Kalgoorlie Nickel Project – Goongarrie Hub DFS Update

Summary

- **Following review of the draft Definitive Feasibility Study (DFS) work completed to date, including by independent technical experts, Ardea and the Japanese Consortium (the Consortium) have agreed that a further phase of study work (the Pre-FEED Phase) should be undertaken to further optimise the DFS before the Project progresses to Front End Engineering and Design (FEED), subject to the execution of amendments to the joint venture agreements.**
- **The Pre-FEED Phase is expected to focus on capital and operating cost reductions and the value engineering opportunities identified to date, notably across resource domaining, material type geo-metallurgy, mining, open pit geotechnical, hydrogeology, metallurgy, process flowsheet and non-process infrastructure.**
- **Ardea and the Consortium are negotiating the scope, timing and funding of the Pre-FEED Phase, together with associated amendments to the Kalgoorlie Nickel Pty Ltd (KNPL) joint venture agreements and expect to conclude these agreements by the end of 2026.**
- **Ardea and the Consortium are committed to working together to advance the Goongarrie Hub Project and create value for all parties.**
- **The current DFS program (excluding the Pre-FEED Phase) has been fully funded by the Consortium under the agreed budget of A$98.5 million, of which approximately A$91.4 million had been expended as at 30 September 2026.**
- **The DFS will be finalised following completion of the Pre-FEED Phase. Accordingly, the previously advised timing and funding for completion of the DFS no longer applies.**
- **The Goongarrie Hub Project fundamentals, scope and strategic positioning remain strong, including its inclusion in the:**
  - **Australia-Japan joint statement,[1]**
  - **Japan-U.S. Critical Minerals Project Cooperation framework,[2]**
  - **Major Project Status,[3]**
  - **Investor Front Door inclusion,[4]**
  - **Lead Agency Status[5], and**
  - **Conditional A$1 billion of equivalent funding support from Export Finance Australia and U.S. EXIM[6].**
- **Ardea is concluding a scandium scoping study in relation to the Goongarrie Hub Project, and Ardea and the Consortium have agreed that a gold scoping study for the tenements on which Goongarrie Hub Project is located will also be conducted. The detailed terms on which the gold scoping study will be conducted is subject to continuing negotiations, as part of the amendments to the KNPL joint venture agreements.**
- **Ardea remains well funded, with approximately A$13.8 million in cash (excluding cash held by KNPL) and no debt as at 30 September 2026.**

Ardea Resources Limited (**Ardea** or the **Company**) (ASX: ARL) provides an update on the DFS for the KNP – Goongarrie Hub, further to its announcement of 3 June 2026. The DFS is being managed by KNPL, the incorporated joint venture company owned by Ardea (65%) and GH Nickel Pty Ltd (a joint venture between Sumitomo Metal Mining Co., Ltd and Mitsubishi Corporation, together the Consortium) (35%).

[1] Ardea ASX announcement 4 May 2026
[2] Ardea ASX announcement 23 March 2026
[3] Ardea ASX announcement 20 October 2025
[4] Ardea ASX announcement 9 April 2026
[5] Ardea ASX announcement 4 June 2026
[6] Ardea ASX announcement 5 February 2026

1. DFS Status

KNPL continues to complete DFS activities for the Goongarrie Hub based on a mixed sulphide precipitate (**MSP**) flowsheet, processing 3.5Mtpa through two 1.75Mtpa autoclaves[7].

Independent technical reviews of various areas of DFS workstreams completed to date have identified several opportunities to enhance the Project's capital and operating cost profile and overall operability. As advised in Ardea's announcement of 3 June 2026, these value engineering opportunities require additional study work before the DFS can be finalised.

Having considered the draft DFS work undertaken to date, Ardea and the Consortium have agreed that these opportunities should be evaluated and incorporated into the DFS before the Project progresses to FEED. The DFS will thus be finalised, and its outcomes reported to the market, on completion of the Pre-FEED Phase.

