

Kalgoorlie nickel and cobalt play in line for \$1b government loan

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A little known nickel and cobalt play working on a major project near Kalgoorlie has secured \$1 billion in funding from the officials in Washington and Canberra as the Trump administration works on securing supplies of critical minerals and rare earths outside of China's influence.

Ardea Resources, which has a market capitalisation of just \$155 million despite a near 10 per cent jump in shares on Thursday, said the Export-Import Bank of the United States had indicated it could provide up to \$US350 million (\$500 million) for the Goongarrie nickel and cobalt project. Export Finance Australia would provide the other \$500 million.

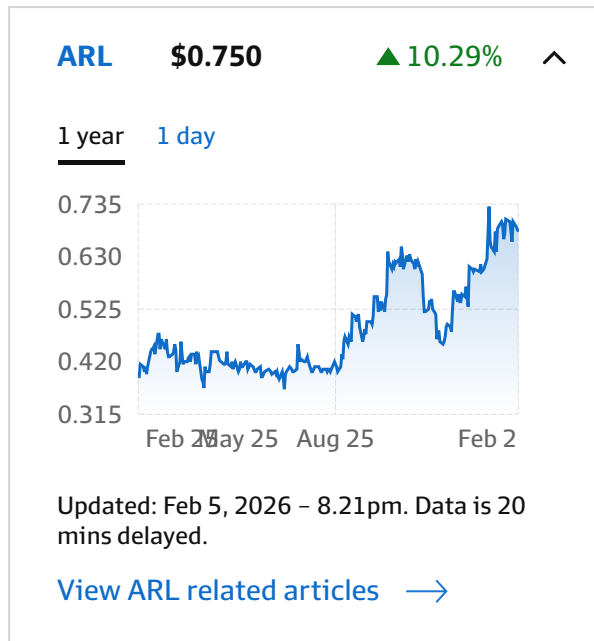


Nickel has been a major industry in Western Australia, but tough competition from Indonesian producers has shuttered many mines. Ardea Resources' Kalgoorlie project remains one of the few in development. **Bloomberg**

The combined \$1 billion will fund faster development of the site – a decision the group said reflected the mine's "strategic importance in developing global critical mineral supply chains among Australia and its partners, particularly for the battery, energy storage and electric vehicle sectors".

"We're the only western world nickel cobalt project of scale," said Andrew Penkethman, Ardea's managing director. "This shows our clear pathway to be able to secure long-term, cost competitive capital for a globally significant, critical minerals project."

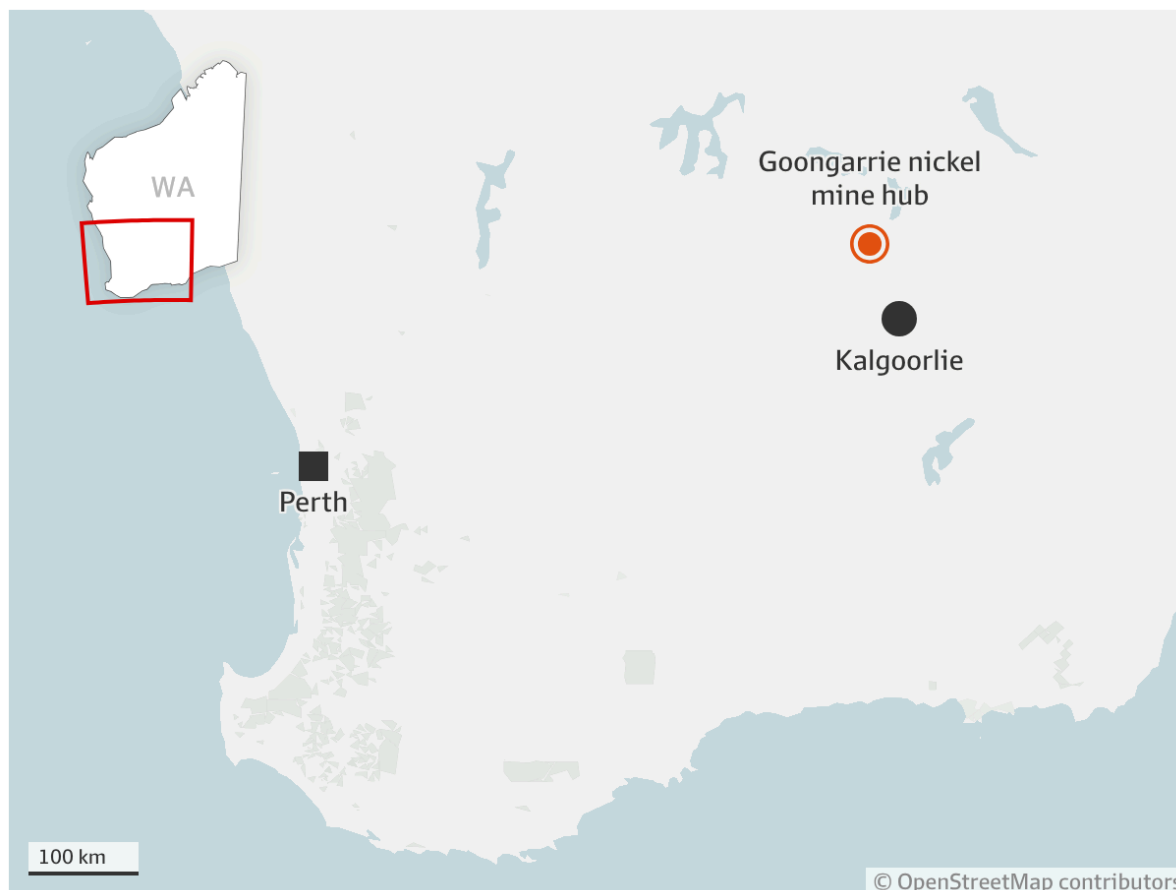
The miner, which is backed by Japanese conglomerates Mitsubishi and Sumitomo, expects to produce 30,000 tonnes of nickel and 2000 tonnes of cobalt annually, as well as an undefined amount of scandium. The company expects the cost to build Goongarrie will be around \$3 billion.

