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Delivering Milestones



**Ardea**  
Resources Limited

ABN 30 614 289 342

**2024 Annual Report**



# Ardea Resources Limited

## Corporate Directory

### Directors

**Mathew Longworth**, (Non-Executive Chair)  
**Andrew Penkethman**, (Managing Director  
 and Chief Executive Officer)  
**Ian Buchhorn**, (Executive Director)  
**Maree Arnason**, (Non-Executive  
 Director)

### Company Secretary

Sam Middlemas

### Registered and Business Office

Suite 2, 45 Ord Street, West Perth  
 Western Australia 6005

PO Box 1433, West Perth  
 Western Australia 6872

Tel: (08) 6244 5136  
 Email: [info@ardearesources.com.au](mailto:info@ardearesources.com.au)

### Website

[www.ardearesources.com.au](http://www.ardearesources.com.au)

### Auditor

Dry Kirkness (Audit) Pty Ltd  
 (formerly Butler Settineri (Audit) Pty Ltd)  
 50 Colin Street  
 Perth WA 6005 Australia

### Share Registry

Automic Group  
 GPO Box 5193  
 Sydney NSW 2001  
 Tel: 1300 288 664 (within Australia)  
 Tel: +61 2 9698 5414 (international)  
 Web: [www.automicgroup.com.au](http://www.automicgroup.com.au)

### Stock Exchange Listing

The Consolidated Entity's shares are  
 quoted on the Australian Securities Exchange.  
 The Home Exchange is Perth.

**ASX Code:** ARL - ordinary shares



Australian Federal Government - Major Project Status

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Cover - Ardea reached a landmark Critical Minerals collaboration agreement with Sumitomo Metal Mining and Mitsubishi Corporation, together the Consortium.

Inside cover: Typical high grade goethite from Goongarrie South will be the dominant ore feed to plant. Goethite is soft, friable, with minimum energy requirements for the comminution circuit along with low acid consumption. These properties contribute to the low operating costs.



# Chairman and Managing Director's Letter to Shareholders

Dear Shareholders,

We are pleased to share with you the progress Ardea Resources Limited (Ardea or the Company) has made over the past year as we continue to advance our strategic land holding in the best resources operating jurisdiction in the world, the Eastern Goldfields of Western Australia.

One of the most noteworthy achievements during FY2024 was reaching a **landmark Critical Minerals collaboration agreement with Sumitomo Metal Mining Co., Ltd (SMM) and Mitsubishi Corporation (MC) (the Consortium)**, marking a major step forward for the Kalgoorlie Nickel Project (KNP) - Goongarrie Hub. Under this binding Cooperation Agreement, the Consortium will fully fund the KNP - Goongarrie Hub Definitive Feasibility Study (DFS) up to A\$98.5 million, earning a 35% interest in the Joint Venture (JV). Additionally, upon making the Final Investment Decision (FID), the Consortium will secure a further 15% interest in the JV and assist in optimising debt financing (ASX release 26 April 2024). The Transaction was subject to standard conditions precedent including Foreign Investment Review Board (FIRB) approval and the execution of a binding Shareholders' Agreement (SHA). Ardea received FIRB approval notification from the Consortium (ASX release 14 August 2024) and executed the binding SHA on 30 August 2024, thereby completing the Transaction (ASX release 30 August 2024).

Kalgoorlie Nickel Pty Ltd (KNPL), a 100% subsidiary of Ardea Resources, is the JV company managing the DFS, and drawing on substantial technical input from both Ardea and the Consortium. Key activities for the DFS have already commenced, and several work streams are well advanced. We have expanded the KNPL team to support these efforts and have awarded the major engineering contract for the process plant and utilities to Ausenco (ASX release 8 July 2024). This will ensure that our project remains on track and is executed to the highest standards.

The KNP Mineral Resource Estimate (MRE) continues to stand out as the largest in Australia and one of the largest in the world, is **854Mt at 0.71% Ni and 0.045% Co for 6.1Mt contained nickel and 386kt contained cobalt** (Table 1). Within the KNP, the Goongarrie Hub MRE sub-total is **584Mt at 0.69% Ni and 0.043% Co for 4Mt of contained nickel and 250kt of contained cobalt** (Table 1). A Pre-Feasibility Study (PFS) released on 5 July 2023, highlighted the Goongarrie Hub's potential to produce an average of **30,000 tonnes per annum (tpa) of nickel and 2,000 tpa of cobalt, supporting a mine life that exceeds 40 years**.

The PFS also revealed compelling financial metrics, including a **low C1 operating cost of US\$5,763 per tonne of nickel after cobalt by-product credits**. The cost competitive operating costs are expected to enable the project to compete with all global peers and operate throughout the commodity price cycle (ASX release 5 July 2023).

The project is projected to generate a robust average annual **EBITDA of A\$800 million over 40 years**, with a post-tax Net Present Value (NPV<sub>7</sub>) of A\$4,980 million, an Internal Rate of Return (IRR) of 23%, and a **payback period of just 3.1 years** (ASX release 5 July 2023).

Throughout the year, Ardea made significant progress in optimising the KNP tenure, including key tenement swap and consolidation initiatives.

The Company is well-funded, with no debt and a cash position of \$14M as of 30 June 2024. With issued capital of 199.7M shares, the Company maintains a disciplined capital structure.

Although the decline in nickel and cobalt prices over the past year has impacted the Ardea share price, the long-term demand for these future facing metals remains robust, driven largely by the continued growth of the stainless steel sector, electric vehicles and renewable energy technologies. With this context in mind, Ardea feels the timing to be completing the DFS and subject to a positive FID, project development, aligns well with growing nickel demand and the expected appreciation of the nickel price. Nickel-cobalt from the KNP - Goongarrie Hub is expected to be highly sought after as it will provide supply chain diversity, security and meet the high ESG standards expected from modern society.

As we look ahead, the Ardea team have laid solid foundations in FY2024 that will drive further success for your Company and all stakeholders, as we advance the KNP – Goongarrie Hub toward developing Australia's next large-scale, low-cost nickel-cobalt producer. We remain committed to delivering long-term value through the continued advancement and development of our world-class assets.

We sincerely thank our shareholders and all stakeholders for their ongoing support and extend our deep appreciation to the entire Ardea and KNPL teams for their exceptional efforts during this period.



**Mat Longworth,**  
Chairman  
Ardea Resources



**Andrew Penkethman,**  
Managing Director & CEO  
Ardea Resources



# Delivering Milestones

## Highlights Year Ending 30 June 2024



Ardea reached a significant milestone during the year, signing a binding Cooperation Agreement with a **Consortium consisting of SMM and MC**. The Consortium will fully fund the KNP - Goongarrie Hub DFS up to **A\$98.5M to earn a 35% interest in KNPL**. An additional 15% interest in KNPL will be issued on a FID where the Consortium will assist in optimising debt financing. To reach a FID requires all relevant approvals to be granted and project development funding to be secured, with a positive FID initiating project development. Post 30 June 2024, FIRB approval was received, and a binding SHA was executed, completing the Transaction<sup>4</sup>.



Key start-up activities for the DFS have commenced, with several DFS work streams already advanced. The KNPL team has been expanded, and the major engineering contract for the process plant and utilities component of the DFS has been awarded to Ausenco<sup>5</sup>.



KNP Total MRE, which is **854Mt at 0.71% Ni and 0.045% Co for 6.1Mt contained nickel and 386kt contained cobalt** (Table 1), is the largest in Australia and ranks highly worldwide. Within the KNP, the Goongarrie Hub MRE sub-total is **584Mt at 0.69% Ni and 0.043% Co for 4Mt of contained nickel and 250kt of contained cobalt** (Table 1).<sup>1</sup>



The PFS released on 5 July 2023, outlined the Goongarrie Hub's potential to produce an **average of 30,000 tpa nickel and 2,000tpa cobalt, supporting a mine life exceeding 40 years**<sup>2</sup>.



The PFS revealed a **low C1 Opex US\$5,763/t nickel after cobalt by-product credits**, along with a robust average annual EBITDA of **A\$800M over 40 years**. The project demonstrated a post-tax NPV<sub>7</sub> of A\$4,980M, with an IRR of 23% and a payback period of 3.1 years<sup>2</sup>.



During the year, Ardea completed key tenement swap and consolidation steps to optimise Goongarrie Hub tenure<sup>3</sup> held by KNPL, a 100% subsidiary of Ardea Resources. **KNPL is the vehicle for the KNP Goongarrie Hub JV and will manage the DFS, with significant technical input from Ardea and the Consortium.**

- 1 See ASX release 30 Jun 2023 and Table 1 of this Annual Report for MRE.
- 2 See ASX release 5 July 2023 for PFS detailed notes on the financial metrics which include inputs of US\$25,000/t nickel price, US\$60,000/t cobalt price and exchange rate of 0.67 AUD:USD. Direct cash cost excludes royalties and includes third party freight charges and cobalt credit.
- 3 See ASX release 17 July 2023 for Kalgoorlie Nickel Project - Goongarrie Hub Tenement Consolidation Announcement.
- 4 See ASX release 26 Apr 2024 for Cooperation Agreement Announcement along with FIRB ASX release, 14 August 2024 and SHA ASX release, 30 August 2024.
- 5 See ASX release 8 July 2024 for Kalgoorlie Nickel Project - Goongarrie Hub DFS Underway.

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Ardea's significant Cooperation Agreement with SMM and MC signed 26 April 2024 has already resulted in numerous personnel exchange visits between Australia and Japan. Ardea (Andrew Penkethman, far right), KNPL (Matt Read, second from right), MC and SMM personnel, at the SMM Niihama Nickel Refinery located 800km WSW of Tokyo, Japan.



# Activities Report

## Environmental, Social and Governance

In order to achieve excellence in sustainability, Ardea adheres to four key pillars that integrate all aspects of its operations:



### Governance

Our business is underpinned by a structured set of policies which reflect our ESG principles, which are at the core of our governance. Our strong leadership is ethical, transparent, honourable and sets the tone for Ardea's integrity and commitment.



### People

We aim for a respectful and inclusive workplace, where talent is developed and supported. We have put in place a framework to protect the health, safety and well-being of our team members. Nil lost time injuries, fatalities or high potential safety events during the reporting year.



### Community

We work closely with all stakeholders, with the aim that we make a positive contribution and maintain close ties with the communities in which we operate. During the year ~\$45,000 in funding was awarded to local initiatives, focused on the Eastern Goldfields education fund.



### Environment

We constantly work to understand and manage our impact on the environment and measure decisions that could affect the way we operate. During the year comprehensive baseline environmental surveys including Short-range endemic fauna studies for the Goongarrie Footprint were completed.

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Environmental, Social and Governance (ESG) considerations are at the forefront for Ardea and KNPL. Project designs and work practices are based on the Company minimising the project development footprint and CO<sub>2</sub> green-house gas emissions when in production. The proposed flowsheet has been enhanced for CO<sub>2</sub> mitigation in the neutralisation circuit through introducing an Atmospheric Leach (AL) circuit to assist in neutralising the High Pressure Acid Leach (HPAL) discharge. The AL circuit facilitates upgrade of the site acid plant utilisation and allows Ardea to generate its own site power requirements off-grid through burning elemental sulphur, without relying on fossil fuel for power generation.

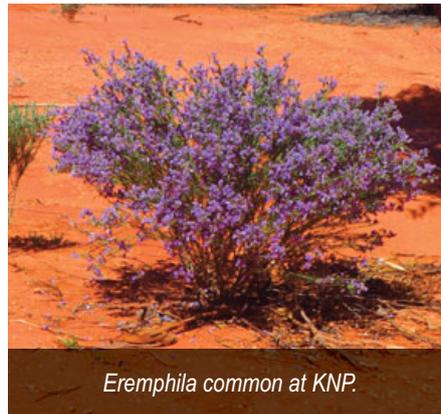
The flowsheet is further enhanced by Ardea's Research and Development (R&D) on KNP Goongarrie Hub ore materials which led to alternative flowsheet neutralising materials being identified within the planned nickel laterite pits rather than importing and using nickel-barren limestone or calcrete to neutralise acid waste streams, reducing the operation's carbon emission footprint by not having to import all carbonate neutraliser reagents. Ardea has named this material Mineralised Neutraliser (MN) (International Patent Application lodged). The MN material will be sourced from within the optimised open pits providing a low-cost neutralisation alternative to limestone from third-party suppliers, increasing ESG credentials and contributing 16% additional nickel metal-to-leach from the combined MN Fines in the AL circuit and MN Scats in the Neutralisation circuits (ASX release 5 July 2023).

Responsible sourcing of materials, through mechanisms such as mandatory reporting of CO<sub>2</sub> footprints for all batteries sold is essential. Traceability is also being implemented with raw materials used in batteries that must be procured according to OECD guidelines for sustainable sourcing (part of Ardea's FBICRC R&D, see following).

Ardea enjoys strong support from the communities in which it operates, primarily the City of Kalgoorlie-Boulder and the Shire of Menzies. The environmental setting, being the Great Western Woodlands, allows excellent post-mining rehabilitation and reforestation. Ardea's planned in-pit tailings disposal strategy, incorporating waste rock back fill, stockpiled topsoil, and finally progressive revegetation, minimises land disturbance and accelerates rehabilitation, concurrently with operations (Figure 6). Critically, at the Goongarrie Hub, mining and processing has no land-use conflict with agricultural activity.



*Bobtail Lizard at KNP.*



*Eremphila common at KNP.*



*Great Western Woodlands.*



Vehicle wrecks abandoned on Ardea tenure located near the Goldfields Highway by members of the public and other third-party rubbish was removed in conjunction with the Shire of Menzies and support from our long-term drilling contractor Kennedy Drilling. All historic and legacy Goongarrie South drill sites within the scheduled key production area have been rehabilitated. A similar campaign is current for the full Goongarrie Hub tenements.

During the past year, Ardea continued to engage with stakeholders, who are supportive of the Goongarrie Hub development and are looking forward to the contributions the operation can make to the local community through increased skilled job opportunities, training and enhancing community contributions. Stakeholder engagement also continued with the Western Australian Government, the Shire of Menzies and City of Kalgoorlie-Boulder in addition to on-going discussions with the Marlinyu Ghoorlie Native Title Claimants.

The Commonwealth, via agencies, such as Austrade, the Critical Minerals Office (CMO) and Major Projects Facilitation Agency (MPFA) continues to be updated with Ardea’s progress on its DFS. The MPFA will also work with Ardea in re-applying for Major Project Status which is due to expire after three years in March 2025. With Ardea already having Major Project Status, it will support future Commonwealth assistance and liaison with Federal and State approvals agencies.

In having a West Kalgoorlie Operations Office, Ardea and KNPL maintains a permanent presence and regular engagement with the communities within which the Company operates.

**ESG Compliance**

The Company completed its 2024 updated ESG assessment and reporting submission by internationally accredited Digbee ESG™. Final scoring showed the Company had significantly improved from its score in 2022 (BBB) towards the **A grade** of the score spectrum for both Corporate and the Kalgoorlie Nickel Project. As Ardea grows from exploration through to development and mining, it will continue to strive to achieve the highest possible, AAA rating (ASX release 9 May 2024).



There were nil Lost Time Injuries (LTI) recorded during the year. A Health Safety and Environment (HSE) Manager commenced during the year and has focused on review of all Occupational Health and Safety (OHS) policies, procedures and contractor safety documents, for use in both Ardea and KNPL. These include key management plans such as the Mine Safety Management Plan, Emergency Management Plan, Health Management Plan and Principal Mining Hazard Management Plan. Also planned is training and verification of competencies. An audit of the Mine Safety Management System based on the Association of Mining and Exploration Companies (AMEC) Audit Tool was completed. A presentation was made to the Consortium and Ardea Board on the progress of the Work Health Safety (WHS) management process and document development in June 2024.

With additional contractors mobilising to the KNP – Goongarrie Hub, the focus has continued to be on assisting them with the documentation and safety expectation of Ardea and KNPL for the works that they will complete on site.



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# Corporate Objectives

## Strategy

Ardea's priority is KNP nickel-cobalt laterite project development, commencing with the Goongarrie Hub, as a strategic, long life operation producing minerals for the lithium-ion battery (LIB) supply chain to further advance the transition to a low carbon future. To significantly advance this objective, Ardea signed a milestone Cooperation Agreement with a Consortium consisting of **Sumitomo Metal Mining Co., Ltd (SMM)** and **Mitsubishi Corporation (MC)** to form a Joint Venture to develop the KNP Goongarrie Hub. The DFS is currently underway.

Ardea's secondary priority is to maximise the complementary internal pipeline of Critical Mineral resource and exploration projects outside of the Goongarrie Hub, including the Kapini and Yerilla Hubs, within Ardea's strategic tenement holdings which provide future growth opportunities.

## Strategic Partner Process

In April 2024, Ardea executed a binding Cooperation Agreement to form an incorporated JV with SMM and MC to develop the KNP Goongarrie Hub. Under the Transaction, KNPL will manage the DFS process, with the Consortium providing 100% of the funding for the DFS up to a budget of approximately A\$98.5 million via staged equity contributions over approximately 18 months. Ardea and the Consortium will provide technical and commercial input into the DFS. At the conclusion of the DFS spend, the Consortium will have subscribed to a 35% ownership in KNPL and retain the right to increase its ownership in KNPL to 50% upon a positive FID by the Consortium. To reach a FID requires all relevant approvals to be granted and project development funding to be secured, with a positive FID initiating project development (ASX release 26 April 2024).

Ardea's collaboration with the Consortium is the **first Critical Minerals collaboration between Australia and Japan**, with the project expected to be a multi decade (>40 years), low cost source of nickel-cobalt that provides supply chain diversity, security and meets the high ESG standards expected from Australia and Japan (ASX releases 26 April 2024 and 5 July 2023). The Transaction was subject to standard conditions precedent including view FIRB approval and the execution of a binding SHA. Ardea received FIRB approval notification from the Consortium (ASX release 14 August 2024) and executed binding SHA on 30 August 2024, thereby completing the Transaction (ASX release 30 August 2024).

Ardea also continued engagement with other parties who have expressed interest in the Kalpini Hub, incorporating Kalpini, Bulong and Yerilla Projects. Securing off-take is the primary driver for all Strategic Partner engagements, with these rights only available if there is a project equity investment and critically, helping to secure project development finance.

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### Ardea, Sumitomo Metal Mining and Mitsubishi Corporation to form a Joint Venture to develop the KNP Goongarrie Hub

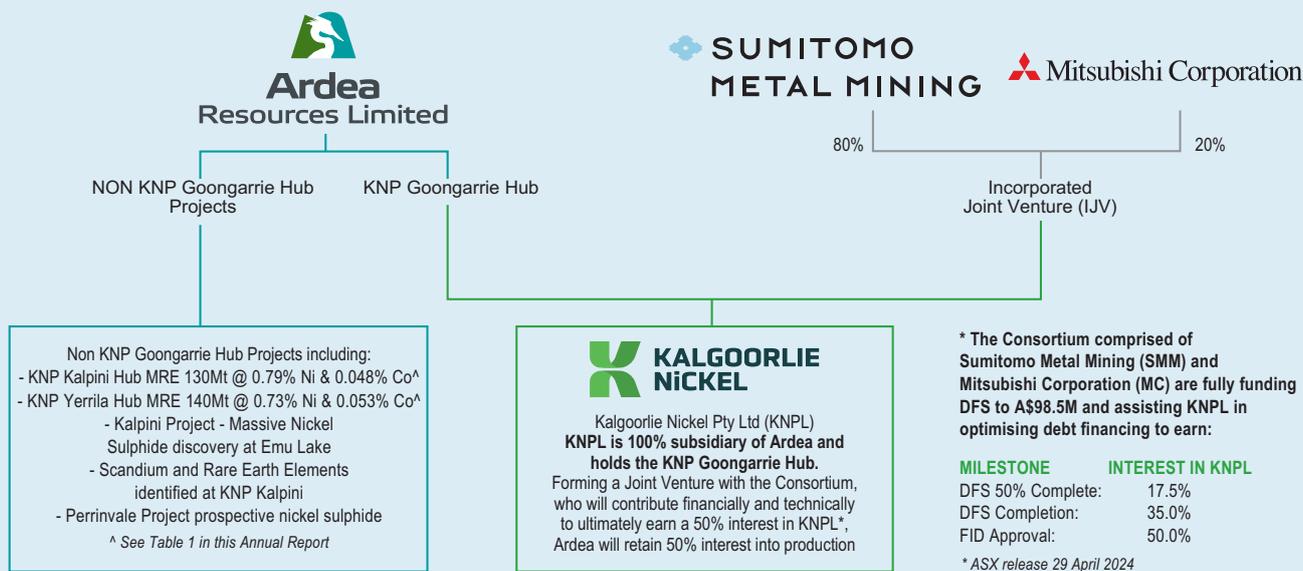


Figure 2: Structure of proposed JV



## Nickel Market Commentary

The nickel market is currently experiencing a dynamic period, driven by several key factors. Demand for nickel, particularly in the production of electric vehicle (EV) batteries and large scale energy storage, is on the rise as the global shift towards green energy continues to gain momentum. Nickel is a critical component in lithium-ion batteries, and as EV and energy storage adoption accelerates, so does the demand for high-purity nickel.

However, the market is also facing challenges. Supply chain disruptions and geopolitical tensions have caused volatility in nickel prices. Additionally, the ramp-up of nickel production from new projects, particularly in Indonesia, is influencing market supply dynamics. The market is closely watching these developments, as well as the ongoing efforts to ensure environmentally responsible nickel production.

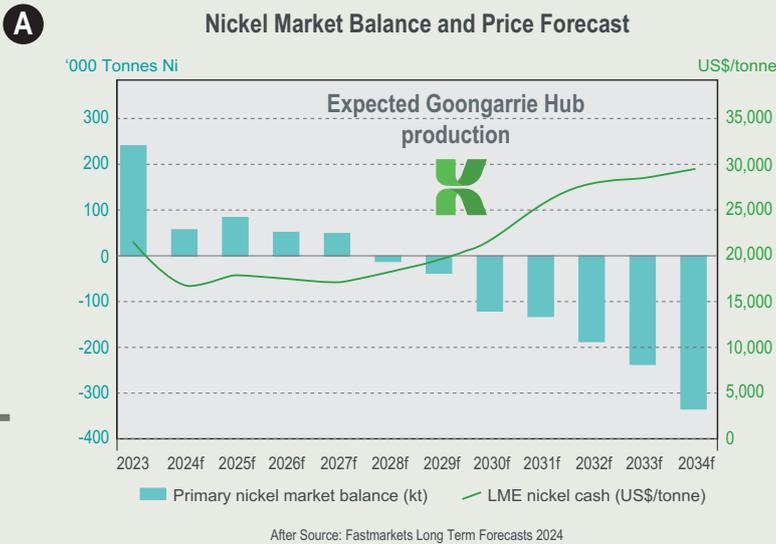
In the long term, the outlook for nickel remains strong, with analysts predicting continued growth in demand, driven by the electrification of transportation and the ongoing development of renewable energy infrastructure. However, the market will need to balance this growing demand with the challenges of supply and sustainability.

Security and diversity of nickel supply is imperative, particularly from jurisdictions, such as Western Australia that consistently meet high the ESG standards expected from modern society. Ardea feels that the in progress Goongarrie Hub DFS, and development and production plans are perfectly timed to bring online Australia's next large scale, low cost nickel-cobalt producer as the nickel market moves back into deficit.

