



ASX & Media Release

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ASX Symbol

ARL

Ardea Resources Limited

Suite 2 / 45 Ord St  
West Perth WA 6005

PO Box 1433  
West Perth WA 6872

Telephone

+61 8 6244 5136

Email

ardea@ardearesources.com.au

Website

www.ardearesources.com.au

Directors

Mat Longworth  
Non-Executive Chair

Andrew Penkethman  
Managing Director & CEO

Ian Buchhorn  
Executive Director

Executive Management

Sam Middlemas  
Company Secretary

Rebecca Moylan  
Chief Financial Officer

Matt Read  
Project Director

Alex Mukherji  
General Manager Land Access  
& Compliance

Mike Miller  
General Manager Technical  
Services

Matthew McCarthy  
General Manager Exploration

Issued Capital

Fully Paid Ordinary Shares  
171,894,772

Performance Rights  
6,690,000

Options  
4,000,000

ABN 30 614 289 342

## Ardea Kalgoorlie Nickel Project MOU with Sumitomo Metal Mining, Mitsubishi Corporation, and Mitsui & Co.

### Highlights

- Non-binding MOU signed with a Japanese Consortium consisting of Sumitomo Metal Mining, Mitsubishi Corporation, and Mitsui & Co. to develop the Kalgoorlie Nickel Project - Goongarrie Hub
- The Consortium is to first work with Ardea to define a scope of work for the Goongarrie Hub Definitive Feasibility Study
- The Consortium is to sole fund the Definitive Feasibility Study upon agreeing on the scope
- Future work is aimed at completing the Definitive Feasibility Study including various additional technical programs identified in the current Preliminary Feasibility Study, making a Final Investment Decision and securing project development funding for the Goongarrie Hub to become a globally significant producer of nickel-cobalt for the Lithium Ion Battery sector.

Ardea Resources Limited (**Ardea** or the **Company**) is pleased to announce that the Company has signed a non-binding Memorandum of Understanding (**MOU**) with Sumitomo Metal Mining Co., Ltd (**SMM**), Mitsubishi Corporation (**MC**), and Mitsui & Co., Ltd (**MBK**).

SMM is a pre-eminent Japanese nickel-cobalt laterite development and production company and together with Japan's two largest trading houses, MC and MBK will form the **Consortium**.

The MOU provides a framework for the Consortium and Ardea to negotiate a binding agreement to complete the Kalgoorlie Nickel Project (**KNP**) Goongarrie Hub Definitive Feasibility Study (**DFS**), make a Final Investment Decision (**FID**) and jointly secure project development funding to develop this globally significant nickel-cobalt resource.

### Managing Director and CEO Andrew Penkethman noted:

*"The Ardea Team will be working with well-regarded and experienced partners who recognise the global significance of the Kalgoorlie Nickel Project to the renewable energy supply chain and see the development advantages derived from our location within the best resources operating jurisdiction in the world.*

*Sumitomo Metal Mining are most successful in developing and operating nickel-cobalt laterite operations, whilst Mitsubishi and Mitsui have decades of project development and operations experience in Australia and globally.*

*Australia and Japan have particularly strong geopolitical alignment, with enduring successful business relationships. Japan has been integral to the development of Australia's iron ore, natural gas, and coal sectors for the benefit of both nations.*

*We look forward to Ardea and the KNP Goongarrie Hub joining the successful Australia and Japan project development model and welcome the contribution of the Consortium in developing Ardea's Battery and Critical Minerals projects."*



## MOU Key Points

Under the terms of the MOU, Ardea and the Consortium will work together to define a scope of work for the DFS and jointly complete this undertaking, with the Consortium funding the DFS upon the parties agreeing on the DFS scope before the end of Quarter 3, 2023.

Following the completion of the DFS, Ardea and the Consortium will work towards making a FID, and securing project development funding, with a focus on Australian and foreign Export Credit Agency long tenor, low interest rate debt.

The Consortium will look to ultimately earn a significant interest in a joint venture which will develop and operate the KNP Goongarrie Hub and will have certain off-take rights. The terms of a proposed joint venture have not been agreed and are to be negotiated between Ardea and the Consortium.

Ardea and the Consortium have agreed certain exclusivity arrangements, which end before the end of Quarter 4, 2023 (unless extended by agreement between Ardea and the Consortium), subject to transaction timelines being met. Under the exclusivity provisions, Ardea may continue discussions with other interested parties that have commenced due diligence under the Strategic Partner process until the Consortium completes its due diligence, with expected completion before the end of Quarter 3, 2023 (unless extended by agreement between Ardea and the Consortium).

Additional updates will be provided as Ardea and the Consortium advance their collaboration on the KNP Goongarrie Hub and on the outcome of the Consortium's due diligence.

## 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 low-grade 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.

