

ASX & Media Release

29 September 2023

ASX Symbol

ARL

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*Executive Director*Maree Arnason
*Non-Executive Director***Executive Management**Sam Middlemas
*Company Secretary*Rebecca Moylan
*Chief Financial Officer*Matt Read
*Project Director*Alex Mukherji
*General Manager Land Access*Mike Miller
*General Manager Technical Services*Matthew McCarthy
*General Manager Geology & Exploration***Issued Capital***Fully Paid Ordinary Shares*
194,661,915*Performance Rights*
6,690,000*Options*
4,000,000**ABN 30 614 289 342**

Ardea and Japanese Consortium Update on MOU

Highlights

- Non-binding MOU with a consortium (**Consortium**) consisting of Sumitomo Metal Mining, Mitsubishi Corporation, and Mitsui & Co., Ltd amended to extend the timing for completion of Definitive Feasibility Study (**DFS**) scoping, due diligence and Final Agreement.
- In accordance with the MOU, positive engagement continues between Ardea and the Consortium to scope the Kalgoorlie Nickel Project – Goongarrie Hub DFS.
- Recent Ardea tenement consolidation¹ at Goongarrie will facilitate an enhanced DFS development plan.
- As agreed in the MOU, the Consortium is to sole fund the DFS subject to agreeing on the scope and entering into a binding Final Agreement. In the interim, Ardea continues to advance time critical workstreams, such as season-dependent environmental surveys.
- Future work is 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 for the Lithium-Ion Battery sector.

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**), Mitsubishi Corporation (**MC**), and Mitsui & Co., Ltd (**Mitsui**) following the previously announced signing of a non-binding Memorandum of Understanding (**MOU**)².

Ardea and the Consortium have agreed to extend the timing for agreeing the DFS scope and the completion of the Consortium's due diligence under the terms of the MOU to the end of December 2023.

Ardea and the Consortium continue to negotiate a binding agreement to form a partnership to facilitate the completion of 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 and the Consortium continue to make sound progress on scoping the Definitive Feasibility Study and agreeing to terms for Final Agreements with technical and commercial meetings taking place in the City of Kalgoorlie-Boulder, Shire of Menzies, Perth and Tokyo.

Definitive Feasibility Study tender documents, once agreed upon between Ardea and the Consortium, will be sent to specialist service providers for quotes.

I'm excited for the future of Ardea to play a meaningful role in the global energy transition and see the development advantages derived from working with quality partners and our location within the best resources operating jurisdiction in the world.”

¹ Ardea ASX announcement 17 July 2023. ² Ardea ASX announcement 5 July 2023



Ardea and Japanese Consortium Update

Under the terms of the MOU, Ardea and the Consortium are productively working together to define a scope of work for the DFS, with the Consortium funding the DFS subject to agreeing on the scope and entering into a binding Final Agreement. Ardea and the Consortium have agreed to extend this timing until the end of December 2023 so as to maximise input from all companies and to incorporate the Goongarrie Hub tenement consolidation (which was completed subsequent to the original MOU with the Consortium being executed). In the interim, Ardea continues to advance time-critical workstreams, such as season-dependent environmental surveys.

As agreed under the MOU, following completion of the DFS, 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 are currently being negotiated between Ardea and the Consortium. This would result in the KNP Goongarrie Hub being in a strong position to progress towards FID, and secure project development funding, with a focus on competitive financing from Australian and foreign lenders including Export Credit Agencies.

As an outcome of the agreement to extend timing under the MOU, Ardea and the Consortium's exclusivity arrangements are to be completed by the end of Quarter 1, 2024. Under the MOU's exclusivity arrangements, 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, which is expected to be completed by the end of December 2023.

Final Agreements, including binding terms for full funding of the DFS, are expected to be executed by the end of Quarter 1, 2024.

It is clear that the Consortium has high technical and commercial standards, that when combined in a collaborative and positive way with Ardea's WA exploration and operations experience and local knowledge, should unlock the full potential of the KNP Goongarrie Hub.

Additional updates will be provided as Ardea and the Consortium advance their collaboration on the KNP Goongarrie Hub and on the final 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 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. (**Mitsui**) 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.

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

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About Ardea Resources

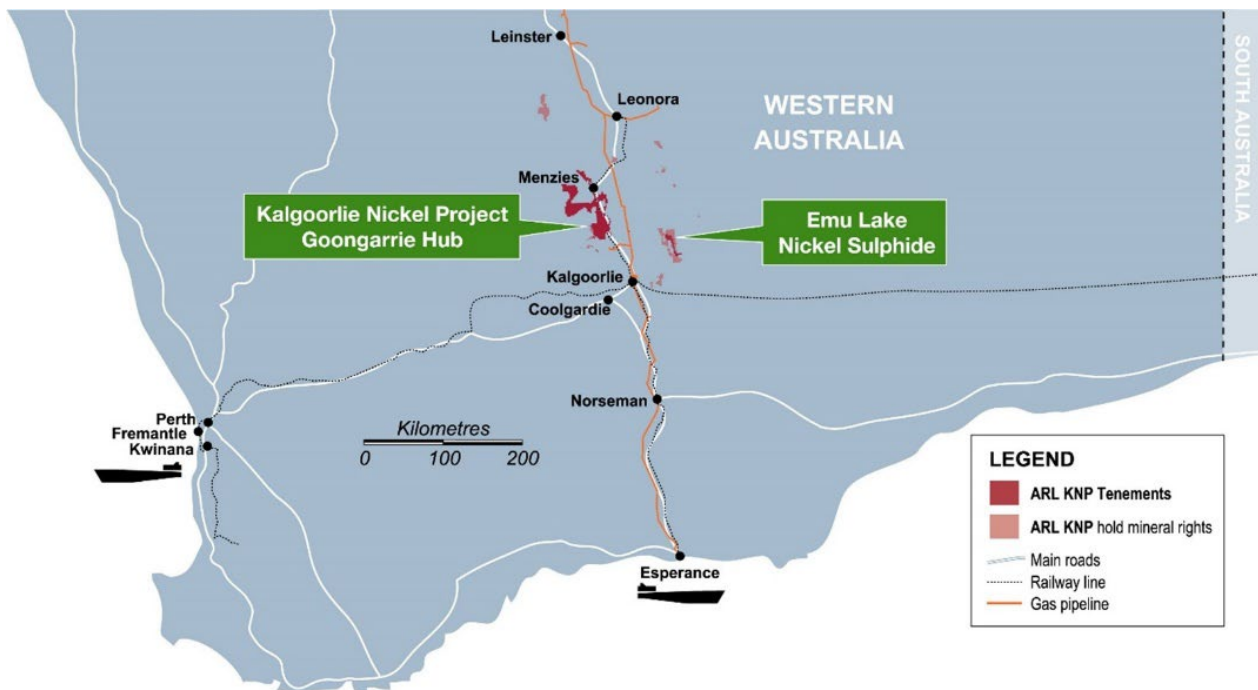
Ardea Resources Limited (ASX:ARL) is an ASX-listed nickel resources company, with a large portfolio of 100%-controlled West Australian-based projects, focussed on:

- 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 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 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 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.