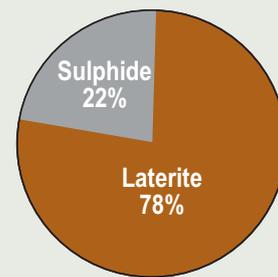
### KNP Goongarrie Hub PFS - defined low cost nickel and cobalt production

KNP Goongarrie Hub July 2023 PFS defined low Opex after Cobalt credit of US\$5,763/t Ni in MHP LOM (ASX release 5 July 2023) which compares well with global peer operating costs and lower than most sulphide producers.

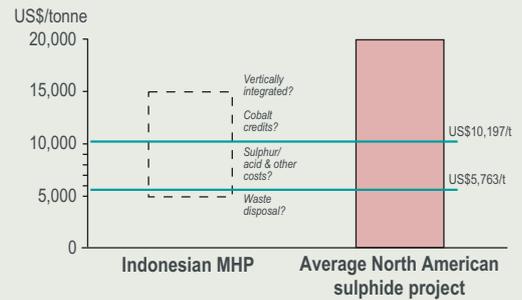
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### B Share of 2023 nickel production by ore type



### Approximate Ni production costs by route



Courtesy of Benchmark Mineral Intelligence © 2024  
 Data: Benchmark Nickel Forecast  
 ARL LOM C1 Cost incl Co credit US\$5,763/t  
 ARL LOM C1 Cost exc Co credit US\$10,197/t

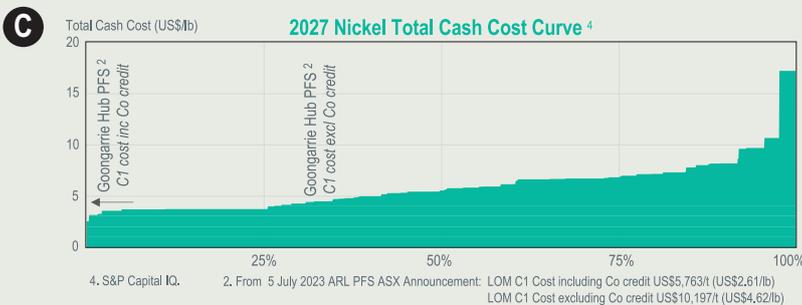


Figure 3:

- A) Nickel Market and Price Forecast (Source Fastmarkets Long Term Forecasts 2024).
- B) Average Ni production cost by route (Source Benchmark Mineral Intelligence - Benchmark Nickel Forecast).
- C) 2027 Nickel Total Cash Cost curve (Source S&P Capital IQ).



# Kalgoorlie Nickel Project - Goongarrie Hub

## Overview

The Goongarrie Hub is located 70km northwest of the mining centre the City of Kalgoorlie-Boulder and is the premium ore feed within the broader KNP (Figure 4). Resources from the Goongarrie, Highway and Siberia North nickel-cobalt laterite deposits are planned to be the base load feed for a processing operation located at Goongarrie South.

The mineral resources at Goongarrie are dominantly the premium goethite style and extend continuously over 25km of strike and at Highway, 30km north, over a strike length of 10km (Figure 5). All key Goongarrie Hub mineral resources are located on granted mining leases and tenure 100%-controlled by Ardea.

The project also has ready access to high-quality infrastructure with the Goldfields Highway, rail line, fibre optic cable and power infrastructure passing through the project area. The Goldfields gas pipeline is located some 30km to the east and there are two port options, these being Esperance and Kwinana, that are well serviced by the KNP road and rail network.

Significantly, the KNP is located on the rail connection to the developing battery hub at the Port of Kwinana industrial area immediately south of Perth, as well as east to Port Augusta and developing low-carbon energy hubs on the eastern Australia seaboard.

Ardea is actively engaged with Federal and State agencies and statutory authorities who are coordinating the push for a downstream battery industry within Australia through "Team Australia" and the State of Western Australia through "Team WA".

All the Lithium-Ion-Battery (LIB) feedstocks, including nickel and cobalt, are available in Australia, and Western Australia in particular, at the scales required for World-significant green energy centres of excellence.

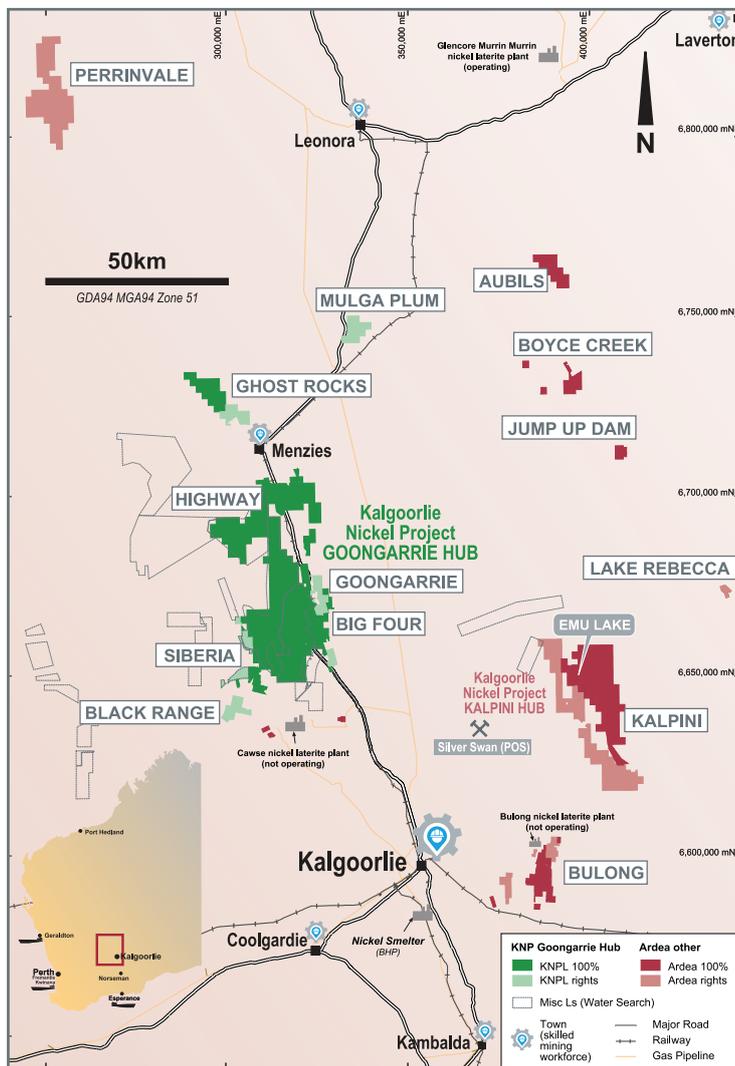


Figure 4: KNP location plan. Projection GDA94 Zone 51.



KNP Goongarrie Hub is well serviced by high-quality infrastructure such as Goldfields Highway and rail line passing through the project.

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## Pre Feasibility Program

On 5 July 2023 ASX release 'KNP Goongarrie Hub Ore Reserve and Feasibility Study Defines +40 Year Operation with Strong Financial Metrics' provided multiple PFS Highlights, including:

- Ore Reserve – **194.1Mt at 0.70% Ni and 0.05% Co for 1.36Mt of contained nickel and 99,000t of contained cobalt.**<sup>1</sup>
- Mining optimisation studies have projected production of ~ **30,000t of nickel and 2,000t of cobalt per year for more than 40 years.**<sup>1</sup>
- Conventional low-cost open pit mining methods result in mining costs comprising less than 12% of total operating cost with a very low strip ratio at an average of 1.5 for the first 35 years of mine life.<sup>1</sup>
- The project generates<sup>2</sup>:
  - o Pre-tax NPV<sub>7</sub> of A\$7,625M and IRR of 30%
  - o Post-tax NPV<sub>7</sub> of A\$4,980M and IRR of 23%
  - o Average **Annual EBITDA of A\$800M**
  - o **Project pay back within 3.1 years**
- Direct cash cost after Co by-products of US\$5,763/t Ni in MHP over life of mine.<sup>2</sup>
- Total capital cost of A\$3,117M, including process plant and infrastructure cost of A\$2,264M and sulphuric acid, steam, and power plant cost of \$574M.<sup>2</sup>
- ESG credentials strengthened with Mineralised Neutraliser and In-pit tailings disposal among initiatives to minimise environmental footprint.<sup>3</sup>

The PFS base case design featured two x 1.5Mtpa Goethite HPAL autoclaves. Acid, heat and energy balance is facilitated with the AL circuit with 0.3Mtpa Mineralised Neutraliser Fines, 0.15Mtpa Grind AL and 0.05Mtpa Bene AL feed.

The KNP flowsheet followed a proven hydrometallurgical route for treating nickel and/or cobalt laterite ore. It produces mixed nickel-cobalt hydroxide precipitate (**MHP**) filter cake, from goethite and minor saprolite ores.

1 See Section 5 of the 5 July 2023 PFS release and Table 2 of this Annual Report for detailed Ore Reserve table  
 2 See Section 14 of the 5 July 2023 PFS release for detailed notes on the financial metrics which include inputs of US\$25,000/t nickel price, US\$60,000/t cobalt price and exchange rate of 0.67 AUD:USD. Direct cash cost excludes royalties and includes third party freight charges and cobalt credit.  
 3 See Section 13 of the 5 July 2023 PFS release for discussion on Life Assessment Cycle

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## KNP Goongarrie Hub Work Streams

Ardea's focus remains the development of the KNP – Goongarrie Hub, which is managed by KNPL who is undertaking the Goongarrie Hub DFS.

After the release of the July 2023 PFS, the focus was concluding the Strategic Partner Process with the Consortium. This was achieved by the signing of the Cooperation Agreement on 26 April 2024 and all conditions precedent being on completed on 30 August 2024, resulting in Transaction completion. The Joint Venture vehicle, KNPL commenced the KNP Goongarrie Hub DFS in May 2024.

Key activities undertaken during the 2024FY to enable KNPL to deliver the DFS, include:

- Pre-DFS work included studies on water supply sources, along with mine dewatering strategy and designing the Measured Resource and five-year production profile, including infill drill hole spacing and metres to be drilled for the DFS.
- DFS readiness workstreams, including document drafting, bid assessment and budget compilation.
- KNPL DFS Owner's Team recruitment.
- Relocated the KNPL team to a new and independent West Perth office with IT hardware and systems, software rollout.
- Significant progress on the commercial terms and conditions negotiations with key consultants.
- Process plant and utilities DFS engineering contract awarded to Ausenco (ASX release 8 July 2024).
- Ausenco commenced work on trade off studies and design criteria.
- Reviews on the pre-DFS mining schedule with mining consultant Orelogy.
- Commenced DFS process test work and process design updates. The DFS will evaluate increasing processing capacity from 3.5Mtpa (PFS) to 4Mtpa, through reducing residence time in the autoclaves from 70 mins to 60 mins (metallurgy testwork results as low as 40 mins – ASX release 24 July 2018).
- Commenced the Measured Resource infill drilling program to upgrade nickel-cobalt laterite resources to Measured category for the first five-year open pits (888 RC holes for 51,745m).
- Commence mine geotechnical and mine hydrogeological field investigations.
- Commence bore water supply pumping and piping design.
- Commence construction camp design.
- A detailed approval tracker for Program of Work applications has been created.
- Mineral Resource updates in progress with work on geology domain interpretations for DFS resource estimates, to be finalised after the Measured Infill drilling program is completed.



*Infill drilling program at Goongarrie Hub*

## Processing Research and Development

The Ardea FY2024 R&D is based upon metallurgical experiments aimed at optimising the plant performance, product range and hence revenue streams from the KNP and its Goongarrie Hub. This is fundamental to delivering the KNP as a world-competitive Critical Minerals project.

### Global Patent Application – Mineralised Neutraliser.

Ardea lodged patent applications in Australia (AU2022903389) on 11 November 2022, and with the World Intellectual Property Office (WIPO) on 13 June 2023: PCT/AU2023/050520 relating to the use of Mineralised Neutraliser in the Ardea process. Mineralised Neutraliser was a key innovation of the 5 July 2023 PFS, and remains a key workstream in the DFS, with selective ore processing paths to add to both ESG credentials and to recovered metal.

### Scandium and Rare Earth Elements

CSIRO-Ardea continued conceptual nickel sulphide and hydrothermal alteration target concepts at the Highway Nickel Prospect pursuant to an Exploration Incentive Scheme (EIS) jointly State government/Ardea funded diamond core hole ASX release 15 December 2023). Based on the EIS research, it is planned that DFS drilling at Highway will include a multi-element assay suite to quantify the potential Sc-REE-Lithium-Caesium-Tantalum (LCT) potential, as well as better define the Mineralised Neutraliser role in the plant.



**Future Battery Industries – Cooperative Research Centre (FBICRC)**

Ardea continues to support the FBICRC developments and have monitored progress over the year to 30 June 2024. No specific requests for material or intellectual support were received during the period.

**Australian Research Council**

In September 2022 Ardea became one of the sponsors of the Australian Research Council's (ARC) Industrial Transformation Training Centre in Critical Minerals. During April 2024 a proposed PhD project was sent to Ardea for review.

**Bench-scale Metallurgy**

Bench scale metallurgical testing has been planned and commenced for the initial stages of the DFS study. Initial testing has focused on leaching tests for the goethite (limonite) and magnesian (sapolite) ores.

Testwork for the ore preparation has been scoped and is being conducted by an accredited Perth-based laboratory. The testwork is mainly intended to generate the leach feed samples for the downstream testing. However, information about milling characteristics of the ore and potential for selective upgrading of the coarse fractions by differences in the grind response for different minerals (e.g. goethite versus silica). The testwork commenced in July 2024.

**Flowsheet Research and Development**

Beneficiation bench scale testwork from the Vale Inco PFS in 2008 was revisited to identify additional opportunities. The data was compiled into a single Excel file and analysed using "Bene Rules" adopted during the mine scheduling work completed both as part of the Ardea 2023 PFS and early DFS work.

This knowledge is being used to ratify the Bene Rules (especially cut-off grades and criteria for selecting processing options for a given ore block). Once the Bene Rules have been finalised, regression equations to predict processing outcomes for each ore block (based on head grade and the Bene Rules criteria) will be tested. If successful, this may improve the accuracy of the mine model and improve the overall resource utility.

An Ore Preparation circuit configuration has been proposed. The overall circuit is to consist of 3 x ore preparation trains; two of these (goethite trains 1 & 2) will have the same design and be capable of processing either grind or beneficiable HPAL ore feeds. The other train will process magnesian AL ore feed and Mineralised Neutraliser on a campaign basis.

**SysCAD**

The SysCAD engineering design model forms the basis of the process mass and energy balance and is an important input to engineering design activities such as mechanical equipment identification and sizing. This will cover the front end of the circuit, including the proposed changes to the HPAL residence time from 70 to 60 minutes.

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*Kennedy Drilling commencing 40m x 40m infill drilling program at Goongarrie Hub.*



**Engineering**

The major engineering work for the Process Plant has been awarded to Ausenco Engineers. Various workshops and presentations have been conducted to bring all parties up to speed. The Work Breakdown Structure (WBS) is now agreed and being used. The Block Flow Diagram (BFD) has been released. Some aspects of the BFD will need to be confirmed during the ongoing metallurgical testwork. KNPL will be reviewing the Ausenco PFD markups, which will be used for the SysCAD design.

**Geology**

The Infill RC drill program to upgrade nickel-cobalt laterite resources to Measured category for the first 5-year open pits (888 holes for 51,745 m on a 40x40 m spacing) commenced at Big Four (16,215m planned) in early July (ASX release 4 July 2024). The program is being completed by Kennedy Drilling, initially with one RC rig to end of August. Site contractors (2x Geologists and 2x Field Assistants) are supporting the program on alternate rosters, assisted by a Principal Contract Geologist on a campaign roster.

Kennedy Drilling and KNPL geologists and field assistants will camp on site at Goongarrie South during the initial period. Once multiple drill rigs are operating, then KNPL and its contractors will be based in Kalgoorlie, and travel to/from site daily via a coach bus.

Geotechnical drilling for pit design slope parameters by consultants PSM is scheduled to commence September 2024.

**Resource Workflows**

Resource workstreams have been a focus during the year with current focus being pre-DFS work, preparing for the Infill RC drill program and updated Mineral Resource Estimates. An important Resource workflow is the Interpretation of the DFS mineral resource wireframes at Goongarrie South and Big Four using a combination of geochemistry and logged geology. The QAQC procedure for the Infill drill program was reviewed, with new assay standards selected appropriate for lithologies to be intersected. The importance and upside of ore type and path through the plant as identified in the PFS is driving this work.

A high-level review of the current RC/diamond core twin hole datasets and existing density data was undertaken to aid in planning of the DFS Diamond Drilling program. Diamond core and RC chips were selected from representative areas at Goongarrie South and Highway and reviewed in Kalgoorlie with the site geologists.

The KNP MRE (using a 0.5% Ni cut-off grade) stands at **854Mt at 0.71% Ni and 0.045% Co for 6.1Mt of contained nickel and 386kt of contained cobalt** (Table 1). All the resources are constrained within optimised pit shells using appropriate nickel and cobalt prices, mining and processing costs and pit slope parameters to determine the material that could potentially be economically mined in the future. The Mineral Resource has been estimated and reported in accordance with the guidelines of the 2012 edition of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code (2012).

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*AGSD0016 Core from Goongarrie South being reviewed by KNPL Geologists.*



Table 1 - Updated KNP nickel and cobalt MRE based on a greater than 0.5% Ni cut-off grade. Minor discrepancies may occur due to rounding of appropriate significant figures. Legend: LUC – Local Uniform Conditioning; UC – Uniform Conditioning; OK – Ordinary Kriging. (ASX release 30 June 2023)

Camp	Resource Category	Tonnes (Mt)	Ni (%)	Co (%)	Contained		Estimation Details Method, Source, Year		
					Ni (kt)	Co (kt)			
Goongarrie	Goongarrie South	Measured	18	0.94	0.085	171	15	LUC, Ardea, 2021	
		Indicated	82	0.71	0.049	584	40	LUC, Ardea, 2021	
		Inferred	10	0.64	0.033	61	3	LUC, Ardea, 2021	
	Highway	Indicated	71	0.69	0.038	487	27	LUC, Ardea, 2023	
		Inferred	21	0.67	0.040	141	8	LUC, Ardea, 2023	
	Ghost Rocks	Inferred	47	0.66	0.042	312	20	OK, Snowden, 2004	
	Goongarrie Hill	Indicated	40	0.65	0.037	259	15	LUC, Ardea, 2021	
		Inferred	29	0.60	0.025	176	7	LUC, Ardea, 2021	
	Big Four	Indicated	49	0.71	0.047	346	23	LUC, Ardea, 2021	
		Inferred	14	0.68	0.043	96	6	LUC, Ardea, 2021	
	Scotia Dam	Indicated	12	0.71	0.065	82	7	LUC, Ardea, 2021	
		Inferred	5	0.72	0.043	37	2	LUC, Ardea, 2021	
	<i>Goongarrie Subtotal</i>		<i>Measured</i>	<i>18</i>	<i>0.94</i>	<i>0.085</i>	<i>171</i>	<i>15</i>	
			<i>Indicated</i>	<i>253</i>	<i>0.69</i>	<i>0.044</i>	<i>1,758</i>	<i>112</i>	
		<i>Inferred</i>	<i>127</i>	<i>0.65</i>	<i>0.037</i>	<i>823</i>	<i>47</i>		
		<i>Combined</i>	<i>398</i>	<i>0.69</i>	<i>0.044</i>	<i>2,753</i>	<i>175</i>		
Siberia	Siberia South	Inferred	81	0.65	0.033	525	27	OK, Snowden, 2004	
	Siberia North	Indicated	14	0.72	0.042	102	6	Ni(UC) Co(OK), Snowden, 2009	
		Inferred	72	0.74	0.034	534	25	Ni(UC) Co(OK), Snowden, 2009	
	Black Range	Indicated	9	0.67	0.090	62	8	OK, HGMC, 2017	
		Inferred	10	0.69	0.100	68	10	OK, HGMC, 2017	
	<i>Siberia Subtotal</i>		<i>Indicated</i>	<i>24</i>	<i>0.70</i>	<i>0.061</i>	<i>165</i>	<i>14</i>	
		<i>Inferred</i>	<i>163</i>	<i>0.69</i>	<i>0.038</i>	<i>1,127</i>	<i>61</i>		
		<i>Combined</i>	<i>186</i>	<i>0.69</i>	<i>0.040</i>	<i>1,292</i>	<i>75</i>		
KNP Goongarrie Hub	<b>TOTAL</b>	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		
		<b>Combined</b>	<b>584</b>	<b>0.69</b>	<b>0.043</b>	<b>4,044</b>	<b>250</b>		
Bulong	Taurus	Inferred	14	0.84	0.051	119	7	OK, Snowden, 2007	
	Bulong East	Indicated	16	1.06	0.055	169	9	OK, Snowden, 2004	
		Inferred	24	0.79	0.053	190	13	OK, Snowden, 2004	
	<i>Bulong Subtotal</i>		<i>Indicated</i>	<i>16</i>	<i>1.06</i>	<i>0.055</i>	<i>169</i>	<i>9</i>	
			<i>Inferred</i>	<i>38</i>	<i>0.81</i>	<i>0.052</i>	<i>309</i>	<i>20</i>	
			<i>Combined</i>	<i>54</i>	<i>0.88</i>	<i>0.053</i>	<i>477</i>	<i>29</i>	
Hampton	Kalpini	Inferred	75	0.73	0.044	550	33	OK, Snowden, 2004	
	<i>Hampton Subtotal</i>		<i>Inferred</i>	<i>75</i>	<i>0.73</i>	<i>0.044</i>	<i>550</i>	<i>33</i>	
KNP Kalpini Hub	<b>TOTAL</b>	Indicated	16	1.06	0.055	169	9		
		Inferred	114	0.76	0.047	859	53		
		Combined	130	0.79	0.048	1,028	62		
Yerilla	Jump Up Dam	Measured	4	0.94	0.048	36	2	OK, Snowden, 2008	
		Indicated	42	0.78	0.043	324	18	OK, Snowden, 2008	
		Inferred	18	0.63	0.034	116	6	OK, Snowden, 2008	
	Boyce Creek	Indicated	27	0.77	0.058	206	16	OK, Snowden, 2009	
	Aubils	Inferred	49	0.70	0.066	346	33	OK, Heron, 2008	
	<i>Yerilla Subtotal</i>		<i>Measured</i>	<i>4</i>	<i>0.94</i>	<i>0.048</i>	<i>36</i>	<i>2</i>	
		<i>Indicated</i>	<i>68</i>	<i>0.78</i>	<i>0.049</i>	<i>531</i>	<i>33</i>		
		<i>Inferred</i>	<i>68</i>	<i>0.68</i>	<i>0.057</i>	<i>462</i>	<i>39</i>		
		<i>Combined</i>	<i>140</i>	<i>0.73</i>	<i>0.053</i>	<i>1,028</i>	<i>74</i>		
KNP Yerilla Hub	<b>TOTAL</b>	Measured	4	0.94	0.048	36	2		
		Indicated	68	0.78	0.049	531	33		
		Inferred	68	0.68	0.057	462	39		
		Combined	140	0.73	0.053	1,028	74		
KNP TOTAL	<b>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>	

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## Ore Reserve

The 2023 PFS (ASX release 5 July 2023) defined a KNP Goongarrie Hub Ore Reserve of 194.1Mt at 0.70% Ni and 0.05% Co for **1.36Mt contained nickel and 99kt contained cobalt** (Table 2). Goongarrie Hub deposits Ghost Rocks, Siberia South and Black Range have not been included in the current Ore Reserve and provide potential to significantly extend the mine life.