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High purity nickel is crucial to the manufacture of electric vehicles and energy storage batteries. However, the local nickel industry has been gutted over the past few years by lower cost producers in Indonesia.

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[\[https://www.afr.com/companies/mining/any-new-owner-should-sweat-mothballed-bhp-nickel-assets-opposition-20251002-p5mzjn\]](https://www.afr.com/companies/mining/any-new-owner-should-sweat-mothballed-bhp-nickel-assets-opposition-20251002-p5mzjn) operations into care and maintenance two years ago after a flood of cheaper, Chinese-backed product from Indonesia triggered a price plunge. The nickel price jumped late last year after Indonesia announced plans to slash production by a third.



Production from Ardea's Goongarrie hub could supply nickel and cobalt to customers outside of China, allowing the US to bypass Beijing.

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“The nickel demand is rising based on traditional uses such as stainless steel and more broadly, energy storage and lithium-ion batteries,” said Penkethman. “We’re making real progress, even in a backdrop of challenging nickel sentiment. When that sentiment inevitably turns, we’ll be perfectly placed because our the project’s

been advanced even in a downturn. We feel we can be cost competitive with Indonesia.”

Ardea is the eighth Australian critical minerals prospect to receive US backing, after the Export-Import Bank last October detailed around \$US2.2 billion of funding for seven developers, including mineral sands play RZ Resources, Arafura Rare Earths, and Latrobe Magnesium.

The backing is the latest move in a broader effort to break a reliance on Chinese production and processing of critical minerals

[<https://www.afr.com/companies/mining/us-pitch-for-rare-earths-minnow-helps-a-grand-ambition-20260121-p5nvro>], which are vital to the manufacture of almost all modern technology.

Governments are funding a raft of projects to speed up production and processing of rare earths, graphite, magnesium, titanium, and other elements to strengthen supply chains for the minerals.

US Vice President J.D. Vance said that the Trump administration would use tariffs to implement a price floor [<https://www.afr.com/world/north-america/vance-rubio-pitch-critical-mineral-price-floors-to-counter-china-20260205-p5nzpe>] for critical minerals – a move that would wrest some pricing control from Beijing, which uses its market power to squash higher-cost rivals. The proposal is also aimed at expanding production.

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“We want to eliminate that problem of people flooding into our markets with cheap critical minerals to undercut our domestic manufacturers,” Vance said, adding that Chinese producers had a history of undercutting prices for US critical minerals producers, forcing them out of the market. “Then [China] jacks up the price to a completely unfair level,” he said.

Last October’s deal between Prime Minister Anthony Albanese and US President Donald Trump involved both countries committing to invest a combined \$US8.5

billion [<https://www.afr.com/policy/foreign-affairs/albanese-and-trump-commit-to-8-5b-critical-minerals-pipeline-20251020-p5n3se>] to accelerate production and processing of rare earths outside of China.

“America is trying to create is an alternative supply chain and an alternative market in the face of a market in critical minerals that has failed because of the market dominance of one country,” said Resources Minister Madeleine King. “We do need to develop this alternative means of getting access to critical minerals and rare earths because of trade restrictions that have been in place and because these are the things we need for many everyday items.”

Ardea spent \$27.7 million over the six months to December 31, but raised \$24.7 million, according to its latest quarterly filings. At the time, it had about \$15.6 million remaining, with \$25.6 million in unused funding.

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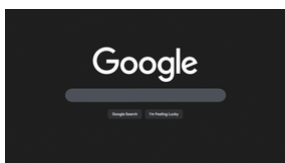
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