2. Pre-FEED Phase

The Pre-FEED Phase is expected to include:

- capital and operating cost reduction initiatives across the Project;
- mining studies optimisation, including mine design, bench height and mining fleet selection, and Mineral Resource material types, domaining and density;
- further and optimised hydrogeological and geotechnical studies;
- further metallurgical testwork and process flowsheet development;
- non-process infrastructure optimisation; and
- integration of renewable energy.

The objective of the Pre-FEED Phase is to deliver a DFS that provides a robust technical and financial foundation for the Project to progress to FEED. Subject to agreement between the parties, the work for the Pre-FEED Phase is expected to take approximately 9 months from commencement, which will follow the signing of the amendments to the joint venture documents. Further time may be required for independent review and review by Ardea and the Consortium.

3. Negotiations with the Consortium

Ardea and the Consortium are negotiating the scope, timing and funding of the Pre-FEED Phase, together with associated amendments to the KNPL Cooperation Agreement and Shareholders' Agreement.

Any agreement will be subject to the Consortium and Ardea obtaining their internal approvals and the parties entering into binding documentation with the parties targeting agreement before the end of 2026. Ardea will update the market in accordance with its continuous disclosure obligations.

4. Current DFS Program Funding and Interim Activities

The DFS program to date has been fully funded by the Consortium under the agreed budget of A$98.5 million. As at 30 September 2026, approximately A$91.4 million had been expended, with the remaining balance funding KNPL's current activities until the parties conclude the revised agreements for the Pre-FEED Phase.

During this period, KNPL continues to progress Project approvals, including the referral under the EPBC Act 1999, which is targeted for lodgement during the December 2026 Quarter, together with ongoing engagement with Traditional Owners and other stakeholders.

5. Scandium Scoping Study

Ardea's sole-funded Scoping Study[8] evaluating the recovery of scandium as a by-product of the Goongarrie Hub nickel-cobalt production is continuing and is expected to highlight the additional Critical Mineral potential of the project. This work is expected to be completed and summarised in a separate ASX announcement to be released in November 2026.

[7] See ARL ASX Announcement KNP Goongarrie Hub DFS Update 8 December 2025

[8] Ardea ASX announcement 3 June 2026

6. Gold Scoping Study

The Goongarrie Hub lies within the Bardoc Tectonic Zone, a regional structure hosting multiple million ounce gold deposits. Gold mineralisation in the area commonly occurs along the eastern contact of the Walter Williams Formation that hosts the nickel laterite mineralisation, which is also the preferred location for some of the Project's key infrastructure, including waste rock landforms. This includes the Big Four gold deposit, located immediately east of the Big Four nickel laterite deposit, which has a previously reported Mineral Resource Estimate (JORC 2012) (refer Ardea ASX announcement 14 May 2020).

Under Western Australian government policy, a gold deposit that meets the relevant economic criteria may not be sterilised by mining infrastructure. The evaluation of gold within the Project's development footprint is therefore an important input to mine planning and infrastructure siting for the Goongarrie Hub.

Ardea and the Consortium have agreed that a gold scoping study will be undertaken, led by Ardea, in parallel with the Pre-FEED Phase. The scoping study is expected to include:

- additional resource definition drilling at the Big Four gold deposit;
- drilling targeting extensions of known mineralisation and potential repeats under cover;
- evaluation of other gold prospects within the Goongarrie Hub development footprint;
- an updated gold Mineral Resource model; and
- pit optimisation, mine design and a high-level development plan.

The detailed terms on which the gold scoping study will be conducted is subject to continuing negotiations, as part of the amendments to the KNPL joint venture agreements.

7. Project Fundamentals Remain Strong

The Goongarrie Hub remains one of the largest undeveloped lateritic nickel-cobalt assets globally, with a Mineral Resource Estimate of 584Mt for 4.0Mt of contained nickel. The Project's strategic positioning, including its inclusion in the Australia-Japan joint statement, the Japan-U.S. Critical Minerals Project Cooperation framework, Major Project Status, Investor Front Door inclusion and the conditional A$1 billion equivalent funding support from Export Finance Australia and U.S. EXIM, remains unchanged.

Ardea remains in a strong financial position, with approximately A$13.8 million in cash (excluding cash held by KNPL) and no debt as at 30 September 2026.