Table 2 - KNP Goongarrie Hub Ore Reserve Summary consisting of ore above 0.5% Ni as the feed stock for the processing facility, and ore as Mineralised Neutraliser above 0.5% Ni equivalent (Nieq) and Loss on Ignition (LOI) above 25%

Deposit	Ore >= 0.5% Ni					Ore > 0.5% NiEq and LOI > 25%					Total Ore				
	Mt	Ni (%)	Co (%)	Ni (kt)	Co (kt)	Mt	Ni (%)	Co (%)	Ni (kt)	Co (kt)	Mt	Ni (%)	Co (%)	Ni (kt)	Co (kt)
<b>Proven</b>															
Goongarrie South	16.7	0.96	0.09	160	15	0.05	0.43	0.03	0.20	0.01	16.7	0.96	0.09	160	15
<b>Proven Sub-total</b>	<b>16.7</b>	<b>0.96</b>	<b>0.09</b>	<b>160</b>	<b>15</b>	<b>0.05</b>	<b>0.43</b>	<b>0.03</b>	<b>0.20</b>	<b>0.01</b>	<b>16.7</b>	<b>0.96</b>	<b>0.09</b>	<b>160</b>	<b>15</b>
<b>Probable</b>															
Big Four / Scotia Dam	34.9	0.76	0.07	265	23	0.8	0.38	0.04	3	0	35.7	0.75	0.06	268	23
Goongarrie South	33.6	0.79	0.07	265	23	1.8	0.40	0.03	7	1	35.4	0.77	0.07	272	24
Goongarrie Hill	15.8	0.70	0.04	110	7	0.1	0.44	0.02	0	0	15.9	0.70	0.04	111	7
Highway	54.0	0.70	0.04	380	22	27.2	0.39	0.01	106	4	81.2	0.60	0.03	486	26
Siberia North	9.2	0.74	0.05	68	4	-	-	-	-	-	9.2	0.74	0.05	68	4
<b>Probable Sub-total</b>	<b>147.4</b>	<b>0.74</b>	<b>0.05</b>	<b>1,087</b>	<b>79</b>	<b>29.9</b>	<b>0.39</b>	<b>0.02</b>	<b>117</b>	<b>5</b>	<b>177.4</b>	<b>0.68</b>	<b>0.05</b>	<b>1,204</b>	<b>84</b>
<b>Proven + Probable Total</b>															
Big Four / Scotia Dam	34.9	0.76	0.07	265	23	0.8	0.38	0.04	3	0	35.7	0.75	0.06	268	23
Goongarrie South	50.2	0.85	0.08	425	38	1.9	0.40	0.03	7	1	52.1	0.83	0.07	432	39
Goongarrie Hill	15.8	0.70	0.04	110	7	0.1	0.44	0.02	0	0	15.9	0.70	0.04	111	7
Highway	54.0	0.70	0.04	380	22	27.2	0.39	0.01	106	4	81.2	0.60	0.03	486	26
Siberia North	9.2	0.74	0.05	68	4	-	-	-	-	-	9.2	0.74	0.05	68	4
<b>TOTAL</b>	<b>164.1</b>	<b>0.76</b>	<b>0.06</b>	<b>1,247</b>	<b>94</b>	<b>30.0</b>	<b>0.39</b>	<b>0.02</b>	<b>117</b>	<b>5</b>	<b>194.1</b>	<b>0.70</b>	<b>0.05</b>	<b>1,365</b>	<b>99</b>

### Notes:

- The Ore Reserve is reported in accordance with JORC Code (2012). The Ore Reserve information shown in this ASX release 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 announcement noted above and that all material assumptions and technical parameters underpinning the Ore Reserve in the previous market announcement 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 announcement.
- Ore reserves are reported at a cut-off of 0.5% Ni for primary feed stock to the processing facility, plus Mineralised Neutraliser as ore at a cut-off of 0.5% NiEq and LOI above 25%.
- NiEq defined using  $Ni + 2.32 \times Co$ .
- The Ore Reserve was evaluated using a base price of US\$22,000/t for Ni and US\$51,000/t for Co at 85% payable for a Mixed Hydroxide Precipitate (MHP) product, and an exchange rate 0.69 USD/AUD. In view of forward metal price projections averaging US\$25,000/t Ni.
- Ore Reserves account for mining dilution and mining ore loss.
- Ore Reserves are reported on a Dry Tonnage Basis.
- Proven Ore Reserves are based on Measured Mineral Resources only and Probable Ore Reserves are based on Indicated Mineral Resources only.
- The sum of individual amounts may not equal due to rounding.
- This Ore Reserve estimate is for a subset of the KNP - Goongarrie Hub deposits being Goongarrie South, Big Four / Scotia Dam, Goongarrie Hill, Highway and Siberia North.



## Hydrogeology

At Goongarrie all nickel-cobalt-scandium mineral resources are located on granted mining leases. As such, Ardea/KNPL has first rights to any ground water underlying these areas. Past work by Ardea has defined multiple water sources outside the mine area, with water for project development to be sourced from multiple dedicated borefields.

The regional water exploration aircore drill program was completed on 15 May 2024. Total for the program was 98 holes drilled for 5,226m over eight prospects within an 80km radius of Goongarrie.

To finalise the early DFS phase of water sourcing, a specialist hydrogeological consultancy completed a detailed data compilation and presentation, which included:

- Results from the recent aircore drill program and all historical hydrogeological work, to identify several future water source alternatives for the Goongarrie Hub.
- Review of the water quality analyses.
- Prepared water supply options and opportunities within 100km of Goongarrie.
- Planning additional exploration on less advanced opportunities including aircore drilling and passive seismic surveys.

A workshop was held in early July 2024 to discuss results and review all options/opportunities to meet the Goongarrie Hub water demand sourced from several borefields. Consultant engineers will review the results to provide high-level engineering design/cost estimates of the borefield configurations and assist plan locations for DFS production bore drilling, testing and detailed modelling.

Part of the hydrogeology study will include drilling of fractured rock and paleochannel water targets and test pumping bores, with a program of 70 holes for 8,925m planned largely using aircore rather than RC drilling due to interpreted ground conditions.

Passive seismic surveys commenced at Goongarrie on 21 June 2024 and have been completed on the paleochannel systems, 60-80km west of Goongarrie.

## Infrastructure and Logistics

The KNP has access to high-quality infrastructure with the Goldfields Highway, rail line and power infrastructure passing through the project area and the Goldfields Gas Pipeline within 25km.

The plant site is planned to be directly located southeast of the Pamela Jean pit, which minimises the tramping distance to the process plant during the critical early mining phase. Site sterilisation drilling has been conducted over the proposed plant site and the anticipated location of the construction village. This work also provided preliminary geotechnical information, and indicated that supporting bedrock lay within 7m of the surface for most of the planned process plant area. The site topography is relatively flat thus minimising earthworks. The manning strategy includes a Kalgoorlie-Boulder office and logistics base, enabling significant pre-assembly in construction, with those personnel not required to be permanently based at site able to make day trips on an as-needs basis.

Ardea and the City of Kalgoorlie-Boulder (CKB) liaise regularly on key project development updates, community and accommodation developments. Further CKB continues to support Ardea with hosting Strategic Partner site visits.

Logistics provider QUBE completed a high-level scoping study which provided an initial supply chain model of a mine to port solution for the export/import of MHP, magnesia, sulphur and lime that formed the basis for the PFS.

This study identified three potential ports (Kwinana, Fremantle or Esperance ports) to import sulphur, bulk lime, magnesia and other reagents and two potential ports (Esperance and Fremantle) for the export of MHP using 20-foot general purpose containers. Haulage options reviewed road trains and rail options and combinations between the port and site.

A desktop study identified a viable construction-phase delivery route for the HPAL autoclaves and similar heavy equipment. The overall route from Esperance Port to Goongarrie appears relatively simple.

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## Environment and Rehabilitation

All project development within the KNP is aimed at including systematic and rapid rehabilitation concurrent with operations.

Due to the expanded development footprint of the Goongarrie Hub, as defined in the 2023 PFS (ASX release 5 July 2023), baseline surveys completed in 2018 have been extended and include further surveys to incorporate the latest environmental standards and guidelines.

Consultant reports and data from the following expanded baseline surveys: Flora and Vegetation; Terrestrial Fauna; Short Range Endemic Fauna; Targeted Conservation Significant Butterfly and Subterranean Fauna are being finalised. The tender for the DFS environmental studies is in the final stages of evaluation and will be awarded in H2 2024.

Completion of remaining non-seasonal dependent baseline studies will allow further assessment of the need for the Project to be formally assessed under the State Environmental Protection Act (EP Act) and the Commonwealth Environment Protection and Biodiversity Conservation Act (EPBC Act). If it can be shown that environmental impacts are low and/or can be adequately managed by other regulatory agencies using other mechanisms, the Environmental Protection Authority (EPA) may make an assessment on the referral that the Project is not to be formally assessed.

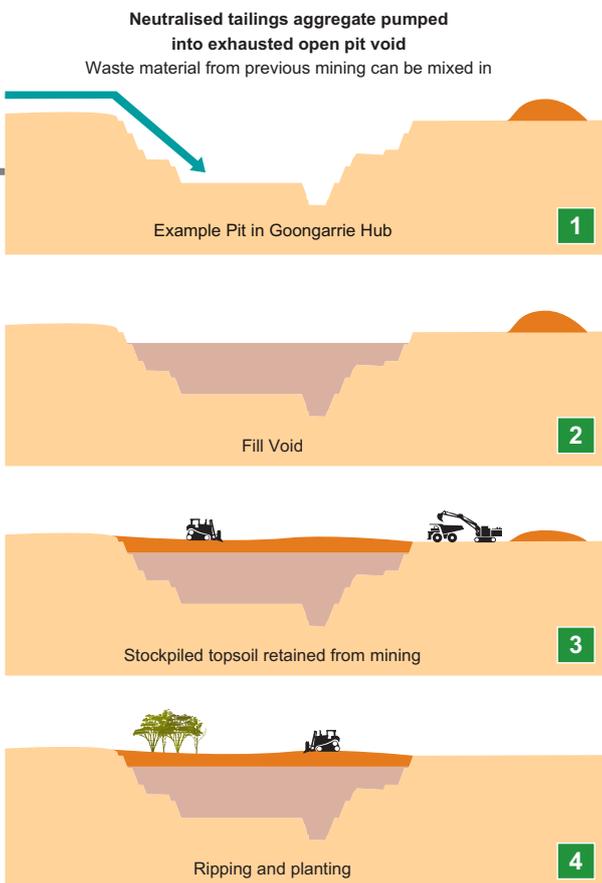
Similarly, if the EPA believes impacts on some factors are not significant and can be adequately managed by other regulatory agencies using other mechanisms, the number of Key Factors to be assessed by the EPA under the Part IV process would be reduced.

Mine rehabilitation methodology is facilitated through four decades of WA open pit gold mine operations, and the KNP footprint is minimised using mining voids for tailings and mullock disposal. Mining voids will be progressively rehabilitated during operations and returned to their pre mining state, by dressing the back filled open pit voids with topsoil (Figure 6) and then revegetating. Such sites, if unaffected by operations mine dust, would be suited as future solar array locations.

In terms of ESG compliance for hydrometallurgical metal processing, the KNP's benign and manageable environmental footprint contrasts strongly with "wet tropical laterite" projects. The tropical laterites require submarine tailings disposal or valley tailings storage with consequent substantial environmental risk. Tailings disposal in these environments tends to be further complicated by high rainfall and the fact that most tropical laterite deposits are in seismically active regions. Additionally, wet tropical laterite production areas commonly involve non-restorable rain forest habitat destruction. It is doubtful whether wet tropical laterite hydrometallurgical battery metal sources can comply with the ESG standards required by the Japanese, South Korean, European and north American EV sectors.

Similarly, with more than 3,000mm of annual rainfall in the wet tropical nickel laterites, it is an immense challenge for long-term tailings stabilisation. The KNP semi-arid climate with robust environmental setting is likely just as important as the premium goethite, high nickel grade and excellent ore rheology for its economic attractiveness.

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**Figure 6: Planned Goongarrie Hub in-pit tails disposal and rehabilitation strategy.**

In-pit tailings storage schematic showing the progressive backfill and rehabilitation of mining voids which is planned to occur concurrently with nickel-cobalt production at KNP Goongarrie Hub.



## WA Nickel Sulphides and Critical Minerals

Ardea’s extensive and strategic land holding in the Eastern Goldfields of WA comprises covering approximately 3,500km<sup>2</sup> and in addition to the globally significant nickel-cobalt-scandium KNP resource, is highly prospective for nickel sulphides and other Critical Minerals (Figure 7, 8 and 9).

With the Goongarrie Hub to be sole-funded by the Consortium to DFS completion at a budget of \$98.5 million, Ardea is undertaking initial Nickel Laterite scoping level feasibility reviews and Nickel Sulphide target generation for the Yerilla Hub (Aubils, Boyce Creek and Jump Up Dam Nickel Projects) and Kalpini Hub (Kalpini and Bulong Nickel Projects, Emu Lake nickel sulphide) shown in Figure 7. These “non-Goongarrie Hub” projects are collectively termed the “Kalpini Hub.”

### Kalpini Nickel Project

Ardea’s Kalpini Nickel Project is located 70km northeast of the City of Kalgoorlie-Boulder and covers 121km<sup>2</sup> of contiguous granted tenure 100%-owned by Ardea (Figure 7). Regionally there are two distinct Kalpini ultramafic units each with 20-25km strike within Ardea tenure (Figure 9):

- The Kalpini Eastern Komatiite Belt hosts the Wellington East and Acra North nickel laterite deposits containing **75Mt at 0.73% nickel and 0.04% cobalt, for 549.7kt nickel and 32.6kt cobalt** (Table 1). The ultramafics are typical of the Walter Williams Formation style consisting of a thick 200-600m sheet with olivine orthocumulate upper and lower contacts and core olivine meso-adcumulate (Dunitic Sheet Flows-Layered Lava Lakes) which weathers to nickel laterite.
- The Kalpini Western Komatiite Belt hosts the Emu Lake Binti Binti nickel sulphide mineralisation. There are at least two fertile nickel sulphide ultramafic flows at Emu Lake. The volcanics are characterised by a bi-modal co-magmatic suite, with each cycle having a footwall dacite volcanic overlain by ultramafic volcanic flows. The ultramafics are orthocumulate flows typically 10-40m thick, with massive, matrix, blebby and disseminated nickel sulphides identified in the Western Ultramafic (WU) and Central Ultramafic (CU).

### Nickel Laterite Studies

The Kalpini Nickel Project includes Nickel Laterite mineralisation associated with significant Rare Earth Element (REE) and Scandium credits (Figure 8).

At the Wellington East Prospect, re-sampling historic drill pulps by Ardea during 2020 to 2022 identified significant Rare Earth Element and Rare Metal (RM) grades within the historic nickel-cobalt laterite mineralisation. Studies on this resampling work (ASX release 14 March 2022) and on historic Scandium (ASX release 22 June 2017), was completed during the year.

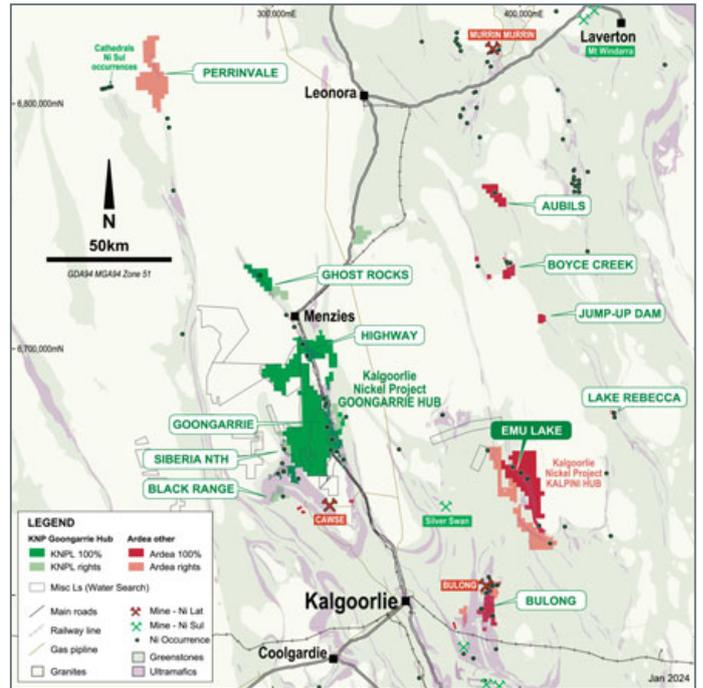


Figure 7: Ardea tenement plan showing location of the Kalpini Hub, Emu Lake Nickel Sulphide Camp. Projection MGA 94 Zone 51.

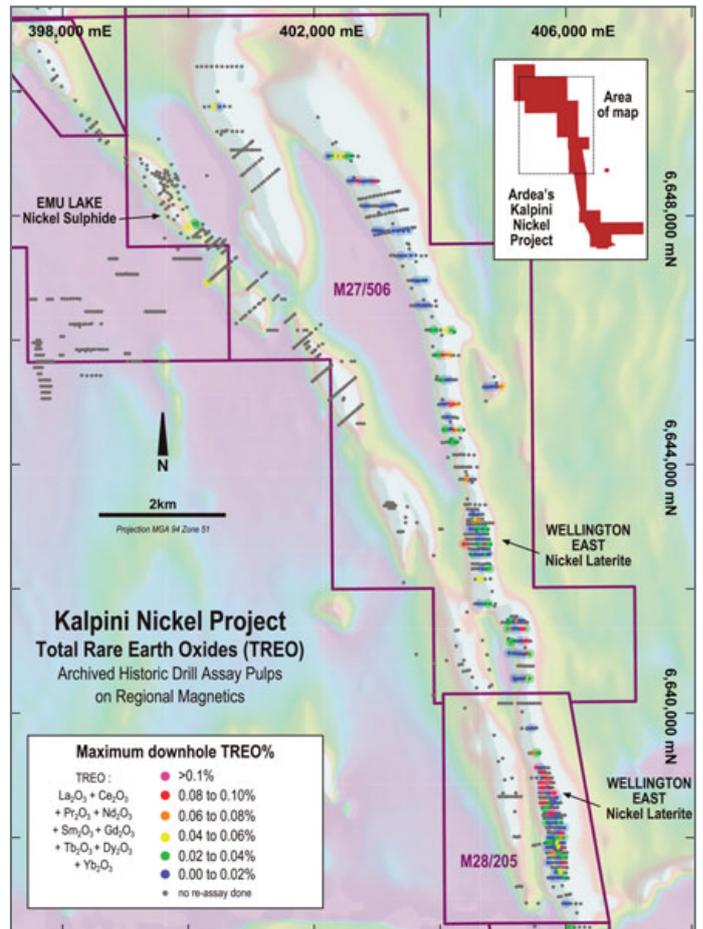


Figure 8: Northern Kalpini Nickel Project, aeromagnetic image showing historic drillholes as black dots, and if available % Total Rare Earth Oxide (TREO) assays.

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The studies suggest that the Kalpini REE occurs within the Enrichment Zone of the main Nickel Laterite. In contrast, scandium is more enriched within younger duricrust overlying the Nickel Laterite.

Highlights from 2022 re-sampling (ASX release 14 March 2022), included:

- WERC0371: 12m at 1.70% nickel, 0.151% cobalt, 28g/t scandium from 20m with;
  - o 0.244% Total Rare Earth Oxide (TREO) includes neodymium, praseodymium, lanthanum, cerium
  - o 1.320% Total Rare Metal Oxide (TRMO) includes titanium, yttrium, zircon, niobium, hafnium, tantalum and tungsten
- VKPRC0112: 4m at 1.66% nickel, 0.102% cobalt, 40g/t scandium from 29m with 0.1297% TREO; 0.7193% TRMO

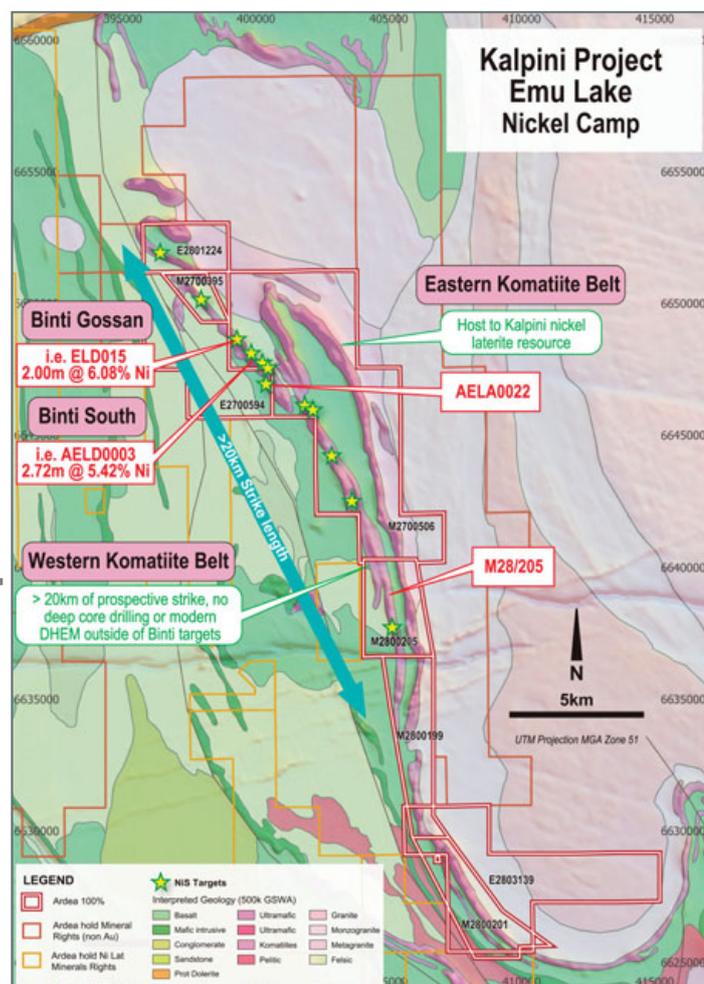
Ardea historic scandium intercepts (ASX release 22 June 2017) include:

- AKR0015, 20m at 102g/t scandium from 38m
- AKR0017, 6m at 463g/t scandium from 28m

### Nickel Sulphide Exploration

Ardea’s nickel sulphide exploration strategy complements the development of the KNP nickel laterite. The KNP nickel sulphide targets are an asset in a region of multiple nickel sulphide concentrators, with most constrained by insufficient sulphide feed availability particularly with recent mine closures and suspensions in the Eastern Goldfields of WA region.

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Nickel sulphide also has potential value for a nickel laterite operation, in that it is a potential addition to any goethite autoclave feed for exothermic heating (optimise steam use), Eh reduction to control hexavalent chromium and adding nickel and sulphur units to the autoclave reaction vessel, and typically improving overall nickel recoveries.

