees, consulting fees and leasing charges (see section 6.1 and 6.2 of the Accompanying 5B).

CAPITAL STRUCTURE AT 31 DECEMBER 2021

Description	Number
CDIs	85,500,100 ¹
Options	5,000,000
Performance Shares	8,550,000

USE OF FUNDS²

Arcadia Minerals provides the following disclosure required by ASX listing rule 5.3.4 regarding a comparison of its actual expenditure to date since listing on 25 June 2021 against the 'use of funds' statement in its replacement prospectus dated 15 April 2021.

Expenditure	Funds allocated under the prospectus	Actual to 30 December 2021	Variance
Swanson project	\$ 3,693,450	(\$1,024,524)	\$2,668,926
Kum-Kum project	\$ 716,100	(\$182,487)	\$533,613
Karibib project	\$ 488,400	(\$70,632)	\$417,768
Bitterwasser Project	\$ 468,050	(\$144,693)	\$323,357
Expenses of the offers	\$ 694,367	(\$770,784)	(\$76,417)
Working Capital	\$ 689,633	(\$376,034)	\$313,599
Total	\$6,750,000³	(\$2,569,154)	\$4,180,846

¹ Includes 50,507,600 issued securities unquoted at the date of this announcement. The securities are subject to ASX escrow with varying release dates.

² The use of funds statement was a statement of current intentions, investors should note that the allocation of funds set out in the table may change depending on a number of factors including the results of exploration, outcome of development activities, regulatory developments, market and general economic conditions.

³ Inclusive of Company existing cash reserve of \$350,000 raised between December 2020 and January 2021

TENEMENT TABLE: ASX LISTING RULE 5.3.3

Mining tenement interests held at the end of the quarter and their location.⁴

PERMIT NAME	PERMIT NUMBER	REGISTERED HOLDER	AREA IN HECTARES	PERMIT STATUS	PERMIT EXPIRY	INTEREST
Tantalite Project, Karas Region - Namibia						
Swanson	EPL5047	Orange River Pegmatite (Pty) Ltd	14 672	Active	03/06/2023	80%
Nickel Project, Karas Region - Namibia						
Kum-Kum	EPL7295	Orange River Pegmatite (Pty) Ltd	29 738	Active	28/04/2022	80%
Keimusmund	EPL6940		20 119	Pending Renewal	17/09/2021	
Copper Gold Project, Karibib Region - Namibia						
Goas	EPL4663	Goas Pegmatite Exploration (Pty) Ltd	40 979	Active	03/06/2023	68%
Lithium Brines Project, Hardap Region - Namibia						
Mbela	EPL7614	Brines Mining Exploration Namibia (Pty) Ltd	12 578	Active	18/11/2022	50%
Blokwater	EPL8101		87 902	Active	15/11/2023	
Lekkerwater	EPL8102		95 561	Active	16/11/2023	
Kentani	EPL8103		92 745	Active	15/11/2023	
Meerkat	EPL8104		55 108	Active	10/02/2024	

The mining tenement interests relinquished during the quarter and their location:

Nil

The mining tenement interests acquired during the quarter and their location:

Nil.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter:

Not applicable.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter:

Nil.

⁴ Prospecting Licenses 5358, 5354 and 5353, which are the subject of the acquisition announced on 3 November 2021, are excluded, until shareholder approval for the proposed transaction has been obtained pursuant to ASX Listing Rule 11.1.2.

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For the purpose of Listing Rule 15.5, this announcement has been authorised for release by the Board of Directors of Arcadia Minerals Limited.

For further information, please contact:

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Executive Chairman
ARCADIA MINERALS LIMITED
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APPENDIX 1 – MINERAL RESOURCE ESTIMATES

The Swanson and the Bitterwasser Projects contain JORC Mineral Resources.

At Swanson a JORC Mineral Resource of 1.2Mt at an average grade of 412g/t Ta₂O₅, 76g/t Nb₂O₅ and 0.29% Li₂O was announced on the 23rd of September 2021, which was derived from 23 drillholes completed in September 2020 over 3 pegmatites.