Ardea and the Consortium are committed to working together to advance the Goongarrie Hub Project and create value for all parties.

Managing Director and CEO Andrew Penkethman, stated:

"The DFS work undertaken to date has given the Project partners a detailed understanding of the Goongarrie Hub and has identified clear opportunities to enhance the Project, including the capital and operating cost profile as well as to further evaluate the scandium and gold opportunity. Ardea and our Consortium partners share the view that capturing these opportunities before progressing to FEED is the right decision for the Project and for all stakeholders.

We are excited to be progressing our Project approvals, including the referral under the EPBC Act 1999, which is targeted for lodgement during the December 2026 Quarter.

The longer term plan is to continue advancing the Goongarrie Hub through the study phases, culminating in completion of FEED, concurrently with the expected time for key Project approvals to be granted, so that Ardea and the Consortium, can be in a position to make a Final Investment Decision.

We are working constructively with the Consortium to agree the basis for this next phase of work, and we look forward to updating shareholders as soon as we are in a position to do so. The Goongarrie Hub remains a long-life, strategically significant asset and we remain confident in its fundamentals."

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

Email: ardea@ardearesources.com.au

About Ardea Resources

Ardea (ASX:ARL) is an ASX-listed nickel development company in joint venture with Sumitomo Metal Mining and Mitsubishi Corporation to build, commission and operate a plus 30,000tpa multi-decade nickel cobalt operation[9]:

- 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 Australia and one of the largest in the developed World at 854Mt at 0.71% nickel and 0.045% cobalt for 6.1Mt of contained nickel and 386kt of contained cobalt. Within the KNP, the Goongarrie Hub has 584Mt for 4.0Mt of contained nickel (Consortium right to earn 50%) and Kalpini Hub has 270Mt for 2.1Mt of contained nickel (Ardea 100% unencumbered interest)[10], located in a jurisdiction with exemplary Environmental Social and Governance (ESG) credentials.
- Advanced-stage exploration at compelling nickel sulphide targets, such as Kalpini, and gold and Critical Minerals targets including scandium and Rare Earth Elements throughout the KNP Eastern Goldfields world-class nickel-gold province, with all exploration targets complementing the KNP nickel development strategy.

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Australian Federal Government - Major Project Status

KALGOORLIE NICKEL

[9] Ardea Pre-feasibility Study ASX announcement 5 July 2023. Ardea confirms that all the material assumptions underpinning the production target, continue to apply and have not materially changed.

[10] Ardea ASX release 30 June 2023

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, the outcome and timing of negotiations with the Consortium, 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 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:

KNP Hub	Resource Category	Size (Mt)	Ni (%)	Co (%)	Cont. Ni (kt)	Cont. Co (kt)
Goongarrie Hub[1]	Measured	18	0.94	0.085	171	15
	Indicated	277	0.70	0.046	1,923	127
	Inferred	289	0.67	0.037	1,951	108
Sub Total	Combined	**584**	**0.69**	**0.043**	**4,044**	**250**
Kalpini Hub including Yerilla Hub[2]	Measured	4	0.94	0.048	36	2
	Indicated	84	0.83	0.050	699	42
	Inferred	182	0.73	0.051	1,321	92
Sub Total	Combined	**270**	**0.76**	**0.050**	**2,056**	**136**
Kalgoorlie Nickel Project 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	**854**	**0.71**	**0.045**	**6,101**	**386**

1. The Goongarrie Hub is part of KNPL Incorporated Joint Venture. See 30 August 2024 ASX release, KNP Goongarrie Hub Joint Venture Transaction Completion with Japanese Consortium. The Goongarrie Hub Resources are reported on a 100% basis, with Ardea holding a 65% interest.
2. The KNP Kalpini and Yerilla Hubs are known collectively as the Kalpini Hub and remain a 100% owned Ardea asset.

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 announcement that relates to the Big Four gold deposit and the KNP has been previously released on the ASX platform by Ardea in ASX releases 14 May 2020 and 30 June 2023, respectively, in accordance with Listing Rule 5.8. The Ore Reserve information where shown in this ASX announcement 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 Estimates and Ore Reserve in the previous market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.