An additional benefit is that metal concentrations considered deleterious to conventional nickel sulphide flotation concentrator processing do not affect the HPAL process, opening the possibility of mineral extraction from nickel sulphide deposits that may otherwise be overlooked.

The Type 1 massive nickel-copper-PGE sulphides discovered at the Binti Prospect in the Kalpini Project (i.e. AELD0003: 2.72m at 5.42% Ni and 0.85% Cu from 391.04m – ASX release 14 January 2022) occur in the Kurnalpi Terrane which is significant given there are only a few other Type 1 nickel sulphide occurrences in this Terrane. Ardea holds over 20km strike of the prospective Western Ultramafic sequence that is largely unexplored and highly prospective for primary magmatic nickel sulphide mineralisation.

The plan for the Kalpini Hub is to postpone proposed nickel sulphide exploration activities until after KNPL priority DFS workstreams. Low cost/low impact work such as field mapping and rock chip sampling of the fertile Western Ultramafic will continue later in FY2025.

**Figure 9: The Kalpini Project showing Komatiite Belts. Nickel laterite resources are located on the Eastern Komatiite Belt, with the Western Belt highly prospective for nickel sulphide (NiS) mineralisation Projection MGA 94 Zone 51.**

## Critical Mineral Exploration

### Highway Nickel Project

An application for EIS Round 29 was submitted for three diamond holes on Highway tenement M29/214, following up from the Round 26 EIS drillhole which defined fertile horizons of an LCT intrusive system (ASX release 15 December 2023). The Round 29 Submission was successful with an offer up to a maximum of \$180,000 for the three drillholes testing the Highway LCT system and Walter Williams Formation komatiite basal contact nickel sulphide potential. Full agreement was lodged prior to the 1 June 2024 deadline.



## COMPLIANCE STATEMENT (JORC 2012)

A competent person's statement for the purposes of Listing Rule 5.22 has previously been announced by the Company for:

1. Kalpini drill results highlight cobalt-nickel mineralisation, and scandium discovery, 22 June 2017.
2. 2.25Mtpa Goongarrie Nickel Cobalt Project Expansion Study Demonstrates Enhanced Project Economics, 24 July 2018
3. Emu Lake Nickel Sulphide Discovery confirmed with 2.72m at 5.42% Ni, 14 January 2022.
4. High-grade Nickel-Cobalt Confirmed at Kalpini with Scandium and Rare Earth Elements, 14 March 2022.
5. Kalgoorlie Nickel Project Recognition on All Tiers of Australian Government, 21 March 2022.
6. Nickel sulphide anomalism from aircore drilling at Kalpini Project, 2 May 2023.
7. Mineralised Neutraliser Global Patent Lodged, 15 June 2023.
8. Kalgoorlie Nickel Project Mineral Resource Estimate Exceeds 6 Million Tonne Contained Nickel, 30 June 2023.
9. KNP - Goongarrie Hub Ore Reserve and Feasibility Study Defines +40 Year Operation with Strong Financial Metrics, 5 July 2023.
10. Kalgoorlie Nickel Project Goongarrie Hub Tenement Consolidation 17 July 2023
11. Annual Report 2023, 27 September 2023.
12. Appendix 4G and Corporate Governance Statement 2023, 28 September 2023.
13. Nickel Sulphide Prospectivity Confirmed and Lithium-Caesium-Rubidium bearing intrusives in Highway EIS drillhole, 15 December 2023.
14. Half Year Accounts – December 2023, 12 March 2024.
15. Ardea, Sumitomo Metal Mining (SMM) and Mitsubishi Corporation (MC) to form a Joint Venture to develop the Kalgoorlie Nickel Project (KNP) – Goongarrie Hub, 26 April 2024.
16. Kalgoorlie Nickel Project - Goongarrie Hub DFS Drilling Underway, 4 July 2024.
17. Kalgoorlie Nickel Project – Goongarrie Hub DFS Underway, 8 July 2024.
18. KNP – Goongarrie Hub Joint Venture FIRB Approval Received, 14 August 2024.
19. KNP – Goongarrie Hub Joint Venture Transaction Completed with Japanese Consortium, 30 August 2024.

## Competent Persons Statement

### Resource Estimation, Exploration Results, and Industry Benchmarking

The Resource Estimation, Exploration Results 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.

The Company confirms that it is not aware of any new information or data that materially affects information included in previous releases, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Ardea wishes to clarify that its current Kalgoorlie Nickel Project (KNP) Mineral Resource Estimate (MRE) following JORC Code (2012) guidelines is:

	Resource Category	Size (Mt)	Ni (%)	Co (%)	Contained Ni (kt)	Contained 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>KNP</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 Ore Reserve information shown in this ASX release 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 Estimate 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.



## ASX CHAPTER 5 COMPLIANCE AND PFS CAUTIONARY STATEMENT

and forecast financial information included in this announcement. The detailed reasons for that conclusion are outlined throughout this announcement and all material assumptions, including the JORC modifying factors, upon which the forecast financial information is based are disclosed in this announcement. This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules.

The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Certain material factors were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information.

The KNP Goongarrie Hub Project is at the PFS phase and although reasonable care has been taken to make sure that the facts are accurate and/or that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results and developments of projects and the scandium market development may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

A key conclusion of the PFS, which are based on forward looking statements, is that the Goongarrie Hub is considered to have positive economic potential.

The Mineral Resource used for the PFS was classified under JORC Code (2012) Guidelines and announced by the Company on 30 June 2024. The cut-off grades adapted for the PFS and reported in Table 2 are the basis of the production target assumed for the PFS.

The Company believes it has a reasonable basis to expect to be able to fund and further develop the KNP Goongarrie Hub. However, there is no certainty that the Company can raise funding when required.

## 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 programs, 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, 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.**

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# Ardea Resources Limited

ABN 30 614 289 342

## Financial Statements for the year ended 30 June 2024

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# Directors' Report

The Directors present their report on Ardea Resources Limited and the entities it controlled at the end of and during the year ended 30 June 2024 (financial period).

## DIRECTORS & SENIOR MANAGEMENT

The names and details of the Directors and Senior Management of Ardea Resources Limited during the financial period and until the date of this report are:

### **Mathew Longworth – BSc (Hons) MAusIMM**

*Non-Executive Chair Appointed 31 July 2020*

Mathew Longworth is a geologist with over 35 years' experience across exploration, project evaluation/development, operations and corporate management. He previously held roles as Exploration Manager, COO and CEO/Managing Director with Australian listed companies, and Mining Consultant with Xtract Mining consultants. In his senior corporate roles, Mathew led multidisciplinary project evaluation and development teams. Mr Longworth is a member of the Australasian Institute of Mining and Metallurgy.

Mr Longworth has excellent experience of the key Ardea exploration and development projects, being the Kalgoorlie Nickel Project (KNP). Mr Longworth joined Heron Resources in 2003 as Exploration Manager rising to Managing Director in 2007 to 2011. Mr Longworth applied his intimate knowledge of the Eastern Goldfields geology to the KNP to collaborate with Vale Inco in their 2005 to 2009 KNP feasibility study.

He is currently Chairman of the unlisted Company Greenfields Exploration Limited, Non-Executive Director at Asra Minerals Ltd and Non-Executive Chairman of unlisted Northam Resources Limited. Mr Longworth has no other public company directorships.

Interests in shares: 986,428

Interest in rights: 425,000

### **Maree Arnason – BA, FAICD**

*Non-Executive Director Appointed 10 July 2023*

Maree Arnason has over 35 years' experience across the natural resources, energy and manufacturing sectors with companies including BHP Billiton, Carter Holt Harvey, Svenska Cellulosa AB and Wesfarmers. She has worked across commodities including copper, gold, iron ore, timber, coal, mineral sands and natural gas and gained expertise in governance, strategy, sustainability, risk, corporate affairs, stakeholder relations, transformations, divestments and integrations.

Ms Arnason is a Co-founder and Director of Energy Access Services, which operates an independent Western Australian-focused digital trading platform for wholesale gas buyers and sellers and also has a significant record of service in the not-for-profit sector. Ms Arnason holds a Bachelor of Arts from Deakin University. She is a Fellow of the Australian Institute of Company Directors (FAICD), an AICD WA Division Councillor and is an AICD Board member.

Ms Arnason is a Non-Executive Director at Gold Road Resources and VHM Limited.

Interests in Shares – 15,000

Interests in Rights – 300,000



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**Andrew Penkethman – BSc, FAusIMM, MAIG***Managing Director and Chief Executive Officer*

Appointed Managing Director 5 February 2020 following his appointment as Chief Executive Officer on 1 April 2019

Andrew Penkethman is a resources sector executive and geologist with 30 years' experience in the industry. His technical skills include project evaluation, exploration, discovery, resource development, feasibility study management, permitting, stake holder engagement and mine development across open pit and underground operations within Australia and overseas. Commodities experience includes battery minerals, base metals, gold and energy commodities over a range of geological settings.

Mr Penkethman's technical expertise is complimented with a strong corporate focus including investor relations, capital raising, strategic partner processes, joint venture management, and project acquisition and divestment. Mr Penkethman has ASX, AIM and TSX equity markets experience. He holds a Bachelor of Science degree from the University of Wollongong, is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists.

From 2021, Mr Penkethman is a Non-Executive Director at Kalgoorlie Gold Mining Limited (16 November 2021 to present).

Interests in shares: 2,882,401

Interest in rights: 1,000,000

**Ian Buchhorn – BSc (Hons), Dipl. Geosci (Min. Econ), MAusIMM***Executive Director Appointed 17 August 2016*

Ian Buchhorn is a Mineral Economist and Geologist with over 40 years' experience. He was the founding Managing Director of Heron Resources Limited for a period of 11 years until early 2007 and returned to that role briefly prior to his resignation as an Executive Director in June 2017. Mr Buchhorn previously worked with a number of international mining companies and has worked on nickel, bauxite and industrial mineral mining and exploration, gold and base metal project generation and corporate evaluations. For the last 30 years Mr Buchhorn has acquired and developed mining projects throughout the Eastern Goldfields of Western Australian and has operated as a Registered Mine Manager.

Interests in shares: 14,410,585

Interest in rights: 650,000

**COMPANY SECRETARY****Robert (Sam) Middlemas – B.Com., PGradDipBus. CA**

Mr Middlemas was appointed Company Secretary and Chief Financial Officer on 20 October 2016. He is a chartered accountant with more than 25 years experience in various financial, board and company secretarial roles with a number of listed public companies operating in the resources sector. He is the principal of a corporate advisory company which provides financial and secretarial services specialising in capital raisings and initial public offerings. Previously Mr Middlemas worked for an international accountancy firm. His fields of expertise include corporate secretarial practice, financial and management reporting in the mining industry, treasury and cash flow management and corporate governance. Mr Middlemas ceased the role of Chief Financial Officer on the 8 June 2022 and continues as the company's Company Secretary.

Interests in shares: 813,700

Interest in rights: 30,000

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**CHIEF FINANCIAL OFFICER****Rebecca Moylan – B.Bus (Acc&FIN), FFINSIA, GAICD, CPA**

Ms Moylan was appointed Chief Financial Officer on 8 June 2022. She is a certified practicing accountant with more than 20 years' experience in financial and corporate management, accounting, project financing and contract negotiation. Her career in the mining industry has included positions as Chief Financial Officer and Company Secretary of several ASX-listed companies.

Interests in shares: 185,000

Interest in rights: 50,000

**PROJECT DIRECTOR****Matt Read - BSc, BEng (Hons), MBA**

Mr Read was appointed Project Director on 27 February 2023. He has more than 25 years' experience in project and commercial leadership roles. Most recently, Mr Read was General Manager Lithium Projects at Neometals Ltd (ASX:NMT) managing various international lithium studies and joint venture relationships. Prior he was Head of Projects at Tianqi Lithium Australia overseeing the development of its lithium hydroxide facility in Western Australia which included recruiting the owner's team, negotiating and sourcing all major utilities contracts, development of policies, procedures, systems and commissioning.

Mr Read's prior experience includes Manager Contracts at the \$10.5 billion Roy Hill Iron Ore Project where he was the Owner's Team Contracts Manager for the Head EPC Contract. The project was successfully completed and won numerous awards, of particular note being the Australian Engineering Excellence Awards (WA Division) for Resource Development. He also brings extensive nickel laterite and sulphide experience from project and commercial leadership roles whilst working at BHP/WMC over an 11 year period.

Mr Read transitioned to Project Director – Kalgoorlie Nickel Pty Ltd on 1 May 2024, once access became available to the Japanese Consortium sole funding of A\$98.5M for completion of the Definitive Feasibility Study in H2 2025.

Interests in shares: nil

Interest in rights: 513,400

**PRINCIPAL ACTIVITIES**

The principal activities of the Consolidated Entity during the financial period consisted of mineral exploration and evaluation (Feasibility Studies) in Western Australia.

There have been no significant changes in these activities during the financial period.

**DIVIDENDS**

No dividend has been paid and no dividend is recommended for the current financial period.

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## REVIEW OF OPERATIONS AND ACTIVITIES

The Consolidated Entity recorded an operating loss after income tax for the Financial Period ended 30 June 2024 of \$7,705,331 (2023 - \$4,236,361).

Ardea is a Critical Minerals Company focused on the development of the Kalgoorlie Nickel Project (KNP). The KNP is comprised of a series of major undeveloped nickel-cobalt-scandium laterite deposits, which total **854Mt at 0.71% Ni and 0.045% Co (6.1Mt contained nickel metal, 386kt contained cobalt metal** – ASX release 30 June 2023). All KNP projects are located within 150km of the regional mining hub of the City of Kalgoorlie-Boulder, Western Australia.

### Western Australia

#### KNP and Goongarrie Hub

The key objective for Ardea is developing a nickel-cobalt mining operation at the Goongarrie Hub within the KNP which produces minerals for the rapidly growing Lithium Ion Battery (LIB) supply chain that meet the high ESG standards expected from society.

The Goongarrie Hub is located 70km northwest of the mining City of Kalgoorlie-Boulder and is Ardea's most advanced project, within the broader KNP. Resources from the Goongarrie and Highway deposits are planned to be the base load feed for a High-Pressure Acid Leach (HPAL) plant with supporting Atmospheric Leach (AL) circuit, located at Goongarrie South. The resources at Goongarrie South are dominantly the premium goethite style and extend continuously over 25km of strike. At Goongarrie Hill, 6km north of the planned Goongarrie plant site and extending over a strike length of 5km, and at Highway, 30km north, extending over a strike length of 6km, the dominant ore types are magnesium-rich serpentine styles, being suited to AL processing. All Goongarrie Hub resources are located on granted mining leases with tenure 100%-controlled by Ardea. The KNP resource category breakdown is as follows:

*Resource Estimate for the KNP based on a 0.5% nickel cut-off. Note that all values have been rounded appropriate to their deemed accuracy. (ASX announcement 30 June 2023).*

Resource Category	Quantity (Mt)	Nickel (%)	Cobalt (%)	Contained nickel (kt)	Contained cobalt (kt)
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>KNP Total Resources</b>	<b>854</b>	<b>0.71</b>	<b>0.045</b>	<b>6,101</b>	<b>386</b>

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Key events for the year ended 30 June 2024 include:

- Ardea executed a binding Shareholders' Agreement with GH Nickel Pty Ltd, representing a significant milestone in the development of the globally significant KNP – Goongarrie Hub nickel-cobalt development project. GH Nickel Pty Ltd (Consortium SPV) is the vehicle through which Sumitomo Metal Mining Co., Ltd (SMM) and Mitsubishi Corporation (MC), via its wholly owned subsidiary Mitsubishi Development Pty Ltd (collectively, the Consortium), will acquire shares in Kalgoorlie Nickel Pty Ltd (KNPL). Under the terms of the Shareholders' Agreement the Consortium will fully fund the KNP - Goongarrie Hub Definitive Feasibility Study (DFS) up to A\$98.5M to earn a 35% interest in KNPL. An additional 15% interest in KNPL will be issued on a Final Investment Decision where the Consortium assist in optimising debt financing<sup>1</sup>.
- Ardea's subsidiary KNPL and SMM agreed funding support arrangements to facilitate the progression of the early DFS works while the conditions precedent to the Cooperation Agreement are being satisfied. Under the funding support arrangements, the parties have agreed a contribution plan under which SMM will advance up to A\$12,000,000 in funding to KNPL, as and when funds are required to facilitate agreed early DFS works.
- Key start-up activities for the DFS have commenced, with several DFS work streams already advanced. The KNPL team has been expanded, and the major engineering contract for the process plant and utilities component of the DFS has been awarded to Ausenco.
- KNP Total MRE, which is 854Mt at 0.71% Ni and 0.045% Co for 6.1Mt contained nickel and 386kt contained cobalt, is the largest in Australia and ranks highly worldwide. Within the KNP, the Goongarrie Hub MRE sub-total is 584Mt at 0.69% Ni and 0.043% Co for 4Mt of contained nickel and 250kt of contained cobalt<sup>2</sup>.
- The PFS released on 5 July 2023, outlined the Goongarrie Hub's potential to produce an average of 30,000 tpa nickel and 2,000tpa cobalt, supporting a mine life exceeding 40 years.

## CORPORATE AND FINANCIAL POSITION

As at 30 June 2024 the Consolidated Entity had cash reserves of \$14.8 million (2023 - \$10.6 million).

## RISK MANAGEMENT

The Board is responsible for the oversight of the Consolidated Entity's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management with the Managing Director (or equivalent) having ultimate responsibility to the Board for the risk management and control framework.

Areas of significant business risk to the Consolidated Entity are highlighted in the Business Plan presented to the Board by the Managing Director (or equivalent) each year.

Arrangements put in place by the Board to monitor risk management include monthly reporting to the Board in respect of operations and the financial position of the Consolidated Entity.

## EARNINGS/LOSS PER SHARE

	2024	2023
	Cents	Cents
Basic loss per share	(4.01)	(2.48)
Diluted loss per share	(4.01)	(2.48)

<sup>1</sup> ASX announcement 26 April 2024.

<sup>2</sup> ASX announcement 30 June 2023.



## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year not otherwise disclosed in this report.

## OPTIONS/PERFORMANCE RIGHTS OVER UNISSUED CAPITAL

### *Unlisted Options*

3,000,000 Options issued during the year, 4,000,000 Options lapsed during the year. 3,000,000 Options were on issue at 30 June 2024 (2023 – 4,000,000).

### *Performance Rights*

As at 30 June 2024 there were 3,316,400 Performance Rights on issue. During the year the Company issued 1,724,400 Performance Rights to Directors and Employees under the Ardea Performance Rights Plan that was approved at the 2020 AGM. 129,500 Performance Rights lapsed without achieving the hurdle or following employees leaving the Company.

## CORPORATE STRUCTURE

Ardea Resources Limited (ACN 614 289 342) is a Company limited by shares that was incorporated on 17 August 2016 and is domiciled in Australia.

## EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen since the end of the financial period any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Consolidated Entity to affect substantially the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years except for the following:

On 27 July 2024, a \$3.0M increase in the DFS Budget has been approved by the board and investor Consortium to carry out DFS activities until the end of August 2024, whilst satisfying the Conditions Precedent by the end of August 2024 to proceed with DFS activities as planned from September 2024 onwards per the Cooperation Agreement.

On 19 and 21 August 2024, the Company completed the sale of 1,000,000 shares in Larvotto Resources Limited for a total consideration of \$298,750 (gross). This transaction occurred after the reporting period and does not affect the financial position as of 30 June 2024. Accordingly, no adjustment has been made to the carrying value of the investment as of 30 June 2024. The financial impact of this transaction is estimated to result in a gain of \$186,250, which will be recognised in the subsequent financial period.

On 30 August 2024, Ardea executed a binding Shareholders' Agreement with GH Nickel Pty Ltd, representing a significant milestone in the development of the globally significant KNP – Goongarrie Hub nickel-cobalt development project.

### Details of the Transaction:

GH Nickel Pty Ltd (Consortium SPV) is the vehicle through which Sumitomo Metal Mining Co., Ltd and Mitsubishi Corporation, via its wholly owned subsidiary Mitsubishi Development Pty Ltd (collectively, Consortium), will acquire shares in KNPL. Under the terms of the Shareholders' Agreement:

The Consortium will fund 100% of the DFS costs up to an agreed budget of approximately A\$98.5 million.

Upon completion of the DFS spend, the Consortium will subscribe to a 35% ownership in KNPL, with the right to increase its ownership to 50% following a positive Final Investment Decision (FID) by the Consortium to build, commission, and operate a plus 30,000 nickel tonnes per annum, multi-decade operation.

The Shareholders' Agreement outlines the terms and conditions for a JV to enable the development of the KNP – Goongarrie Hub, subject to a positive FID.



#### Completion of Conditions Precedent:

With the incorporation of the Consortium SPV as the JV vehicle and the Consortium SPV's accession to the April 2024 Cooperation Agreement, all remaining conditions precedent to the transaction have been satisfied. As a result, the transaction is now complete.

#### Impact on the Financial Statements:

The completion of this transaction after the reporting period does not require adjustments to the financial statements as of 30 June 2024, as it is classified as a non-adjusting subsequent event under AASB 110. However, the event is considered significant and material to the future operations and development of the KNP – Goongarrie Hub. Consequently, the following details are disclosed:

The funding commitment by the Consortium to cover DFS costs up to A\$98.5 million.

The Consortium's initial 35% ownership interest in KNPL upon DFS completion and the option to increase ownership to 50% upon a positive FID.

The expected acceleration of DFS activities, with completion targeted for the second half of 2025.

This subsequent event does not impact the financial position or performance of Ardea as at 30 June 2024 but is expected to significantly influence the future development of the KNP – Goongarrie Hub project.

### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

Likely developments in the operations of the Consolidated Entity are included elsewhere in this Annual Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors, to do so would be likely to prejudice the business activities of the Consolidated Entity.

### **ENVIRONMENTAL REGULATION AND PERFORMANCE**

The Consolidated Entity holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities. So far as the Directors are aware there has been no known breach of the Consolidated Entity's licence conditions and all exploration activities comply with relevant environmental regulations.

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## DIRECTORS' MEETINGS

The number of meetings of the Consolidated Entity's Directors held in the period each Director held office during the financial period and the numbers of meetings attended by each Director were:

Director	Board of Directors' Meetings	
	Meetings Attended	Meetings held while a director
Mathew Longworth (Chair)	9	9
Maree Arnason	9	9
Andrew Penkethman	9	9
Ian Buchhorn	9	9

In addition to the above there were 2 Audit Committee Meetings and 2 Remuneration Committee Meetings held with the full board in attendance at each Meeting.

## REMUNERATION REPORT

The Directors of Ardea Resources Limited present this Remuneration Report, which has been audited, for the financial year ended 30 June 2024.

The Remuneration Report provides information about the remuneration of Ardea Resources Limited's key management personnel ('KMP'), being those executives with authority and responsibility for planning, directing, and controlling the activities of the Consolidated Entity, and its non-executive directors. The Remuneration Report has been prepared in accordance with the requirements of the Corporations Act 2001 and contains the following sections:

<b>Section 1</b> Remuneration at Ardea Resources Limited	This section of the Remuneration Report provides an overview of Ardea Resources Limited's remuneration principles and the structure of remuneration for KMP.
<b>Section 2</b> Performance and Executive Remuneration Outcomes	This section details the remuneration outcomes for Ardea Resources Limited's KMP in the financial year. It also demonstrates how the components of remuneration at Ardea Resources Limited are aligned with value creation by being linked to the Company's performance.
<b>Section 3</b> Non-Executive Director Remuneration	This section outlines the remuneration structure and fees paid to Ardea Resources Limited's non-executive directors.
<b>Section 4</b> Statutory Remuneration Disclosures	This section includes statutorily required remuneration disclosures for the financial year, including details of equity awards and KMP and non-executive director interests in equity instruments of Ardea Resources Limited.