TABLE 1:

SWANSON TANTALUM PROJECT MINERAL RESOURCE (JORC 2012).

Classification	Pegmatite	Mass (kt)	Ta ₂ O ₅ (ppm)	Nb ₂ O ₅ (ppm)	Li ₂ O (%)
Indicated	D0	4.6	289	77	1.06
	D1	221.1	372	82	0.55
	D2	280.5	439	82	0.20
	F1	157.4	504	57	0.03
	Total	663.5	431	76	0.28
Inferred	D0	79.7	354	54	0.87
	D1	188.4	337	85	0.34
	D2	214.0	407	80	0.13
	F1	61.9	527	55	0.01
	Total	544.0	389	75	0.30
Indicated + Inferred	D0	84.3	351	55	0.88
	D1	409.5	356	83	0.45
	D2	494.4	425	81	0.17
	F1	219.2	510	56	0.02
	Total	1,207.5	412	76	0.29

At Bitterwasser a JORC Mineral Resource of JORC Mineral Resource of 15.1 million tons @ 828ppm Li and 1.79% K (at a cut-off grade of 680ppm Li) representing only 6% of the exposed clay pans was defined over one of seven clay pans. The Mineral Resource was announced on the 3rd of November 2021 and is contained over three exploration licenses, the licenses are subject of an acquisition that is conditional upon Arcadia shareholders' approval pursuant to ASX LR 11.1.2.

TABLE 2:

BITTERWASSER LITHIUM PROJECT MINERAL RESOURCE (JORC 2012).

Classification	Tonnage (kt)	Li Grade ppm	Contained Li (tonnes)	Lithium Carbonate Equivalent
Total Indicated	0	0	0	0
Total Inferred	15,100	828	12,503	66,929
Total Resources	15,100	828	12,503	66,929

For more details, please visit www.arcadiaminerals.global

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COMPETENT PERSONS STATEMENT & PREVIOUSLY REPORTED INFORMATION

The Company confirms that the information in this announcement that relates to Exploration Results at the Company's projects have previously been released to the ASX as disclosed in Table 3 and continue to apply and have not materially changed, and that it is not aware of any new information or data that materially affects the information that has been included in this announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Mineral Resources

The Company confirms it is not aware of any new information or data that materially affects the information included in the *01 September 2021 Arcadia Mineral Resource estimate* and all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 23 September 2021 (*Maiden JORC resource at Swanson Ta/Li Project*). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The Company confirms it is not aware of any new information or data that materially affects the information included in the *03 November 2021 Arcadia acquires adjacent lithium project with JORC Mineral Resources* and all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 03 November 2021. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement including those disclosed in Table 3.

TABLE 3: LIST OF ANNOUNCEMENTS DURING THE REPORTING QUARTER

Release Date	ASX Announcements.
03.11.2021	Arcadia acquires adjacent lithium project with JORC Mineral Resources
01.12.2021	Arcadia commences drilling program at its Bitterwasser Lithium Clays Project
16.12.2021	Drill results continue to impress at Swanson Tantalum Project
20.12.2021	Operational update: Bitterwasser Lithium Clays

DISCLAIMER

Some of the statements appearing in this announcement may be forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Arcadia operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Arcadia's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of Arcadia, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by the Company. Nor does this announcement constitute investment or financial product advice (nor tax, accounting, or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Arcadia Minerals Limited

ARBN 646 114 749

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(749)	(1,203)
(b) development	-	-
(c) production	-	-
(d) staff costs	(26)	(47)
(e) administration and corporate costs	(137)	(773)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(912)	(1,983)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period	5,093	6,164
4.1	Cash and cash equivalents at beginning of period	(912)	(1,983)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	-	-
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,181	4,181

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,181	5,093
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,181	5,093

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	120
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Director fees, consulting fees and equipment rentals to Directors in amount of A\$119,847</p>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(912)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(912)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,181
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,181
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: **N/A**

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 January 2022

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.