## About Mitsui & Co., Ltd.

Mitsui & Co., Ltd. (MBK) is a global trading and investment company with a diversified business portfolio that spans approximately 63 countries in Asia, Europe, North, Central & South America, The Middle East, Africa and Oceania. Mitsui has about 5,400 employees and deploys talent around the globe to identify, develop, and grow businesses in collaboration with a global network of trusted partners. Mitsui has built a strong and diverse core business portfolio covering the Mineral and Metal Resources, Energy, Machinery and Infrastructure, and Chemicals industries. Leveraging its strengths, Mitsui has further diversified beyond its core profit pillars to create multifaceted value in new areas, including innovative Energy Solutions, Healthcare & Nutrition and through a strategic focus on high-growth Asian markets. This strategy aims to derive growth opportunities by harnessing some of the world's main mega-trends: sustainability, health & wellness, digitalization and the growing power of the consumer.



## Acknowledgements

Ardea acknowledges the Australian Trade and Investment Commission (**Austrade**) in its role as the Australian Government's international trade promotion and investment attraction agency and Export Finance Australia (**EFA**), Australia's Export Credit Agency. Discussions with these agencies have assisted in bringing the parties together for developing the KNP Goongarrie Hub.

Meetings between the parties have been taking place over the course of many months in Perth and Tokyo, and most importantly, on site in the City of Kalgoorlie-Boulder (whose support of the KNP over two decades we acknowledge). Due diligence included meetings at the nickel-cobalt resource site within the Shire of Menzies.

The Government of Western Australia (**WA**) WA Government Offices for international trade and investment in London and Tokyo along with the Department of Mines, Industry Regulation and Safety (**DMIRS**) and the Department of Jobs, Tourism, Science and Innovation (**JTSI**) have been supportive of Ardea and the KNP.

**The Hon Bill Johnston Minister for Mines and Petroleum; Energy; Hydrogen Industry; Industrial Relations noted:**

*"The Cook Government welcomes the signing of the MOU between Ardea and a consortium of prominent Japanese companies, including Sumitomo Metal Mining, Mitsubishi Corporation and Mitsui & Co., Ltd. The Western Australia Government recognises nickel as a critical mineral integral to the global decarbonisation effort.*

*As Australia's only, and the world's fifth largest producer of nickel, we look forward to such a resource being exploited in a responsible manner to the benefit of all Western Australians and many more people.*

*Of course, in-line with the Cook Government's battery and critical minerals strategy, we look on with keen interest at how the DFS progresses and the potential pathways assessed for downstream processing in Western Australia.*

*We wish Ardea and the Japanese Consortium well in their endeavours."*



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:

#### Andrew Penkethman

Managing Director and Chief Executive Officer

Tel +61 8 6244 5136

#### About Ardea Resources

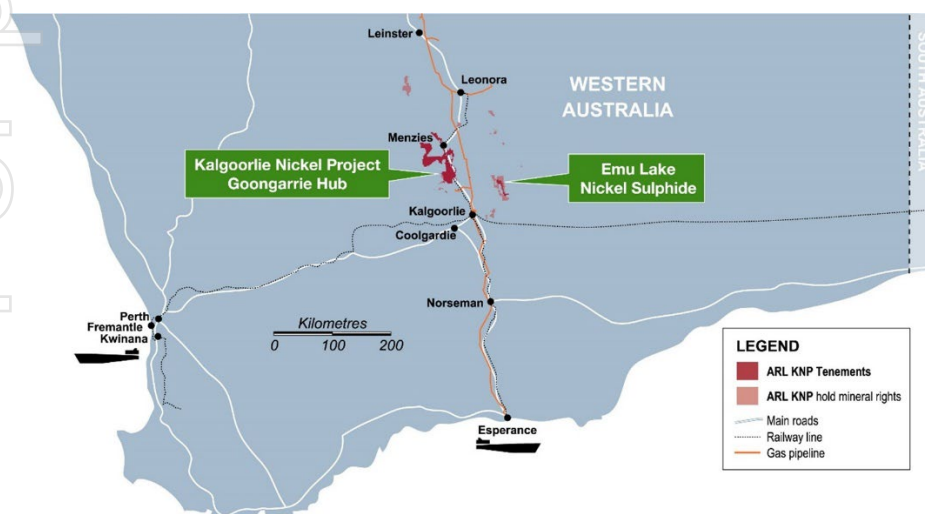
Ardea Resources Limited (ASX:ARL) is an ASX-listed nickel resources company, with a large portfolio of 100%-controlled West Australian-based projects, focussed on:

- 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 release 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.



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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)
<b>KNP TOTAL</b>		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
<b>GRAND TOTAL</b>		<b>Combined</b>	<b>854</b>	<b>0.71</b>	<b>0.045</b>	<b>6,101</b>	<b>386</b>

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