Non-executive Directors for the purposes of this report are as follows:

- Mathew Longworth - Chairman and Non-Executive Director
- Maree Arnason - Non-Executive Director

Executive Directors for the purposes of this report are as follows:

- Ian Buchhorn - Executive Director
- Andrew Penkethman – Managing Director and Chief Executive Officer

KMP as identified for the purposes of this report by the criteria set out above are as follows:

- Robert (Sam) Middlemas – Company Secretary
- Rebecca Moylan – Chief Financial Officer
- Matthew Read – Project Director

There were no other employees in the Consolidated Entity that met the definition of key management personnel in accordance with the *Corporations Act 2001* or Australian Accounting Standards.

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## Section 1: Remuneration at Ardea Resources Limited

The Board of Directors is responsible for approving the compensation arrangements for the Directors and KMP. The Board has formed the view that given the number of Directors on the Board, this function could be performed just as effectively with full Board participation. Accordingly, it was resolved that there would be no separate Board sub-committee for remuneration purposes and Remuneration Committee (RC) meetings would be made up of the full board. The Board regularly assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Compensation levels are set to attract and retain appropriately qualified and experienced directors and executives. As and when required the Board has access to independent advice on the appropriateness of compensation packages given trends in comparative companies and the objectives of the compensation strategy.

Non-executive director remuneration consists of fixed directors' fees and an equity-based component (Committee fees are included in the base fee). KMP remuneration is structured to consist of fixed and variable remuneration. The KMP compensation structures explained below are designed to reward the achievement of strategic objectives, align performance with shareholder interests and create the broader outcome of creating value for shareholders.

The compensation structures take into account:

- (i) The relevant person's duties and responsibilities; and
- (ii) Ensure that total remuneration is competitive by market standards.

KMP remuneration and incentive policies and practices are performance-based and aligned to the Consolidated Entity's vision, values and overall business objectives. They are designed to motivate KMP to pursue the Consolidated Entity's long-term growth and success. Compensation packages include a mix of fixed and variable compensation and short and long-term performance-based incentives.

In addition to salaries, the Consolidated Entity may also provide cash and non-cash benefits to its directors and key management personnel and contributes to post-employment superannuation plans on their behalf.

### Fixed remuneration

Total Fixed Remuneration ('TFR') consists of base compensation (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits), as well as leave entitlements and employer contributions to superannuation funds.

Compensation levels are normally reviewed annually by the Board through a process that considers individual, segment, and overall performance of the Consolidated Entity.

There was no remuneration review during the reporting period. An external consultant will be engaged during the next financial year to review the compensation level of the Non-Executive Director, Executive Director, Managing Director and CEO, and the CFO.

### Performance-linked remuneration

Ardea Resources Limited's approach to remuneration is to ensure that remuneration received by KMP is closely linked to the Consolidated Entity's performance and the returns generated for shareholders. Performance-linked compensation, as outlined in the Consolidated Entity's Employee Securities Incentive Plan (ESIP), includes long-term incentives, and is designed to incentivise and reward employees for meeting or exceeding Company-wide and individual objectives. The long-term incentive (LTI) is provided as performance rights over ordinary shares of the Company and cash bonuses. The LTI plans provide for the Board to be able to exercise discretion on the award of performance rights.

Within the established remuneration framework, each employee is assigned a level that reflects the seniority and responsibility associated with their role. This level determines an employee's participation in the LTI, and therefore, the proportion of their total remuneration which is linked to performance. Senior executives of the Company have a higher proportion of their total potential remuneration 'at risk'.

The Board considers that the performance-linked compensation structure outlined in the ESIP will generate the desired outcome in respect of attracting and retaining high-calibre employees and aligning employee

performance with shareholder interests. Refer to Section 2 of this Remuneration Report for an analysis of the Consolidated Entity's performance in the financial year ended 30 June 2024 and link to overall remuneration.

#### Short Term Incentive

The STI will be considered in future years to link employee remuneration to key business outcomes which drive value creation in the short to medium term.

It is proposed that each year, all employees have individual key performance indicators ('KPI's') agreed with their manager. The Board approves the individual KPI's for the MD/CEO based on the recommendation of the RC. The MD/CEO approves the individual KPI's for the KMP with endorsement from the RC. The individual performance objectives are designed to focus employees on goals and objectives specific to their roles and typically include financial performance compared to budgeted amounts as well as non-financial metrics which vary with position and responsibility and include measures such as completion of specific tasks and projects as well as health, safety and environment outcomes and staff development.

#### Long Term Incentive

The LTI has been adopted to align employees' interests directly with shareholders by linking employee remuneration to the Company's share price performance over the medium to longer term. The LTI comprises grants of performance rights to all employees, and cash bonuses to certain senior executives, pursuant to the Company's ESIP Rules which were approved by shareholders at the 2017 AGM and updated at the 2020 and 2022 AGM.

The ESIP provides for certain key executives and employees to receive, for no consideration, performance rights. The performance rights convert to shares of the Company at specified exercise prices as determined by the Board. The grant of performance rights is intended to align the interests of senior executives and employees with other owners of the Company over the medium to longer term and to increase those senior executives' and employees' proportion of 'at risk' remuneration. The ability to exercise the performance rights is conditional upon each key executive's ongoing employment by the Company and other applicable vesting hurdles determined by the Board from time to time.

### Section 2: Performance and Executive Remuneration Outcomes

During the financial year ended 30 June 2024 the Consolidated Entity made good progress towards achieving its strategic objectives, resulting in the Company's Share price reaching the required performance right vesting conditions.

#### STI Performance and Outcomes

During the financial year, there were \$647,174 STI cash bonuses issued (2023: nil).

#### LTI Cash Bonus Payments

##### Andrew Penkethman – Managing Director and Chief Executive Officer

A \$400,000 long-term incentive payment was issued during the current year following the signing of the Strategic Partner for the KNP Feasibility study.

##### Matthew Read – Project Director

During the period ended 30 June 2023, the RC has awarded Mr Read a long-term incentive cash bonus of 40% of Base Salary upon the signing of a Strategic Partner for the Kalgoorlie Nickel Project. \$160,017 has been issued during the current year.

#### LTI Performance and Outcomes

During the financial year a portion of granted Performance Rights vested on 28 December 2023, 30 April 2024 and the 28 June 2024 due to the completion of the performance periods. Those tranches of Performance Rights met the performance hurdles and have been converted to shares.

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## Performance Criteria for Performance Rights

The performance criteria for the tranches of new performance rights granted to KMP during the financial year are detailed below. The performance criteria for the tranches of new performance rights granted to KMP during the financial year are consistent with the performance criteria for performance rights granted to KMP in the comparative year.

### Performance Hurdles

**Class 'O' Performance Rights:** The Company announcing the signing of a Strategic Partner to fund the KNP feasibility study and provide future funding for completion of the project; or ii) The Company share price reaching a 30 Day VWAP which is above 58 cents per share. And continuous service of the Performance Rights holder in their capacity as a Director, an Executive or Employee of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 1 December 2025.

**Class 'P' Performance Rights:** The Company's Shares reaching a 30 day VWAP which is equal to or greater than \$0.585 per Share; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 7 December 2023, prior to 6 December 2028.

**Class 'Q' Performance Rights:** The Company's Shares reaching a 30 day VWAP which is equal to or greater than \$0.656 per Share; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 7 December 2023, prior to 6 December 2028.

**Class 'R' Performance Rights:** KNPL completing the implementation of the owner's team structure and recruitment completion for the Kalgoorlie Nickel Project; and continuous service to 1 December 2025, expiring 31 December 2025.

**Class 'S' Performance Rights:** KNPL completing delivery of EPCM Contract for the Kalgoorlie Nickel Project and continuous service to 1 December 2025, expiring 31 December 2025.

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## KMP and Executive Director Employment Agreements

Remuneration and other terms of employment for KMP are formalised in service agreements, with the exception of the Company Secretary, Sam Middlemas, who is a contractor to the Company. Details of these agreements are as follows:

<b>Name:</b>	Mr Andrew Penkethman
<b>Title:</b>	Managing Director and Chief Executive Officer
<b>Agreement commenced:</b>	Chief Executive Officer 1 April 2019 and Managing Director 5 February 2020
<b>Term of agreement:</b>	No fixed term
<b>Termination:</b>	The Company may terminate the agreement upon three months' notice or payment in lieu of notice. Mr Penkethman can terminate the agreement upon three months' notice. The Company may terminate the agreement immediately where the executive commits any act of serious misconduct, persistent breach or non-observance of a term of this agreement.

<b>Name:</b>	Mr Ian Buchhorn
<b>Title:</b>	Executive Director
<b>Agreement commenced:</b>	17 August 2016
<b>Term of agreement:</b>	No fixed term
<b>Termination:</b>	The Company may terminate the agreement upon three months' notice or payment in lieu of notice. Mr Buchhorn can terminate the agreement upon three months' notice. The Company may terminate the agreement immediately where the executive commits any act of serious misconduct, persistent breach or non-observance of a term of this agreement.

<b>Name:</b>	Ms Rebecca Moylan
<b>Title:</b>	Chief Financial Officer
<b>Agreement commenced:</b>	8 June 2022
<b>Term of agreement:</b>	No fixed term
<b>Termination:</b>	The Company may terminate the agreement upon three months' notice or payment in lieu of notice. Ms Moylan can terminate the agreement upon three months' notice. The Company may terminate the agreement immediately where the executive commits any act of serious misconduct, persistent breach or non-observance of a term of this agreement.

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<b>Name:</b>	Mr Matthew Read
<b>Title:</b>	Project Director
<b>Agreement commenced:</b>	27 February 2023
<b>Term of agreement:</b>	No fixed term
<b>Termination:</b>	The Company may terminate the agreement upon four weeks' notice or payment in lieu of notice. Mr Read can terminate the agreement upon four weeks' notice. The Company may terminate the agreement immediately where the executive commits any act of serious misconduct, persistent breach or non-observance of a term of this agreement.

The service contracts outline the components of compensation paid to the KMP. The service contracts of the KMP prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the compensation policy.

### Section 3: Non-Executive Director Remuneration

The Company Constitution provides for Non-Executive Directors to be paid or provided remuneration for their services, the total amount or value of which must not exceed an aggregate maximum of \$500,000 per annum (as approved by shareholders at the 2017 AGM) or such other maximum amount determined from time to time by the Company in a general meeting.

The aggregate maximum sum will be apportioned among them in such manner as the Directors in their absolute discretion determine. Non-Executive Directors' fees are set based on advice from external advisors with reference to fees paid to other Non-Executive Directors of comparable companies. Directors' fees include base fees for Board participation and fees for subcommittee roles and responsibilities. The structure of Non-Executive Director fees is tabled below.

#### Non-Executive Director Base Fees (Subcommittee fees are part of base salary)

Board Chairman	\$101,263
Non-Executive Director	\$61,550

Non-Executive Directors are entitled to be reimbursed for travelling and other expenses properly incurred by them in attending Directors' or general meetings of the Company or otherwise in connection with the business of the Consolidated Entity. No retirement benefits are to be paid to Non-Executive Directors, however, Director remuneration figures quoted herein are inclusive of superannuation where applicable. The Company determines the maximum amount for remuneration for Directors, including thresholds for share-based remuneration, by resolution.



#### Section 4: Statutory Remuneration Disclosures

Details of the remuneration and holdings in the securities of the Company of the KMP and Non-Executive Directors, prepared in accordance with the requirements of the *Corporations Act 2001* and applicable Australian Accounting Standards, are set out in the following tables.

2023/2024	Base Salary/Fees <sup>1</sup> \$	Bonus <sup>2</sup> \$	Superannuation Contributions \$	Performance Rights <sup>3</sup> \$	Total \$
<b>Directors</b>					
M Longworth – Non-Executive Chair	101,263	-	-	243,300	344,563
A Penkethman – MD & CEO	391,352	400,000	43,049	840,988	1,675,389
I Buchhorn – Executive	356,444	200,666	39,209	476,898	1,073,217
Maree Arnason (commenced 11 July 2023)	61,510	-	6,766	23,455	91,731
<b>Executives</b>					
S Middlemas - Company Secretary	61,550	88,245	-	70,573	220,368
R Moylan – Chief Financial Officer	261,250	88,245	28,738	139,533	517,766
M Read - Project Director	355,300	262,017	39,083	63,995	720,395

Includes director fees and salary.

1. Bonus payments are presented on a cash basis and do reflect the actual timing of payments.
2. Amounts relate to the fair value of performance rights made pursuant to the LTI Plan attributable to the financial year measured in accordance with AASB 2 *Share Based Payments*.

2022/2023	Base Salary/Fees <sup>1</sup> \$	Bonus <sup>2</sup> \$	Superannuation Contributions \$	Performance Rights <sup>3</sup> \$	Total \$
<b>Directors</b>					
M Longworth – Non-Executive Chair	104,450	-	-	144,066	248,516
A Penkethman – MD & CEO	374,500	-	39,322	432,840	846,662
I Buchhorn – Executive	341,095	-	35,815	257,302	634,212
<b>Executives</b>					
S Middlemas - Company Secretary	56,081	-	-	30,845	86,926
R Moylan – Chief Financial Officer	244,244	-	25,646	51,389	321,279
M Read - Project Director (commenced 27 February 2023)	116,167	-	12,198	14,598	142,963

1. Includes director fees and salary.
2. Bonus payments are presented on a cash basis and do reflect the actual timing of payments.
3. Amounts relate to the fair value of performance rights made pursuant to the LTI Plan attributable to the financial year measured in accordance with AASB 2 *Share Based Payments*.

The following tables sets out the proportion of fixed and 'at risk' performance-based remuneration for Directors and KMP for the current and previous financial period:

<b>2024</b>	Proportion of remuneration that is fixed	Proportion of remuneration at risk as cash settled LTI	Proportion of remuneration at risk as equity settled LTI
<b>Non-executive Chair</b>			
Mat Longworth	42%	-	58%
Maree Arnason	33%	-	67%
<b>Executive Director:</b>			
Ian Buchhorn	68%	-	32%
Andrew Penkethman	65%	-	35%
<b>KMP:</b>			
Sam Middlemas	100%	-	0%
Rebecca Moylan	100%	-	0%
Matt Read	81%	-	19%

<b>2023</b>	Proportion of remuneration that is fixed	Proportion of remuneration at risk as cash settled STI	Proportion of remuneration at risk as equity settled LTI
<b>Non-executive Chair</b>			
Mat Longworth	24%	-	76%
<b>Executive Director:</b>			
Ian Buchhorn	37%	-	63%
Andrew Penkethman	18%	26%	56%
<b>KMP:</b>			
Sam Middlemas	37%	-	63%
Rebecca Moylan	60%	-	40%
Matt Read 1	34%	36%	31%

1. Matt Read commenced 27 February 2023.

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## Performance Rights

The terms and conditions of each grant of performance rights over ordinary shares affecting the remuneration of KMP in the financial year ended 30 June 2024 are as follows:

Grantee	Rights Granted	Grant Date	Vesting and Expiry Date	Exercise Price	Fair value per Performance Right at Grant	% Rights Vested	% Rights Lapsed	Volatility	Risk free rate
Mat Longworth	125,000	28-Oct-22	31-Dec-24	Nil	87c	N/A	N/A	77%	3.19%
Mat Longworth	300,000	7-Dec-23	6-Dec-28	Nil	46.9c	N/A	N/A	76%	4.16%
Andrew Penkethman	500,000	28-Oct-22	31-Dec-24	Nil	87c	N/A	N/A	77%	3.19%
Andrew Penkethman	500,000	7-Dec-23	6-Dec-28	Nil	46.9c	N/A	N/A	76%	4.16%
Ian Buchhorn	250,000	28-Oct-22	31-Dec-24	Nil	87c	N/A	N/A	77%	3.19%
Ian Buchhorn	400,000	7-Dec-23	6-Dec-28	Nil	46.9c	N/A	N/A	76%	4.16%
Maree Arnason	300,000	7-Dec-23	6-Dec-28	Nil	46.9c	N/A	N/A	76%	4.16%
Sam Middlemas	30,000	22-Nov-22	31-Dec-24	Nil	\$1.06	N/A	N/A	77%	3.19%
Rebecca Moylan	50,000	22-Nov-22	31-Dec-24	Nil	\$1.06	N/A	N/A	77%	3.19%
Matt Read	289,000	24-Apr-23	31-Dec-25	Nil	\$0.40	N/A	N/A	66%	2.98%
Matt Read	224,400	22-Jan-24	31-Dec-25	Nil	\$0.41	N/A	N/A	79%	3.91%

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The number of performance rights over ordinary shares granted to each KMP as part of remuneration is set out below:

	Number of rights granted during the financial year	Number of rights granted during the financial year	Number of rights vested during the financial year	Number of rights vested during the financial year
	2024	2023	2024	2023
Mat Longworth	300,000	375,000	750,000	200,000
Andrew Penkethman	500,000	1,500,000	1,650,000	650,000
Ian Buchhorn	400,000	750,000	1,000,000	600,000
Maree Arnason	300,000	-	-	-
Sam Middlemas	-	90,000	120,000	120,000
Rebecca Moylan	-	235,000	185,000	-
Matt Read	224,400	289,000	-	-

Values of performance rights over ordinary shares (as at date of grant) granted, exercised and lapsed to key management personnel as part of compensation are set out below:

	\$ Value of rights granted during the financial year	\$ Value of rights granted during the financial year	\$ Value of rights vesting during the financial year	\$ Value of rights vesting during the financial year
Name	2024	2023	2024	2023
Mat Longworth	140,730	326,250	63,700	177,000
Andrew Penkethman	234,550	1,305,000	318,500	575,250
Ian Buchhorn	187,640	652,500	245,000	354,000
Maree Arnason	140,730	-	-	-
Sam Middlemas	-	95,400	20,400	77,400
Rebecca Moylan	-	230,500	-	-
Matt Read	92,924	116,785	-	-

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## Movement in shares held

The number of ordinary shares in the Company held during the financial year ended 30 June 2024 by each Director and KMP of the Consolidated Entity, including their related parties, is set out below:

2024	Ordinary Shares				
	Opening	Purchases	Received on performance rights achieving hurdles	Disposals	Closing
Mr M Longworth	221,428	15,000	750,000	-	986,428
Mrs M Arnason	-	15,000	-	-	15,000
Mr A Penkethman	1,202,401	30,000	1,650,000	-	2,882,401
Mr I Buchhorn	13,380,585	30,000	1,000,000	-	14,410,585
Mr S Middlemas	753,700	-	60,000	-	813,700
Ms R Moylan	-	-	185,000	-	185,000
Mr M Read	-	-	-	-	-
<b>2023</b>					
Mr M Longworth	21428	-	200,000	-	221,428
Mr A Penkethman	552,401	-	650,000	-	1,202,401
Mr I Buchhorn	12,980,585	-	400,000	-	13,380,585
Mr S Middlemas	633,700	-	120,000	-	753,700
Ms R Moylan	-	-	-	-	-
Mr M Read	-	-	-	-	-

## Shares issued on the exercise of performance rights

During the year, the Company issued 4,931,000 shares as a result of vesting of performance rights.

## Other Transactions with Directors

The Company rents office and storage facilities in Kalgoorlie from an entity associated with Executive Director Ian Buchhorn on normal arms-length commercial terms. Total rent paid for the financial year was \$92,052 (2023 - \$99,433).

This concludes the Remuneration Report which has been audited.

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## INDEMNIFYING OFFICERS AND AUDITOR

During the year the Company paid an insurance premium to insure certain officers of the Consolidated Entity. The officers of the Consolidated Entity covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Consolidated Entity. The insurance policy does not contain details of the premium paid in respect of individual officers of the Consolidated Entity. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Consolidated Entity has not provided any insurance for an auditor of the Consolidated Entity.

## AUDITORS' INDEPENDENCE DECLARATION

Section 370C of the Corporations Act 2001 requires the Consolidated Entity's auditors Dry Kirkness (Audit) Pty Ltd, to provide the Directors of the Consolidated Entity with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is attached and forms part of this Directors' Report.

## NON-AUDIT SERVICES

The external auditors have not undertaken any non-audit work during the financial year.

## PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings. The Consolidated Entity was not party to any such proceedings during the year.

## CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Consolidated Entity support and have adhered to the principles of corporate governance. The Consolidated Entity's corporate governance practices have been disclosed in Appendix 4G in accordance with ASX listing rule 4.7.3 at the same time as the annual report is lodged with the ASX. Further information about the Company's corporate governance practices is set out on the Company's web site at [www.ardearesources.com.au/corporate-governance](http://www.ardearesources.com.au/corporate-governance). In accordance with the recommendations of the ASX, information published on the web site includes codes of conduct and other policies and procedures relating to the Board and its responsibilities.

DATED at Perth this 13th day of September 2024

Signed in accordance with a resolution of the Directors



**Mathew Longworth** Non-Executive Chair



**COMPLIANCE STATEMENT (JORC CODE (2012))**

A competent person's statement for the purposes of Listing Rule 5.22 has previously been announced by the Company for:

1. Kalpini drill results highlight cobalt-nickel mineralisation, and scandium discovery, 22 June 2017.
2. 2.25Mtpa Goongarrie Nickel Cobalt Project Expansion Study Demonstrates Enhanced Project Economics, 24 July 2018
3. Emu Lake Nickel Sulphide Discovery confirmed with 2.72m at 5.42% Ni, 14 January 2022.
4. High-grade Nickel-Cobalt Confirmed at Kalpini with Scandium and Rare Earth Elements, 14 March 2022.
5. Kalgoorlie Nickel Project Recognition on All Tiers of Australian Government, 21 March 2022.
6. Nickel sulphide anomalism from aircore drilling at Kalpini Project, 2 May 2023.
7. Mineralised Neutraliser Global Patent Lodged, 15 June 2023.
8. Kalgoorlie Nickel Project Mineral Resource Estimate Exceeds 6 Million Tonne Contained Nickel, 30 June 2023.
9. KNP - Goongarrie Hub Ore Reserve and Feasibility Study Defines +40 Year Operation with Strong Financial Metrics, 5 July 2023.
10. Kalgoorlie Nickel Project Goongarrie Hub Tenement Consolidation 17 July 2023
11. Annual Report 2023, 27 September 2023.
12. Appendix 4G and Corporate Governance Statement 2023, 28 September 2023.
13. Nickel Sulphide Prospectivity Confirmed and Lithium-Caesium-Rubidium bearing intrusives in Highway EIS drillhole, 15 December 2023.
14. Half Year Accounts – December 2023, 12 March 2024.
15. Ardea, Sumitomo Metal Mining (SMM) and Mitsubishi Corporation (MC) to form a Joint Venture to develop the Kalgoorlie Nickel Project (KNP) – Goongarrie Hub, 26 April 2024.
16. Kalgoorlie Nickel Project - Goongarrie Hub DFS Drilling Underway, 4 July 2024.
17. Kalgoorlie Nickel Project – Goongarrie Hub DFS Underway, 8 July 2024.
18. KNP – Goongarrie Hub Joint Venture FIRB Approval Received, 14 August 2024.
19. KNP – Goongarrie Hub Joint Venture Transaction Completed with Japanese Consortium, 30 August 2024.

**Competent Persons Statement****Resource Estimation, Exploration Results, and Industry Benchmarking**

The Resource Estimation, Exploration Results 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.

The Company confirms that it is not aware of any new information or data that materially affects information included in previous announcements, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Ardea wishes to clarify that its current Kalgoorlie Nickel Project (KNP) Mineral Resource Estimate (MRE) following JORC Code (2012) guidelines is:

Camp	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
<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 Ore Reserve information shown in this ASX release 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 Estimate 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.



**ASX CHAPTER 5 COMPLIANCE AND PFS CAUTIONARY STATEMENT**

The Company has concluded that it has a reasonable basis for providing the forward-looking statements and forecast financial information included in this announcement. The detailed reasons for that conclusion are outlined throughout this announcement and all material assumptions, including the JORC modifying factors, upon which the forecast financial information is based are disclosed in this announcement. This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules.

The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Certain material factors were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information.

The KNP Goongarrie Hub Project is at the PFS phase and although reasonable care has been taken to make sure that the facts are accurate and/or that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results and developments of projects and the scandium market development may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

A key conclusion of the PFS, which are based on forward looking statements, is that the Goongarrie Hub is considered to have positive economic potential.

The Mineral Resource used for the PFS was classified under JORC Code (2012) Guidelines and announced by the Company on 30 June 2024. The cut-off grades adapted for the PFS and reported in Table 2 are the basis of the production target assumed for the PFS.

The Company believes it has a reasonable basis to expect to be able to fund and further develop the KNP Goongarrie Hub. However, there is no certainty that the Company can raise funding when required.

**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 programs, 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, 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.**



# Auditor's Independence Declaration



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Ardea Resources Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Ardea Resources Limited and the entities it controlled during the year.

DRY KIRKNESS (AUDIT) PTY LTD

A handwritten signature in black ink, appearing to read "Robert Hall".

ROBERT HALL CA  
Director

Perth

Date: 13 September 2024

Dry Kirkness (Audit) Pty Ltd  
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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

As at 30 June 2024

*The below Consolidated Statement of Comprehensive Income should be read in conjunction with the Consolidated Entity's accompanying notes.*

	<u>NOTES</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Other income	2	<u>933,626</u>	<u>372,511</u>
Employee expenses		5,002,104	3,950,183
Insurance expenses		93,543	77,488
Secretarial fees		149,795	52,438
Corporate expenses		207,837	260,206
Strategic partnership expenses		1,700,170	200,439
Computer support services		111,690	127,822
Depreciation	3	3,623	69,150
Amortisation – right-of-use assets	6(c)	249,286	169,163
Share based payments	16	1,993,854	1,094,989
Write-off of Exploration Expenditure		1,532,015	786,822
Revaluation of Investments	9	95,456	644,988
Employee costs recharged to capitalised exploration		(3,061,149)	(3,427,347)
Other expenses		<u>560,733</u>	<u>602,531</u>
Loss before income tax		(7,705,331)	(4,236,361)
Income tax	5	-	-
Net loss attributable to members of the Consolidated Entity's	15	(7,705,331)	(4,236,361)
Other Comprehensive Loss net of tax		-	-
Total Comprehensive Loss		<u>(7,705,331)</u>	<u>(4,236,361)</u>
Basic earnings/(loss) per share (cents per share)	20	(4.01) cents	(2.48) cents
Diluted earnings/(loss) per share (cents per share)	20	(4.01) cents	(2.48) cents

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

*The below Consolidated Statement of Financial Position should be read in conjunction with the Consolidated Entity's accompanying notes.*

	<u>NOTES</u>	<u>2024</u>	<u>2023</u>
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		14,848,940	10,648,371
Other receivables	6	995,538	1,128,469
Other assets	7	181,626	117,389
<b>TOTAL CURRENT ASSETS</b>		<b>16,026,104</b>	<b>11,894,229</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	110,623	4,798
Investments	9	416,333	311,790
Right-of-use Assets	6(a)	344,384	146,688
Capitalised mineral exploration expenditure	10	42,884,987	35,426,032
<b>TOTAL NON-CURRENT ASSETS</b>		<b>43,756,327</b>	<b>35,889,308</b>
<b>TOTAL ASSETS</b>		<b>59,782,431</b>	<b>47,783,537</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	2,664,825	1,161,283
Right-of-use Liabilities	6(a)	269,549	94,462
Provisions	12	616,746	520,291
Borrowings	13	904,225	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,455,345</b>	<b>1,776,036</b>
<b>NON-CURRENT LIABILITIES</b>			
Right-of-use Liabilities	6(a)	70,763	59,134
Provisions	12	84,798	82,333
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>155,561</b>	<b>141,467</b>
<b>TOTAL LIABILITIES</b>		<b>4,610,906</b>	<b>1,917,503</b>
<b>NET ASSETS</b>		<b>55,171,525</b>	<b>45,866,034</b>
<b>EQUITY</b>			
Contributed equity	14(a)	75,017,751	60,000,783
Share Based Payment Reserve	16	7,635,995	5,642,141
Accumulated losses	15	(27,482,221)	(19,776,890)
<b>TOTAL EQUITY</b>		<b>55,171,525</b>	<b>45,866,034</b>

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

*The below Consolidated statement of changes in equity should be read in conjunction with the Consolidated Entity's accompanying notes.*

	Notes	Contributed Equity \$	Share Based Payment Reserve \$	Losses \$	Total \$
<b>BALANCE AT 30 JUNE 2022</b>		60,005,783	4,547,152	(15,540,529)	49,012,406
Total Comprehensive Income		-	-	(4,236,361)	(4,236,361)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>					
Shares issued during the year	14(b)	-	-	-	-
Less share issue costs	14(b)	(5,000)	-	-	(5,000)
Return of Capital – Kalgoorlie Gold Mining Limited	14(b)	-	-	-	-
Performance Rights issued to staff		-	1,094,989	-	1,094,989
<b>BALANCE AT 30 JUNE 2023</b>		<b>60,000,783</b>	<b>5,642,141</b>	<b>(19,776,890)</b>	<b>45,866,034</b>
<b>BALANCE AT 30 JUNE 2023</b>		<b>60,000,783</b>	<b>5,642,141</b>	<b>(19,776,890)</b>	<b>45,866,034</b>
Total Comprehensive Income		-	-	(7,705,331)	(7,705,331)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>					
Shares issued during the year	14(b)	16,000,000	-	-	16,000,000
Less share issue costs	14(b)	(983,032)	-	-	(983,032)
Performance Rights issued to staff		-	1,993,854	-	1,993,854
<b>BALANCE AT 30 JUNE 2024</b>		<b>75,017,751</b>	<b>7,635,995</b>	<b>(27,482,221)</b>	<b>55,171,525</b>

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## CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 30 June 2024

*The below Consolidated Statement of Cash Flows should be read in conjunction with the Consolidated Entity's accompanying notes.*

	<u>NOTES</u>	<u>2024</u>	<u>2023</u>
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from Customers		9,801	2,011
Interest received		422,876	234,226
Other Income		-	10,000
Payments to suppliers and employees (inclusive of goods and services tax)		<u>(4,568,160)</u>	<u>(1,615,741)</u>
<b>Net cash used in operating activities</b>	<b>21(a)</b>	<b><u>(4,135,483)</u></b>	<b><u>(1,369,504)</u></b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation		<u>(8,487,816)</u>	(11,870,058)
Research and development refund received		1,078,649	1,940,882
Proceeds (Payments) for plant and equipment (net)		<u>(80,639)</u>	<u>(66,347)</u>
<b>Net cash used in investing activities</b>		<b><u>(7,489,806)</u></b>	<b><u>(9,995,523)</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares		15,911,304	-
Proceeds from borrowings		904,226	-
Costs of shares issued		<u>(989,672)</u>	(5,000)
<b>Net cash provided by financing activities</b>		<b><u>15,825,858</u></b>	<b><u>(5,000)</u></b>
Net increase (decrease) in cash held		4,200,569	(11,370,027)
Cash at the beginning of the financial period		<u>10,648,371</u>	22,018,398
<b>Cash at the end of the financial period</b>		<b><u>14,848,940</u></b>	<b><u>10,648,371</u></b>

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# Notes to the Financial Statements

For the year ended 30 June 2024

## 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies adopted in preparing the financial report of the Company, Ardea Resources Limited and its controlled entities (Ardea or Consolidated Entity), are stated to assist in a general understanding of the financial report. These policies have been consistently applied as presented, unless otherwise indicated.

Ardea Resources Limited is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the official list of the Australian Securities Exchange. The financial statements are presented in Australian dollars which is the Consolidated Entity's functional currency.

### (a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001.

Ardea Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial report was authorised for issue by the Directors.

### (b) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant estimates in the financial report is the estimations of Ore Reserves and Mineral Resources that are based on geological surveys, drilling results, and other technical data where judgement is needed into Ore Reserve and Mineral Resource Estimate categories such as proven, probable, and inferred. Additional significant estimates in the financial report is the R&D incentive rebate accrued which is based on management's estimate of the eligible expenditure incurred in the year.

### (c) Basis of Consolidation

#### Controlled Entities

The consolidated financial statements comprise the financial statements of Ardea Resources Limited and its subsidiaries as at 30 June 2024.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. The subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity and ceases to be consolidated from the date on which control is transferred out of the consolidated entity.

The acquisition of the subsidiaries have been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of the subsidiaries for the period from their acquisition.

### (d) Income Tax

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and future tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

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*(e) Revenue Recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*Interest income*

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

*(f) Property, Plant and equipment*

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

*Property, plant and equipment and Motor Vehicles*

Property, Plant and equipment, and Motor Vehicles are stated at cost less accumulated depreciation and any impairment in value.

*Depreciation*

Depreciable non-current assets are depreciated over their expected economic life using the straight line. Profits and losses on disposal of non-current assets are taken into account in determining the operating loss for the year. The depreciation rate used for each class of assets is as follows:

Plant & equipment and Motor Vehicles	20 - 33%
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*(g) Contributed Equity*

Issued capital is recognised as the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

*(h) Exploration and Evaluation Expenditure*

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest and is subject to impairment testing. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Where a mineral resource has been identified and where it is expected that future expenditures will be recovered by future exploitation or sale, the impairment of the exploration and evaluation is written back and transferred to development costs. Once production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration and rehabilitation are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability, and
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then re-classified from intangible assets to mining property and development assets within property, plant and equipment.



*(i) Financial risk management*

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework, to identify and analyse the risks faced by the Consolidated Entity. These risks include credit risk, liquidity risk and market risk from the use of financial instruments. The Consolidated Entity has only limited use of financial instruments through its cash holdings being invested in short term interest bearing securities. The primary goal of this strategy is to maximise returns while minimising risk through the use of accredited Banks with a minimum credit rating of A1 from Standard & Poors. The Consolidated Entity has no debt, and working capital is maintained at its highest level possible and regularly reviewed by the full board.

*(j) Share-based payment transactions*

The Company provides benefits to employees (including Directors and consultants) of the Consolidated Entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (Equity-settled transactions).

There is currently a plan in place to provide these benefits being an Employee Share Option Plan (ESOP) which provides benefits to Directors, consultants and senior executives.

The cost of these equity-settled transactions is measured by reference to fair value at the date at which they are granted. The fair value is determined by an external valuer using either the Black - Scholes or Binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Ardea Resources Limited (market conditions).

The cost of equity settled securities is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

Where the Consolidated Entity acquires some form of interest in an exploration tenement or an exploration area of interest and the consideration comprises share-based payment transactions, the fair value of the equity instruments granted is measured at grant date. The cost of equity securities is recognised within capitalised mineral exploration and evaluation expenditure, together with a corresponding increase in equity.

*(k) Borrowings*

These amounts represent advance payment received from Sumitomo Metal Mining Co., Ltd in respect of the funding of the early DFS.

*(l) New or amended Accounting Standards and interpretations adopted*

AASB101 Presentation of Financial Statements has been revised for annual reporting periods beginning on or after 1 January 2023, to require the disclosure of material accounting policy information rather than significant accounting policies. Accounting policy information which does satisfy one of the following requirements has been removed from these financial statements:

- Changes in accounting policy
- Documentation of choice in the accounting standards
- An accounting policy developed in the absence of an explicit accounting standard requirement
- Significant judgement or estimation
- Complex transaction and accounting policy need to explain statement

*(m) New Accounting Standards and Interpretations not yet mandatory or early adopted*

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2024. The Consolidated Entity has assessed the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Consolidated Entity as having no significant impact.

**2. OTHER INCOME**

	2024 \$	2023 \$
Interest	611,267	297,395
Other Income	322,359	75,116
	<u>933,626</u>	<u>372,511</u>

**3. EXPENSES**

Contributions to superannuation	323,158	338,963
Depreciation - Plant and equipment	3,623	69,150
Provision for employee entitlements	98,920	83,340

**4. AUDITORS' REMUNERATION**

Audit – Dry Kirkness (Audit) Pty Ltd

Audit and review of the financial statements	23,663	40,348
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**5. INCOME TAX**

No income tax is payable by the Consolidated Entity as it has carry forward losses for income tax purposes for the year, so current tax, deferred tax and tax expense is \$Nil.

**(a) Numerical reconciliation of income tax expense to prima facie tax payable**

	2024 \$	2023 \$
Loss from continuing operations	<u>(7,705,311)</u>	<u>(4,236,361)</u>
Tax at the tax rate of 30% (2023: 25%)	(2,311,599)	(1,059,090)
Tax effect of amounts which are deductible in calculating taxable income:		
Temporary differences not recognised	1,452,695	879,987
Non deductible expenses/gains	869,993	179,103
Deferred tax asset not brought to account	(11,089)	-
Income tax expense	<u>-</u>	<u>-</u>

**(b) Tax losses**

Unused tax losses for which no deferred tax asset has been recognised	<u>41,969,983</u>	<u>31,909,257</u>
Potential tax benefit at 25%	<u>12,590,995</u>	<u>7,977,314</u>

**(c) Un-recognised Deferred Tax Assets and Liabilities****Un-recognised deferred tax assets comprise:**

Provisions/Accruals/Other	749,212	660,880
Tax losses available for offset against future taxable income	<u>41,969,983</u>	<u>31,909,257</u>
	<u>42,719,195</u>	<u>32,570,137</u>

**Un-recognised deferred tax liabilities comprise:**

Capitalised mineral exploration and evaluation expenditure	<u>47,168,623</u>	<u>39,276,530</u>
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**(d) Franking credits balance**

The Consolidated Entity has no franking credits available as at 30 June 2024.

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**6. OTHER RECEIVABLES**

	2024	2023
	\$	\$
<b>Current</b>		
GST receivable	244,595	69,650
R&D Receivable	334,984	1,011,612
Interest Receivable and other	323,064	57,727
Bonds and Guarantees (Westpac Bank Guarantees)	92,895	-
	<u>995,538</u>	<u>1,138,989</u>

Comprising of bank guarantee of \$85,895.33 for office lease at Level 2, 7 Ventnor Street, West Perth (expiry date: 28/02/2026) and bank guarantee of \$7,000 for warehouse lease at Unit 6, 17 Townsend Street, Malaga (expiry date: 10/09/2026).

**6 (a) RIGHT-OF-USE ASSETS & LIABILITIES**

<b>Current</b>		
Right-of-Use Assets	-	-
Right-of-Use Liabilities	269,549	94,462
<b>Non-Current</b>		
Right-of-Use Assets	344,384	146,688
Right-of-Use Liabilities	70,763	59,134

**(b) Right-of-Use liability maturity analysis**

Maturity analysis		
Within one year	278,343	123,237
Later than one year and not later than three years	71,438	30,994
Less unearned interest	(9,469)	(635)
<b>Total Lease Liability</b>	<u>340,312</u>	<u>153,596</u>
Current	269,549	94,462
Non-Current	70,763	59,134
Total Right-of-Use liability	<u>340,312</u>	<u>153,596</u>

**(c) Amounts recognized in profit and loss**

Depreciation expense on right-of-use assets	249,286	169,163
Interest expense on right-of-use liabilities	15,060	15,981

The Company leases its corporate office at Suite 2, 45 Ord St West Perth with a lease expiring on 19 April 2025. Additionally, the Company leases its site office at 19 and 21 Close Way, West Kalgoorlie, with the lease expiring on 31 July 2025. The Company also leases an office at 7 Ventnor Ave, West Perth for the Kalgoorlie Nickel Pty Ltd Office, with the lease expiring on 30 Nov 2025. These leases are recognised in accordance with AASB 16: Leases, adopted by the Company on 1 July 2019 (refer note 1 (o) for further details). Furthermore, the Company has a lease at Unit 6, 17 Townsend Street, Malaga, which expires on 9 March 2025. Notably, due to the short-term nature of the lease on the Malaga warehouse, the company is exempt from recognising its right of use asset and liabilities in the balance sheet.

**7. OTHER ASSETS**

	2024	2023
	\$	\$
Current		
Prepayments	<u>181,626</u>	<u>117,389</u>



## 8. PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	\$	\$
Plant and office equipment		
At Cost	462,745	361,632
Accumulate Dep	(363,165)	(361,632)
	<u>99,581</u>	-
Motor Vehicles		
At Cost	210,297	210,297
Accumulate Dep	(210,297)	(210,297)
	<u>-</u>	-
Improvements to property and buildings		
At cost	22,243	4,798
Accumulated depreciation	(11,201)	-
	<u>11,042</u>	<u>4,798</u>
<b>Reconciliation</b>		
<b>Plant and office equipment</b>		
Carrying amount at beginning of the period	-	-
Additions	101,114	67,921
Depreciation	(1,789)	(67,921)
Carry amount at the end of the year	<u>99,325</u>	-
<b>Motor Vehicles</b>		
Carrying amount at beginning of the year	-	-
Additions	-	1,229
Depreciation	-	(1,229)
Carrying amount at the end of the year	<u>-</u>	-
<b>Improvements to property and buildings</b>		
Carrying amount at beginning of the year	4,798	-
Additions	6,500	4,798
Disposals	-	-
Carrying amount at the end of the year	<u>11,298</u>	<u>4,798</u>
<b>Total</b>	<u>110,623</u>	-

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## 9. INVESTMENT

	No. of shares	2024 \$	2023 \$
Investment in Godolphin – Shares <sup>1</sup>			
Opening balance	554,551	29,946	48,246
Add: Shares purchases	-	-	-
Less: Shares sold	-	-	-
Less: Fair Value adjustment	-	(18,301)	(18,300)
Closing balance	554,551	11,645	29,946
Investment in Metalicity – Shares <sup>1</sup>			
Opening balance	23,843,825	11,844	35,531
Add: Shares purchases	-	-	-
Less: Shares sold	(12,000,000)	-	-
Less: Fair Value adjustment	-	11,844	(23,687)
Closing balance	11,843,825	23,688	11,844
Investment in KalGold – Shares <sup>1</sup>			
Opening balance	9,000,000	270,000	873,000
Add: Shares purchases	-	-	-
Less: Shares sold	-	-	-
Less: Fair Value adjustment	-	(9,000)	(603,000)
Closing balance	9,000,000	261,000	270,000
Investment in KalGold – Options <sup>2</sup>			
Opening balance	15,000,000	-	-
Add: Options issued in CY	-	-	-
Less: Options terminated	-	-	-
Less: Impairment	-	-	-
Closing balance	15,000,000	-	-
Investment in Larvotto			
Opening balance	-	-	-
Add: Shares purchases	1,000,000	200,000	-
Less: Shares sold	-	-	-
Less: Fair Value adjustment	-	(80,000)	-
Closing balance	15,000,000	120,000	-

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## 9. INVESTMENT (Continued)

Shares in Listed Entities are valued at the closing share price on ASX at 30 June 2024.

1. Ardea received 15,000,000 unlisted options as part of the consideration for the spin out of the Kalgoorlie gold assets from the Ardea group to Kalgoorlie Gold Mining Limited. The value of these options at the grant date was 0.08 per the Black Scholes valuation model. Unlisted Options subject to escrow until November 2023 - exercisable at 25 cents any time prior to 16 November 2024. The options are "out of the money" at the 30 June 2024 reporting date and hence have not been revalued from their cost but impaired as it is unlikely, based on market conditions, that the value will be realised.
2. The Company received 15,000,000 unlisted options as part of the consideration for the spin out of the NSW assets from the Ardea group to Godolphin Resources Limited. The value of these options at the grant date was 0.07055 per the Black Scholes valuation model. Unlisted Options subject to escrow until January 2022 - exercisable at 25 cents any time prior to January 2023. The options are "out of the money" at the 30 June 2024 reporting date and hence have not been revalued from their cost but impaired as it is unlikely, based on market conditions, that the value will be realised.

	2024	2023
	\$	\$
Non-Current		
Unlisted Options in Listed Company	-	-
Investment in Listed Entities	416,333	311,790
	<b>416,333</b>	<b>311,790</b>

### Particulars in relation to the controlled entities

Ardea Resources Limited is the parent entity.

Name of Controlled Entity	Class of Shares	Equity Holding	
		2024	2023
Atriplex Pty Ltd ACN 113 719 207	Ordinary	100%	100%
Ardea Exploration Pty Ltd ACN 137 889 279	Ordinary	100%	100%
Kalgoorlie Nickel Pty Ltd ACN 137 889 199	Ordinary	100%	100%
Wellington Nickel Pty Ltd ACN 659 195 294	Ordinary	100%	100%

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**10. CAPITALISED MINERAL EXPLORATION EXPENDITURE**

	<b>2024</b>	2023
	\$	\$
Non-Current - in the exploration phase		
Cost brought forward	<b>35,426,032</b>	25,299,933
Add: Expenditure incurred during the year (at cost)	<b>9,325,954</b>	11,924,483
R&D Refund received/receivable	<b>(334,984)</b>	(1,011,562)
Exploration expenditure written off	<b>(1,532,015)</b>	(786,822)
	<b>42,884,987</b>	35,426,032

**11. TRADE AND OTHER PAYABLES**

	<b>2024</b>	2023
	\$	\$
Current (Unsecured)		
Trade creditors	<b>911,249</b>	912,493
Other creditors and accruals	<b>1,753,576</b>	248,790
	<b>2,664,825</b>	1,161,283

Included within trade and other creditors and accruals is an amount of \$54,474 (2023 - \$103,694) relating to exploration expenditure.

**12. PROVISIONS**

	<b>2024</b>	2023
	\$	\$
Current		
Employee entitlements	<b>616,746</b>	520,291
Non-Current		
Employee entitlements	<b>84,798</b>	82,333
	<b>701,544</b>	602,624

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**13. BORROWINGS**

	2024	2023
	\$	\$
Sumitomo Metals Mining Co., Ltd (SMM)	904,225	-

Loan from SMM represents advance payments to Kalgoorlie Nickel Pty Ltd received from SMM in respect of the funding of the early DFS per Cooperation Agreement with a binding Consortium of which SMM is a member.

**14. CONTRIBUTED EQUITY**

	2024	2023
	\$	\$
<b>(a) Ordinary Shares</b>		
199,682,915 (2023 – 171,894,772) fully paid ordinary shares	<b>75,017,751</b>	60,000,783

**(b) Share Movements during the Year**

	<u>2024</u>		2023	
	Number of shares	\$	Number of shares	\$
Beginning of the financial period	171,894,772	60,000,783	169,737,772	60,005,783
New shares issues during the period				
Placement at 70c/share	22,857,143	16,000,000	-	-
Conversion of performance rights	4,931,000	-	2,157,000	-
Less costs of issue	-	(983,032)	-	(5,000)
	<b>199,682,915</b>	<b>75,017,751</b>	171,894,772	60,000,783

**(c) Unlisted Options**

There were 3,000,000 options on issue during the year ended 30 June 2024 (2023 – 4,000,000)

**(d) Share Based Payments**

During the current financial year there were a number of Share Based payments made to Directors and Employees with 1,724,000 Performance Rights, (2023 – 4,425,000 ) issued during the period and there were 129,500 Performance Rights (2023 – nil ) that lapsed/expired. There were 4,931,000 shares issued during the period from the conversion of Performance Rights (2023 – 2,157,000).

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## 14. CONTRIBUTED EQUITY (Continued)

### (e) Terms and Conditions of Contributed Equity

#### Ordinary Shares

The Company is a public Company limited by shares. The Company was incorporated in Perth, Western Australia.

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held.

Ordinary shares which have no par value, entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

### (f) Capital Risk Management

Due to the nature of the Consolidated Entity's activities, being mineral development and exploration, the Consolidated Entity does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Consolidated Entity's capital risk management is the current working capital position against the requirements to meet exploration programmes and corporate overheads. The Consolidated Entity's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Consolidated Entity at 30 June 2024 are as follows:

	2024	2023
	\$	\$
Cash and cash equivalents	14,848,9410	10,648,371
Trade and other receivables	995,538	1,128,469
Other assets	181,627	117,390
Trade and other payables	(2,664,825)	(1,161,283)
Provisions	(701,546)	(520,291)
Working capital position	<u>12,659,737</u>	<u>10,212,656</u>

## 15. ACCUMULATED LOSSES

	2024	2023
	\$	\$
Accumulated losses at the beginning of the period	19,776,890	15,540,529
Net loss attributable to members	7,705,331	4,236,361
Accumulated losses at the end of the year	<u>27,482,221</u>	<u>19,776,890</u>

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## 16. RESERVE

### Share Option reserve

The share option reserve comprises any equity settled share based payment transactions.

## 17. RELATED PARTIES

Remuneration of key management personnel

Full remuneration and other transaction details for Directors and Executives are included in the Directors Report where the information has been audited as indicated.

Related Party transactions

Sumitomo Metal Mining Co., Ltd – investor and party to KNP – Goongarrie Hub joint venture

Mitsubishi Corporation Ltd - investor and party to KNP – Goongarrie Hub joint venture

Balances and transactions with related parties are as follows:	2024	2023
	\$	\$
Loan from related party - Sumitomo Metals Mining Co., Ltd.	904,225	-

Ardea's subsidiary KNPL and SMM agreed funding support arrangements to facilitate the progression of the early DFS works while the conditions precedent to the Cooperation Agreement are being satisfied. Under the funding support arrangements, the parties have agreed a contribution plan under which SMM will advance up to A\$12,000,000 in funding to KNPL, as and when funds are required to facilitate agreed early DFS works.

## 18. EXPENDITURE COMMITMENTS

### (a) Exploration

The Consolidated Entity has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Consolidated Entity's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Consolidated Entity have not been provided for in the financial statements and those which cover the following twelve month period amount to \$4,119,654 (2023 - \$3,747,330 ). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

### (b) Capital Commitments

The Consolidated Entity has projected capital expenditure commitments of \$2.69 million as at 30 June 2024 to be funded by Sumitomo Metal Mining Co., Ltd (SMM) & Mitsubishi Corporation (MC) investors to support Kalgoorlie Nickel Pty Ltd as per Cooperation Agreement.

## 19. SEGMENT INFORMATION

The Consolidated Entity operates predominantly in one segment involved in the mineral exploration and development industry in Australia

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**20. EARNINGS/ (LOSS) PER SHARE**

	2024	2023
	\$	\$
Weighted average number of ordinary shares used in calculating basic earnings/ (loss) per share:	199,682,915	170,780,624
Effect of dilutive securities		
Share options*		
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/ (loss) per share	<u>199,682,915</u>	<u>170,780,624</u>
Basic and Diluted loss per share (cents per share)	4.01 cents	2.48 cents
*Non-dilutive securities		

**21. NOTES TO THE STATEMENT OF CASH FLOWS****(a) Reconciliation of the loss from ordinary activities after income tax to the net cash flows used in operating activities**

	2024	2023
	\$	\$
Loss from ordinary activities after income tax	(7,705,332)	(4,236,361)
Non-cash items:		
Depreciation	3,623	69,150
Exploration Writedowns	1,532,015	786,822
Revaluation of Investments	95,456	644,988
Accrued Interest	(323,063)	(57,728)
Share based payments	1,993,854	1,094,989
Change in operating assets and liabilities:		
Decrease (Increase) in prepayments	(64,237)	(62,554)
Decrease (Increase) in receivables		108,919
Increase in trade creditors and accruals	92,554	158,750
Increase in employee entitlements	239,645	123,521
Net cash outflows used in operating activities	<u>(4,135,483)</u>	<u>(1,369,504)</u>

**PARENT COMPANY****(a) Financial Position**

	2024	2023
	\$	\$
Assets		
Total current assets	<u>15,448,891</u>	<u>11,894,229</u>

**(b) Non Cash Financing and Investing Activities**

Full details of the Non Cash impact of the Performance Rights has been disclosed in the Remuneration Report.

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## 22. FINANCIAL INSTRUMENTS

The Consolidated Entity's activities expose it to a variety of financial risks and market risks. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity.

### (a) Interest Rate Risk

The Consolidated Entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market, interest rates and the effective weighted average interest rates on those financial assets, is not significant. Cash and cash equivalents are the only assets effected and the average interest rate received is 4.4% (2023: 4.23%).

### (b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and in the notes to the financial statements.

The Consolidated Entity does not have any material credit risk exposure to any single debtor or group of debtors, under financial instruments entered into by it, and hence no credit loss allowance is required.

### (c) Commodity Price Risk and Liquidity Risk

At the present state of the Consolidated Entity's operations it has minimal commodity price risk and limited liquidity risk due to the level of payables and cash reserves held. The Consolidated Entity's objective is to maintain a balance between continuity of exploration funding and flexibility through the use of available cash reserves.

### (d) Net Fair Values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Consolidated Entity has no financial assets where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

## 23. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

### *Employee Entitlements*

The aggregate employee entitlement liability is disclosed in Note 12.

### *Superannuation Commitments*

The Consolidated Entity contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, to provide benefits to employees on retirement, death or disability.

Accordingly no actuarial assessments of the plans are required.

## 24. CONTINGENT LIABILITIES

### *Advanced Funding Agreement*

If the conditions precedent (including the FIRB Condition) are not fulfilled or waived by the CP Due Date (as defined in the Cooperation Agreement), the Company may choose either:

1. To immediately repay SMM the amount advanced up to the CP Due Date; or
2. If a full form agreement is reached, to pay interest on the advanced amount at the Standard Rate plus 8% per annum, extending the repayment deadline to 12 months after the CP Due Date. The interest will accrue from the CP Due Date.

Additionally, the Company guarantees the repayment obligations of the Company, including the accrued interest, related to the SMM Advancement Receivable.

As at the reporting date, the repayment value, excluding interest and including commitments, is \$3.59M.

A corporate Advisory Fee of \$1.5M is due on the financial completion of the strategic partnering process.

### *Native Title and Aboriginal Heritage*

Native title claims have been made with respect to areas which include tenements in which the Consolidated Entity has an interest. The Consolidated Entity is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Consolidated Entity or its projects. Agreement is being negotiated with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Consolidated Entity has an interest.



## 25. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen since the end of the financial period any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Consolidated Entity to affect substantially the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years except for the following:

On 27 July 2024, a \$3.0M increase in the DFS Budget has been approved by the board and investor Consortium to carry out DFS activities until the end of August 2024, whilst satisfying the Conditions Precedent by the end of August 2024 to proceed with DFS activities as planned from September 2024 onwards per the Cooperation Agreement.

On 19 and 21 August 2024, the Company completed the sale of 1,000,000 of shares in Larvotto Resources Limited for a total consideration of \$298,750 (gross). This transaction occurred after the reporting period and does not affect the financial position as of 30 June 2024. Accordingly, no adjustment has been made to the carrying value of the investment as of 30 June 2024. The financial impact of this transaction is estimated to result in a gain of \$186,250, which will be recognised in the subsequent financial period.

On 30 August 2024, Ardea executed a binding Shareholders' Agreement with GH Nickel Pty Ltd, representing a significant milestone in the development of the globally significant KNP – Goongarrie Hub nickel-cobalt development project.

Details of the Transaction:

GH Nickel Pty Ltd (Consortium SPV) is the vehicle through which SMM and MC, via its wholly owned subsidiary Mitsubishi Development Pty Ltd (collectively, Consortium), will acquire shares in KNPL. Under the terms of the Shareholders' Agreement:

The Consortium will fund 100% of the DFS costs up to an agreed budget of approximately A\$98.5 million.

Upon completion of the DFS spend, the Consortium will subscribe to a 35% ownership in KNPL, with the right to increase its ownership to 50% following a positive FID by the Consortium to build, commission, and operate a plus 30,000 tonnes per annum multi-decade nickel operation.

The Shareholders' Agreement outlines the terms and conditions for a joint venture (JV) to enable the development of the KNP – Goongarrie Hub, subject to a positive FID.

Completion of Conditions Precedent:

With the incorporation of the Consortium SPV as the JV vehicle and the Consortium SPV's accession to the April 2024 Cooperation Agreement, all remaining conditions precedent to the transaction have been satisfied. As a result, the transaction is now complete.

Impact on the Financial Statements:

The completion of this transaction after the reporting period does not require adjustments to the financial statements as of 30 June 2024, as it is classified as a non-adjusting subsequent event under AASB 110. However, the event is considered significant and material to the future operations and development of the KNP – Goongarrie Hub. Consequently, the following details are disclosed:

The funding commitment by the Consortium to cover DFS costs up to A\$98.5 million.

The Consortium's initial 35% ownership interest in KNPL upon DFS completion and the option to increase ownership to 50% upon a positive FID.

The expected acceleration of DFS activities, with completion targeted for the second half of 2025.

This subsequent event does not impact the financial position or performance of Ardea as at 30 June 2024 but is expected to significantly influence the future development of the KNP – Goongarrie Hub project.

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**26. PARENT COMPANY**

	2024	2023
	\$	\$
<b>Assets</b>		
Total current assets	15,448,891	11,894,229
Total non-current assets	1,489,431	1,708,265
Total Assets	<u>16,938,322</u>	<u>13,602,494</u>
<b>Liabilities</b>		
Total current liabilities	1,766,734	1,776,036
Total non-current liabilities	84,798	141,467
Total Liabilities	<u>1,851,532</u>	<u>1,917,503</u>
<b>Net Assets</b>	<u>15,086,790</u>	<u>11,684,991</u>
<b>Equity</b>		
Issued capital	34,761,703	25,819,740
Reserves	7,635,995	5,642,141
Accumulated losses	<u>(27,310,908)</u>	<u>(19,776,890)</u>
<b>Total Equity</b>	<u>15,086,790</u>	<u>11,684,991</u>
<b>Total comprehensive loss for the year</b>	<b>(7,534,019)</b>	<b>(4,236,361)</b>

Ardea Resources Limited has not entered into any deed of cross guarantee with its wholly-owned subsidiaries, had \$5.09 million of contingent liabilities at 30 June 2024 and \$2.69 million capital commitments at 30 June 2024

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## Directors' Declaration

In the opinion of the Directors of Ardea Resources Limited (the Consolidated Entity):

- (a) the financial statements and notes, set out on pages 42 to 62, are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards in Australia and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2024 and of its performance, as represented by the results of its operations, for the financial year to 30 June 2024.
  - (iii) the attached Consolidated Entity Disclosure Statement gives a true and correct view of the Consolidated Entities as at 30 June 2024.
  
- (b) there are reasonable grounds to believe that Ardea Resources Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Managing Director and the Chief Financial Officer for the year to 30 June 2024.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 13th day of September 2024.



**Mathew Longworth**

Chairman

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# Consolidated Entity Disclosure Statement

For the year ended 30 June 2024

The following controlled entities are included in the consolidated financial statements of Ardea Resources Limited (the Consolidated Entity):

Controlled Entity Name	Entity Type	Country of Incorporation	Ownership Interest (%)	Tax residency
Atriplex Pty Ltd ACN	Body Corporate	Australia	100%	Australia
Ardea Exploration Pty Ltd	Body Corporate	Australia	100%	Australia
Kalgoorlie Nickel Pty Ltd	Body Corporate	Australia	100%	Australia
Wellington Nickel Pty Ltd	Body Corporate	Australia	100%	Australia

## Basis of Preparation:

The consolidated financial statements have been prepared in accordance with the Australian Accounting Standards Board (AASB) standards and interpretations, as well as the Corporations Act 2001. All inter-company transactions, balances, income, and expenses between entities within the group have been eliminated in full.

## Significant Accounting Policies:

The accounting policies adopted by the Consolidated Entities in the preparation of these consolidated financial statements are set out in the Notes. These policies have been consistently applied to all entities within Ardea Resources Limited (the Consolidated Entity):

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# Independent Audit Report



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDEA RESOURCES LIMITED

### Report on the financial report

#### Opinion

We have audited the financial report of Ardea Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024 the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

These matters were addressed in the context of our audit of the financial report, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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West Perth, WA 6005

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Standards Legislation



Key Audit Matter	How our audit addressed the key audit matter
<p><b>Capitalised mineral exploration expenditure</b> <i>(refer note 10)</i></p> <p>The Group operates as an exploration entity and its primary activity is the exploration for and evaluation of economically viable mineral deposits.</p> <p>All exploration and evaluation expenditure incurred has been capitalised and recognised as an asset in the Statement of Financial Position.</p> <p>The closing value of this asset is \$42,884,987 as at 30 June 2024.</p> <p>The carrying value of capitalised mineral exploration assets is subjective and is based on the Group's intention and ability, to continue to explore the asset. The carrying value may also be affected by the results of ongoing exploration activity indicating that the mineral reserves and resources may not be commercially viable for extraction. This creates a risk that the asset value included within the financial statements may not be recoverable.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• ensuring the Group's continued right to explore for minerals in the relevant exploration areas including assessing documentation such as exploration and mining licences;</li> <li>• enquiring of management and the directors as to the Group's intentions and strategies for future exploration activity and reviewing budgets and cash flow forecasts;</li> <li>• assessing the results of recent exploration activity to determine whether there are any indicators suggesting a potential impairment of the carrying value of the asset;</li> <li>• assessing the Group's ability to finance the planned exploration and evaluation activity; and</li> <li>• assessing the adequacy of the disclosures made by the Group in the financial report.</li> </ul>
<p><b>Research and Development Tax Incentive</b> <i>(refer notes 6 and 10)</i></p> <p>Management and their advisors have applied judgements, assumptions and estimates in determining the R&amp;D Tax Incentive refund recognised for the 2024 year.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• evaluating the assumptions, methodologies and conclusions used by the Group in preparing the R&amp;D Tax Incentive estimate; and</li> <li>• assessing the adequacy of the disclosures made by the Group in the financial report.</li> </ul>
<p><b>Equity and Capital Structure</b> <i>Refer note 14</i></p> <p>During the year, the Company issued ordinary shares including those on the conversion of performance rights as well as various performance rights of which some have been exercised.</p>	<p>Our audit procedures included an examination of the issue of ordinary shares during the year as disclosed in note 14. We also assessed whether share-based payments should have been recognised in relation to performance rights. Furthermore, we reconciled the third-party share registry to information announced to the public.</p>
<p><b>Joint Venture Arrangement and Borrowings</b> <i>Refer note 13</i></p> <p>During the year the Company signed a binding Cooperation Agreement with a Consortium consisting of Sumitomo Metal Mining Co Ltd and Mitsubishi Corporation. The Consortium</p>	<p>Our audit procedures included an examination of the binding Cooperation Agreement entered into during the year. We also assessed the appropriateness of the joint venture accounting treatment based on the</p>

is to fully fund the KNP - Goongarrie Hub Project Defined Feasibility Study up to A\$98.5M to earn a 35% interest in the project which is accounted for as a joint venture. An additional 15% interest in the joint venture will be issued on a Final Investment Decision where the Consortium assist in optimising debt financing.

terms and conditions of the Cooperation Agreement. Furthermore, we verified all transactions in relation to the joint venture including the loan balance as disclosed in note 13.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the period ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Directors' responsibilities for the financial report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and
- c) for such internal control as the directors determine is necessary to enable the preparation of:
  - i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
  - ii) the consolidated entity disclosure statement that is true and correct and is free from misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significant in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh public interest benefits of such communication.

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## Report on the remuneration report

### Opinion

We have audited the remuneration report included on pages 28 to 38 of the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Ardea Resources Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001.

Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

DRY KIRKNESS (AUDIT) PTY LTD



ROBERT HALL CA  
Director

Perth  
Date: 13 September 2024

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# Shareholder Information

The following additional information was applicable at 6 September 2024.

## 1. Distribution of Fully Paid Ordinary Shareholders is as follows:

Size of Holding	Number of Holders	Shares Held	%
1 - 1,000	656	370,215	0.19%
1,001 - 5,000	1,433	3,807,387	1.91%
5,001 - 10,000	536	4,231,456	2.12%
10,001 - 100,000	968	31,417,756	15.73%
100,001 -	221	159,856,101	80.06%
<b>Total</b>	<b>3,814</b>	<b>199,682,915</b>	<b>100.00%</b>

- a) There were 742 shareholders who held less than a marketable parcel.  
b) The twenty largest shareholders hold 50.75% of the issued fully paid capital of the Company.

## 2. Substantial Shareholders of Fully Paid Ordinary Shareholders are as follows:

Holder	Number of Shares	%
Golden Energy & Resources Limited	18,265,975	9.15%
Ian Buchhorn and Associates	14,082,600	7.05%

## 3. Voting Rights

In accordance with the Company's constitution, voting rights are on the basis of a show of hands, one vote for every registered holder and on a poll, one vote for each share held by registered holders.

## 4. Top 20 Shareholders of Fully Paid Ordinary Shares

	Number of Shares	%
1 CITICORP NOMINEES PTY LIMITED	37,148,546	18.60%
2 HAZURN PTY LTD <BUCHHORN SUPER FUND A/C>	6,911,093	3.46%
3 BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	6,428,400	3.22%
4 BNP PARIBAS NOMS PTY LTD	5,434,006	2.72%
5 JOSCO PTY LTD <O'SHANNASSY FAMILY A/C>	5,383,809	2.70%
6 CUE1 PTE LTD	5,187,500	2.60%
7 MR IAN JAMES BUCHHORN	5,111,678	2.56%
8 SHENTON WORLD FUND LTD	4,857,143	2.43%
9 ENERJEE PTY LTD <ENERJEE SUPER FUND A/C>	2,880,000	1.44%
10 BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	2,589,933	1.30%
11 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,273,653	1.14%
12 B & J O'SHANNASSY MANAGEMENT PTY LTD <JOSCO PTY LTD S/F NO1 A/C>	2,165,572	1.08%
13 MRS PAMELA JEAN BUCHHORN	2,059,829	1.03%
14 MR ANDREW GEOFFREY PENKETHMAN	2,050,000	1.03%
15 MR IWAN JONES & MS JOYCE CHRISTINE JONES <I & J JONES SUPER FUND A/C>	2,027,719	1.02%
16 ALEXANDER ASSETS PTY LTD <ALEXANDER SUPER FUND A/C>	2,000,000	1.00%
17 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,840,179	0.92%
18 MR MICHAEL ANDREW HARRIS	1,715,000	0.86%
19 JOSCO PTY LTD <O'SHANNASSY FAMILY A/C>	1,666,664	0.83%
20 CREATIVE DENTAL ADELAIDE	1,600,000	0.80%
<b>TOTAL</b>	<b>101,330,724</b>	<b>50.75%</b>

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**5. Unlisted Options**

There is no unlisted options on issue.

**6. Share Buy-Backs**

There is no current on-market buy-back scheme.

**7. Stock Exchanges**

The Securities of the Company are not quoted on any other stock exchanges.

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# Tenement Schedule

## Ardea Resources Limited Tenement Schedule (WA) as at 30 June 2024

Tenement	Location	Ardea Interest (%)	Status	Note	Tenement	Location	Ardea Interest (%)	Status	Note
<b>Goongarrie Hub</b>									
E24/196	Goongarrie	100	Live	16	M24/731	Goongarrie	100	Live	3,16
E24/209	Goongarrie	100	Live	16	M24/732	Goongarrie	100	Live	3,16
E24/211	Goongarrie	100	Live	16	M24/744	Goongarrie	100	Live	16
E29/934	Goongarrie	100	Live	16	M24/778	Goongarrie	100	Live	3,16
E29/1028	Goongarrie	100	Live	16	M29/167	Goongarrie	100	Live	16
E29/1038	Goongarrie	100	Live	16	M29/202	Goongarrie	100	Live	16
E29/1039	Goongarrie	100	Live	16	M29/272	Goongarrie	100	Live	16
E29/1045	Goongarrie	100	Live	16	M29/278	Goongarrie	100	Live	16
E29/1048	Goongarrie	100	Live	16	M29/423	Goongarrie	100	Live	16
G29/25	Goongarrie	100	Pending	16	M29/424	Goongarrie	100	Live	16
L24/239	Goongarrie	100	Live	16	M29/426	Goongarrie	100	Live	16
L29/134	Goongarrie	100	Live	16	P24/5260	Goongarrie	100	Live	16
L29/135	Goongarrie	100	Live	16	P24/5328	Goongarrie	100	Live	16
L30/67	Goongarrie	100	Live	16	P24/5329	Goongarrie	100	Live	16
L30/68	Goongarrie	100	Live	16	P24/5265	Goongarrie-Carr Boyd	100	Live	16
L16/141	Goongarrie	100	Live	16	P24/5169	Goongarrie-Windanya	100	Live	16
L30/85	Goongarrie	100	Live	16	P24/5480	Goongarrie-Windanya	100	Live	16
P29/2646	Highway North	100	Live	16	M24/919	Goongarrie-Scotia	100 Ni rights	Live	6
P29/2647	Highway North	100	Live	16	M24/959	Goongarrie-Scotia	100 Ni rights	Live	6
P29/2648	Highway North	100	Live	16	M24/541	Goongarrie	100	Live	16
P24/5528	Goongarrie	100	Live	16	P29/2559	Highway North	100	Live	16
E29/1082	Goongarrie	100	Live	16	P29/2560	Highway North	100	Live	16
E29/1089	Goongarrie	100	Live	16	P29/2501	Highway - Moriarty	100	Live	16
P29/2561	Highway North	100	Live	16	P29/2562	Highway North	100	Live	16
E29/941	Ghost Rocks	100	Live	16	E29/981	Ghost Rocks	100 non Li Au rights	Live	15,16
M29/214	Highway	100	Live	16	L16/143	Goongarrie – Credo West	100	Live	16
L16/144	Goongarrie – Credo West	100	Live	16	E29/1083	Goongarrie	100	Live	16
L16/145	Goongarrie – Credo West	100	Live	16	L16/147	Goongarrie – Credo West	100	Live	16
L16/146	Goongarrie – Credo West	100	Live	16	L16/148	Goongarrie – Credo West	100	Live	16
L24/252	Goongarrie	100	Live	16	L30/95	Goongarrie – Credo West	100	Live	16
E29/1235	Goongarrie	100	Pending	16	E29/984	Highway North	100	Live	15,16
P29/2530	Goongarrie	100	Live	15,16	M29/445	Highway North	100	Live	15,16
P29/2532	Goongarrie	100	Live	15,16	E29/1062	Goongarrie	100	Live	15,16
P29/2467	Goongarrie	100	Live	15,16	L24/253	Goongarrie	100	Live	16
P29/2468	Goongarrie	100	Live	15,16	L24/254	Goongarrie	100	Live	16
P29/2380	Goongarrie	100	Live	15,16	L24/255	Goongarrie	100	Live	16

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Tenement	Location	Ardea Interest (%)	Status	Note	Tenement	Location	Ardea Interest (%)	Status	Note
<b>Goongarrie Hub Expansion Siberia</b>									
E24/203	Siberia North	100 non Au-Ag rights	Live	4, 16	P24/5235	Siberia North	100	Live	16
E29/889	Siberia North	100	Live	16	P24/5236	Siberia North	100	Live	16
M24/634	Siberia North	100 non Au-Ag rights	Live	1,4,16	P29/2484	Siberia North	100	Live	16
M24/660	Siberia North	100 non Au-Ag rights	Live	4,16	P29/2485	Siberia North	100	Live	16
M24/663	Siberia North	100 non Au-Ag rights	Live	4,16	P24/5416	Siberia North	100	Live	16
M24/664	Siberia North	100 non Au-Ag rights	Live	4,16	P24/5417	Siberia North	100	Live	16
M24/665	Siberia North	90 non Au-Ag rights	Live	2,4,16	P24/5418	Siberia North	100	Live	16
M24/683	Siberia North	100 non Au-Ag rights	Live	4,16	P24/5566	Siberia North	100	Live	16
M24/686	Siberia North	100 non Au-Ag rights	Live	4,16	P24/5567	Siberia North	100	Live	16
M24/772	Siberia North	100 non Au-Ag rights	Live	4,16	L24/248	Siberia North	100	Pending	16
M24/797	Siberia North	100 non Au-Ag rights	Live	4,16	L24/249	Siberia North	100	Pending	16
M24/915	Siberia North	100 non Au-Ag rights	Live	4,16	L24/250	Siberia North	100	Live	16
M24/916	Siberia North	100 non Au-Ag rights	Live	4,16	L24/251	Siberia North	100	Pending	16
M24/1002	Siberia North	100 non Au-Ag rights	Pending	4,16	P24/5599	Siberia North	100	Live	16
P24/5618	Siberia South	100	Live	16	P24/5623	Siberia South	100	Live	16
P24/5619	Siberia South	100	Live	16	P24/5624	Siberia South	100	Live	16
P24/5620	Siberia South	100	Live	16	P24/5625	Siberia South	100	Live	16
P24/5621	Siberia South	100	Live	16	L29/181	Siberia North	100	Live	16
P24/5622	Siberia South	100	Live	16	L29/183	Siberia North	100	Pending	16
<b>Goongarrie Hub Expansion Black Range</b>									
M24/757	Black Range	100 non Au-Ag rights;	Live	4,16	M24/973	Black Range	100 non Au-Ag rights	Pending	4,16
P24/4395	Black Range	100 non Au-Ag rights	Live	4,16	P24/4396	Black Range	100 non Au-Ag rights	Live	4,16
P24/4400	Black Range	100 non Au-Ag rights	Live	4,16	P24/4401	Black Range	100 non Au-Ag rights	Live	4,16
P24/4402	Black Range	100 non Au-Ag rights	Live	4,16	P24/4403	Black Range	100 non Au-Ag rights	Live	4,16
P24/5593	Black Range	100% non Au rights	Live	14,16	P24/5594	Black Range	100% non Au rights	Live	14,16
P24/5595	Black Range	100% non Au rights	Live	14,16	P24/5596	Black Range	100% non Au rights	Live	14,16

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Tenement	Location	Ardea Interest (%)	Status	Note	Tenement	Location	Ardea Interest (%)	Status	Note
<b>Kalpini Hub</b>									
E27/524	Kalpini	100 non Au rights	Live	9	P25/2454	Kalpini-Bulong	100	Live	
E27/606	Kalpini	100	Live		P25/2455	Kalpini-Bulong	100	Live	
E27/607	Kalpini	100	Live		P25/2456	Kalpini-Bulong	100	Live	
E28/1224	Kalpini	100	Live		P25/2457	Kalpini-Bulong	100	Live	
E28/2978	Kalpini	100	Live		P25/2458	Kalpini-Bulong	100	Live	
M27/395	Kalpini	100	Live		P25/2459	Kalpini-Bulong	100	Live	
M27/506	Kalpini	100	Live		P25/2460	Kalpini-Bulong	100	Live	
M27/512	Kalpini	100	Pending		P25/2461	Kalpini-Bulong	100	Live	
M28/199	Kalpini	100	Live		P25/2482	Kalpini-Bulong	100	Live	
M28/201	Kalpini	100	Live		P25/2483	Kalpini-Bulong	100 non Au rights	Live	14
M28/205	Kalpini	100	Live		P25/2484	Kalpini-Bulong	100 non Au rights	Live	14
E27/278	Kalpini-Acra	100 Ni Lat Ore	Live	5	P25/2559	Kalpini-Bulong	100 non Au rights	Live	14
E27/438	Kalpini-Acra	100 Ni Lat Ore	Live	5	P25/2560	Kalpini-Bulong	100 non Au rights	Live	14
E27/520	Kalpini-Acra	100 Ni Lat Ore	Live	5	P25/2561	Kalpini-Bulong	100 non Au rights	Live	14
E27/579	Kalpini-Acra	100 Ni Lat Ore	Live	5	P25/2609	Kalpini-Bulong	100	Live	
E28/2483	Kalpini-Acra	100 Ni Lat Ore	Live	5	P25/2613	Kalpini-Bulong	100	Live	
E25/578	Kalpini-Bulong	100 non Au rights	Live	14	P25/2614	Kalpini-Bulong	100	Live	
M25/59	Kalpini-Bulong	100 non Au rights	Live	14	P25/2615	Kalpini-Bulong	100	Live	
M25/134	Kalpini-Bulong	100	Live		P25/2650	Kalpini-Bulong	100 non Au rights	Live	14
M25/145	Kalpini-Bulong	100	Live		P25/2305	Kalpini-Bulong	100 non Au rights	Live	13,14
M25/151	Kalpini-Bulong	100 non Au rights	Live	14	M31/488	Kalpini-Lake Rebecca	100 non Au rights	Pending	14
M25/161	Kalpini-Bulong	100	Live		P31/2038	Kalpini-Lake Rebecca	100 non Au rights	Live	14
M25/171	Kalpini-Bulong	100 non Au rights	Live	14	P31/2039	Kalpini-Lake Rebecca	100 non Au rights	Live	14
M25/187	Kalpini-Bulong	100	Live		P31/2040	Kalpini-Lake Rebecca	100 non Au rights	Live	14
					E27/647	Kalpini	100	Live	
M25/209	Kalpini-Bulong	100	Live		P25/2306	Kalpini-Bulong	100 non Au rights	Live	13,14
E27/646	Kalpini	100	Live		M25/19	Kalpini-Bulong	100 non Au rights	Live	13,14
P25/2295	Kalpini-Bulong	100 non Au rights	Live	14	P25/2307	Kalpini-Bulong	100 non Au rights	Live	13,14
P25/2296	Kalpini-Bulong	100 non Au rights	Live	13,14	P25/2408	Kalpini-Bulong	100 non Au rights	Live	13,14
P25/2743	Kalpini-Bulong	100	Pending		P25/2409	Kalpini-Bulong	100 non Au rights	Live	13,14
E27/714	Kalpini	100	Pending		L27/102	Kalpini	100	Live	
E27/715	Kalpini	100	Pending		L31/88	Kalpini	100	Live	
M25/377	Kalpini-Bulong	100 non Au rights	Pending	14	E28/3308	Kalpini	100	Pending	
P25/2768	Kalpini-Bulong	100	Pending		E28/3309	Kalpini	100	Live	
P25/2769	Kalpini-Bulong	100	Pending		P25/2770	Kalpini-Bulong	100	Pending	
P25/2778	Kalpini-Bulong	100	Pending		P25/2771	Kalpini-Bulong	100	Pending	
P25/2779	Kalpini-Bulong	100	Pending		P25/2773	Kalpini-Bulong	100	Pending	
<b>Kalpini Hub - Yerilla</b>									
E39/1954	Kalpini-Yerilla-Aubils	100	Live		M39/1147	Kalpini-Yerilla-Aubils	100	Pending	
E31/1092	Kalpini-Yerilla-Boyce Creek	100	Live		E31/1169	Kalpini-Yerilla-Boyce Creek	100	Live	
E31/1208	Kalpini-Yerilla-Boyce Creek	100	Live		E31/1213	Kalpini-Yerilla-Boyce Creek	100	Live	
M31/483	Kalpini-Yerilla-Boyce Creek	100	Live		M31/493	Kalpini-Yerilla-Boyce Creek	100	Pending	
M31/475	Kalpini-Yerilla-Jump Up	100	Live		M31/477	Kalpini-Yerilla-Jump Up Dam	100	Live	
M31/479	Kalpini-Yerilla-Jump Up	100	Live						

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Tenement	Location	Ardea Interest (%)	Status	Note	Tenement	Location	Ardea Interest (%)	Status	Note
<b>WA Regional</b>									
M15/1101	WA Regional	Pre-emp Ni-Co Lat	Live	7	M15/1263	WA Regional	Pre-emp Ni-Co Lat	Live	7
M15/1264	WA Regional	Pre-emp Ni-Co Lat	Live	7	M15/1323	WA Regional	Pre-emp Ni-Co Lat	Live	7
M15/1338	WA Regional	Pre-emp Ni-Co Lat	Live	7	M27/510	WA Regional	100 Ni Lat Ore	Live	8
M27/272	Kanowna East	Non-Au Rights	Live	10					
E40/350	Kookynie	Non-Au Rights	Live	11	E40/357	Kookynie	Non-Au Rights	Live	11
E29/1006	Perrinvale	100 non Au rights	Live	14	E29/1078	Perrinvale	100 non Au rights	Live	14
E37/1271	Mt Zephyr	80	Live	12	E39/1706	Mt Zephyr	80	Live	12
E37/1272	Darlot East	80	Live	12	E39/1854	Mt Zephyr	80	Live	12
E37/1273	Darlot East	80	Live	12	E39/1985	Mt Zephyr	80	Live	12
E37/1274	Mt Zephyr	80	Live	12					

**Notes:**

1. Britannia Gold Ltd retains precious metal rights.
2. Impress Ventures Ltd has a 10% equity free-carried interest to a decision to mine.
3. Norton Gold Fields Limited retains certain Au claw-back rights and royalty receivable.
4. Ora Banda Mining Ltd holds Au-Ag rights while Ardea retains all non Au-Ag rights.
5. Acra JV – Northern Star Resources Ltd earn-in with Essential Metals Limited. Former holds gold rights while latter retains nickel sulphide rights. Ardea retains rights to Ni laterite ore.
6. Black Mountain Gold Limited all rights with exception of Ardea retaining Ni rights.
7. Ramelius Resources Limited assignee (Maximus Resources Ltd) all rights, Ardea pre-emptive right to Ni-Co laterite.
8. Paddington Gold Pty Ltd all mineral rights (except nickel sulphide) while Ardea retains rights to nickel laterite ore.
9. By Sale Agreement between Northern Star (Carosue Dam) Pty Ltd and Kalnorth Gold Mines Ltd, Northern Star (Carosue Dam) Pty Ltd now owns Au rights while Ardea retains non-Au rights.
10. Northern Star (Kanowna) Limited holds Au rights. Ardea retains non-Au rights.
11. The Option to purchase the tenements was transferred to Metalicity Limited on 21 November 2020. Ardea retains non Au rights.
12. The Mt Zephyr/Darlot East tenements were farmed out to Red 5 Limited on 18 November 2020 whereby Red 5 Limited may earn 80% equity interest. Ardea is free carried to Decision to Mine.
13. Purchase of tenements by Binding Terms Sheet and Alluvial Rights Agreements dated 4 June 2021 between the Seller Steven Lionel Kean and Ardea Resources Limited.
14. By way of the Demerger Implementation Deed executed between Ardea Resources Limited, Kalgoorlie Gold Mining Limited, Yerrilla Nickel Pty Ltd, Kalgoorlie Nickel Pty Ltd and Ardea Exploration Pty Ltd dated 9 September 2021, certain tenements are to be transferred to newly listed Kalgoorlie Gold Mining Limited. For certain other tenements, Ardea Resources Limited or its subsidiaries will continue to hold and retain non-gold rights while Kalgoorlie Gold Mining Limited retain gold rights only.
15. Tenement Swap Agreement between Brightstar Resources Limited subsidiaries, Goongarrie Operational and Mining Pty Ltd and Menzies Operational and Mining Pty Ltd, and Ardea Resources Limited subsidiary, Kalgoorlie Nickel Pty Ltd dated 15 July 2023. E29/1062 Infrastructure Rights only. E29/981, Brightstar has lithium and gold rights.
16. The Japanese Consortium may acquire 50% of KNPL, the tenement holder, by completing the Goongarrie Hub DFS and making a positive FID.

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# Glossary

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

Australian Registry means Security Transfer Registrars Pty Ltd of 770 Canning Highway, Applecross WA.

Ardea or ARL or Company means Ardea Resources Limited (ABN: 30 614 289 342) ARL : ASX is the Ardea code on ASX.

AL means Atmospheric Leach (being a hydrometallurgical process done at atmospheric pressure, in contrast to high pressure leach HPAL).

Au means Gold.

Anomaly means a value higher or lower than expected, which outlines a zone of potential exploration interest but not necessarily of commercial significance.

Austrade - Australian Trade and Investment Commission.

Co means Cobalt.

Consortium means the parties (SMM and MC) earning equity in KNPL pursuant to the Cooperation Agreement.

Cooperation Agreement means an agreement with Sumitomo Metal Mining Co., Ltd (SMM) and Mitsubishi Corporation (MC) (Consortium) to form a 50:50 incorporated joint venture (JV) to develop the Kalgoorlie Nickel Project (KNP) – Goongarrie Hub (Transaction). The incorporated JV vehicle is Kalgoorlie Nickel Pty Ltd (KNPL), which is currently a wholly owned subsidiary of Ardea.

CMO means Australian Federal Government - Critical Minerals Office.

Critical Minerals means metals and non-metals that are considered vital for the economic well-being of the world's major and emerging economies, yet whose supply may be at risk due to geological scarcity, geopolitical issues, trade policy or other factors. The current Australian Government Critical Minerals List at February 2024 is: High-Purity Alumina (Al), Antimony (Sb), Arsenic (As), Beryllium (Be), Bismuth (Bi), Chromium (Cr), Cobalt (Co), Fluorine (F), Gallium (Ga), Germanium (Ge), Graphite (C), Hafnium (Hf), Indium (In), Lithium (Li), Magnesium (Mg), Manganese (Mn), Molybdenum (Mo), Nickel (Ni), Niobium (Nb), Platinum-group elements (PGE) including Platinum (Pt) and Palladium (Pd), Rare-earth elements (REE), Rhenium (Re), Scandium (Sc), Selenium (Se), Silicon (Si), Tantalum (Ta), Tellurium (Te), Titanium (Ti), Tungsten (W), Vanadium (V), Zirconium (Zr).

Cu means Copper.

DFAT means Australian Federal Government - Department of Foreign Affairs and Trade.

DHEM means downhole electromagnetics.

DWER means WA Department of Water and Environmental Regulation.

EFA means Export Finance Australia.

EM means electromagnetics.

EV means Electric Vehicle.

ESG means Environmental Social and Governance principles.

Feasibility study means a study with three progressively more detailed stages:

Scoping Study means a first pass estimate of engineering requirements and costs of a mining operation, processing plant and plant infrastructure. Included in the cost estimates will be infrastructure, tailings disposal, power supply, and owner's costs. The plant design may change as a result of test work analysis, optimisation studies and engineering improvements performed during execution of the follow-up Pre-feasibility Study. Operating and capital cost estimates are to an order of magnitude accuracy of  $\pm 30\%$ .

Pre-feasibility Study (PFS) means an engineering and cost study of a mining operation, processing plant and plant infrastructure. Included in the cost estimates will be infrastructure, tailings disposal, power supply, and owner's costs. The plant design may change as a result of test work analysis, optimisation studies and engineering improvements performed during execution of the Pre-feasibility Study. Operating and capital cost estimates are to an accuracy of  $\pm 25\%$ .

Definitive Feasibility Study (DFS) means a feasibility study undertaken to a high degree of accuracy which may be used as a basis for raising finance for the construction of a project. Typically operating and capital cost estimates are to an accuracy of  $\pm 15-20\%$ . A DFS is the standard of report required by primary debt funders to demonstrate the technical and commercial viability of a project.

FBICRC means Future Batteries Industry Co-operative Research Centre of which Ardea is a member.

FID means Final Investment Decision which when made for the Goongarrie Hub entitles the Consortium to a 50% interest in KNPL.

FIRB means Foreign Investment Review Board

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Goethite means the dominant nickel cobalt ore type at Goongarrie, which is free dig and has a low energy requirement for comminution along with low acid consumption during processing.

GWL means groundwater extraction licences.

HPAL means High-Pressure Acid Leach.

JV means the Transaction, in which KNPL will manage the DFS process, with the Consortium providing 100% of the funding for the DFS up to a budget of approximately A\$98.5 million via staged equity contributions over approximately 18 months. Ardea and the Consortium will provide technical and commercial input into the DFS. At the conclusion of the DFS spend, the Consortium will have subscribed to a 35% ownership in KNPL and retain the right to increase its ownership in KNPL to 50% upon a positive FID decision by the Consortium.

KNPL means the incorporated JV vehicle is Kalgoorlie Nickel Pty Ltd, which is currently a wholly owned subsidiary of Ardea.

KNP means Kalgoorlie Nickel Project, a nickel cobalt laterite project located through an arc 30 to 150km north-north west to east of Kalgoorlie. It is comprised of the:

- Goongarrie Hub – Goongarrie South, Big Four, Goongarrie Hill, Highway, Siberia North deposits subject to the Consortium DFS expenditure and additionally Ghost Rocks, Black Range and Siberia South deposits.
- Kalpini Hub – Kalpini, Bulong deposits and Yerilla – Jump Up Dam, Boyce Creek, Aubils and Lake Rebecca deposits which are owned 100% by Ardea.

LIB means Lithium Ion Battery.

LCA means Life Cycle Assessment.

LCT means Lithium Caesium Tantalum which metal association along with other rare metal critical minerals is particularly found in Ardea drilling of felsic intrusions at the Highway nickel laterite deposit and elsewhere within Ardea's KNP tenure.

m means metre and km means kilometres.

MC means Mitsubishi Corporation.

Mt means Million tonnes.

Mineralisation means in economic geology, the introduction of valuable elements into a rock body.

Mineralised Neutraliser means a specific plant feed unique to the Goongarrie Hub for which the fine component is AL feed and coarse component is a neutraliser.

MHP means Mixed Hydroxide Precipitate.

MPFA means Australian Federal Government - Major Projects Facilitation Agency.

MPS means Major Project Status - KNP was award MPS in March 2022 by the Prime Minister of Australia.

MSP means Mixed Sulphide Precipitate.

Ni means Nickel.

Nickel Laterite means Nickel occurring as an oxidised hydrated iron oxide, ferruginous clay, smectite clay, chlorite and serpentine assemblage overlying weathered ultramafic rock.

Nickel Sulphide means nickel occurring in an un-oxidised sulphide assemblage associated with fresh ultramafic rock.

NCM means Nickel-Cobalt-Manganese.

OEM mean Original Equipment Manufacturers.

OECD means Organisation for Economic Cooperation and Development.

PCAM Precursor Cathode-active Material.

PGE means Platinum Group Metals - Ruthenium (Ru), Rhodium (Rh), Palladium (Pd), Osmium (Os), Iridium (Ir), and Platinum (Pt).

PLS means Pregnant Liquor Solution.

Project means a grouping of prospects within a specific geographic location, often with a common geological setting.

Prospect means a target upon which exploration programs are planned or have commenced.

R&D means Research and Development.

RC means Reverse Circulation drilling method employing a rotating or hammering action on a drill bit which returns a sample to the surface inside the rod string by compressed air. Sample quality is very good, particularly if the drill hole is dry.



REE means Rare Earth Elements, notably Neodymium (Nd), Praseodymium (Pr) and Cerium (Ce).

Reserves or Ore Reserves or Mineral Reserves as defined by JORC Code:

Proven or Proved Ore Reserve means the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include Feasibility Studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. The term "economic" implies that extraction of the Ore Reserve has been established or analytically demonstrated to be viable and justifiable under reasonable investment assumptions.

Probable Ore Reserve is the economically mineable part of an Indicated Mineral Resource.

Resource or Mineral Resource (MRE) means a Mineral Resource Estimate as defined by JORC Code and is a concentration or occurrence of material of intrinsic economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. Mineral Resources are further sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Measured Resource means a 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.

Indicated Resource means an 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.

Inferred Resource means an 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continue exploration.

JORC (2012 edition) means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves. The JORC Code provides a mandatory system for the classification of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in Public Reports.

Sc means Scandium.

SHA means Shareholders' Agreement with GH Nickel Pty Ltd which is the vehicle through which Sumitomo Metal Mining Co., Ltd, and Mitsubishi Corporation, through its fully owned subsidiary Mitsubishi Development Pty Ltd, (Consortium) will acquire shares in Kalgoorlie Nickel Pty Ltd (KNPL).

SMM means Sumitomo Metal Mining Co., Ltd.

SSB means Static Storage Battery.

V means Vanadium.

WA means Western Australia.

WWF means Walter Williams Formation, the dominant host unit that has weathered to form the Goongarrie Hub nickel laterite deposits and potentially prospective for hosting magmatic nickel sulphide.

WU, CU, EU means ultramafic units Western Ultramafic, Central Ultramafic and Eastern Ultramafic at the Kalpini Emu Lake nickel sulphide project. The WU and CU units are the prime nickel sulphide targets.

*Opposite: Photos Top: The Ardea Team hosted a number of Goongarrie site visits during the year; Photo middle: Slug Hill Site, 60 km north of Kalgoorlie, is an important stop on the Goongarrie site visit itinerary. Looking north from Slug Hill is a view of Goongarrie and the substantial infrastructure passing through the Project. The geology of the site is a discrete olivine adcumulate lava channel that has been drilled previously for nickel sulphides. Photos Bottom: The Ardea Team hosted SMM and MC representatives in Perth and onsite at Kalgoorlie Nickel Project - Goongarrie Hub, for multiple visits during the financial year. Inspecting the core trays showing premium Goongarrie South goethite at Ardea's West Kalgoorlie office, is an important stop.*



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