



CONSTRUCTION FUNDING SECURED FOR SWANSON TANTALUM PROJECT

HIGHLIGHTS

- Construction funding of **not less than US\$7M** secured from HeBei Xinjian Construction CC (HeBei) in return for an interest in the Swanson Tantalum Project (**Swanson Project**) on the following terms:
 - HeBei is to construct a plant, infrastructure execute mine development and commissioning of a Multi Gravity Separation plant (MGS),
 - **Commissioning entails Hebei constructing the plant to detailed engineering specifications to be provided by Arcadia**, and
 - HeBei is to receive a **38% equity interest in Orange River Pegmatite (Pty) Ltd (ORP)** upon fulfilling its obligations
- Plant designed to receive circa 20,000t of feed per month
- Production expected by Q1/2025
- Off-Take discussions well advanced with several off—take parties
- Construction operations by HeBei are to commence shortly
- **Arcadia to retain a see through 49.6% project interest in Swanson following construction and commissioning**
- **Arcadia to retain an 80% project interest in its Ni/PGE and hard rock pegmatite exploration licences (EPL7295 & EPL5047)**
- DFS expected to be delivered shortly

Arcadia Minerals Ltd (ASX:AM7, FRA:8OH) (Arcadia or the Company), the diversified battery metals exploration company targeting a suite of projects aimed at Tantalum, Lithium (Clays, Brines & Hard Rock), Nickel, Copper and Gold in Namibia, is pleased to announce that Orange River Pegmatite (Pty) Ltd (**ORP**), of which Arcadia owns 80% of the issued shares, has entered into a subscription agreement with HeBei in terms of which HeBei is to put the Swanson

Project into a steady state of production in return for newly issued ORP shares equal to 38% of the issued share capital of ORP (**Subscription Shares**).

Jurie Wessels, the Executive Chairman of Arcadia stated: *"As announced on 28 November 2022, the Company entered negotiations with HeBei. We are very pleased negotiations are concluded, and that the Company will be joining forces with HeBei on the development of the Swanson Project. Over the final months of negotiations and site visits we've been able to forge a mutually beneficial understanding with the principals of HeBei, which bodes well for successful completion of construction. In addition, the synergies that may arise from working with our neighbour, who also owns the nearby Homestead Tantalite Mine, is expected to open other opportunities for Hebei and Arcadia in the area, including off-take discussions with several off-take parties with respect to the initial production capacity of the Swanson Project. Furthermore, the transaction does not affect Arcadia's 80% ownership of EPL 5047 and 7295 where Arcadia will continue to explore for mineralised pegmatites and conduct work in relation to its Kum-Kum Nickel & PGE project. As the MGS plant is designed to receive 20,000mt of feed, future mineral resources discovered by Arcadia outside of the Swanson Project could be processed at Swanson."*

TERMS OF SUBSCRIPTION AGREEMENT

Scope of Transaction

The funding-through-subscription transaction (**the Transaction**) relates to the Mineral Resources situated over the Swanson Tantalum/Lithium Project located in, on and under Mining License ML 223 (**Swanson Project**) owned by ORP in the Karas Region of the Republic of Namibia.

The aim of the Transaction is to commence with exploiting existing JORC Mineral Resources¹, which consists of an Indicated Mineral Resource of 1,439Mt at an average grade of 498 ppm Ta₂O₅, 72 ppm Nb₂O₅ and 0.14 % Li₂O and an Inferred Mineral Resource of 1,145Mt at an average grade of 472 ppm Ta₂O₅, 75 ppm Nb₂O₅ and 0.17 % Li₂O.

In terms of the Transaction, ORP will be entitled to transfer, without consideration due to it, the exclusive prospecting licences EPL 5047 and EPL 7295 to a new private company in which the previous shareholders of ORP will hold shares in the same proportion as previously held

¹ Refer to ASX Announcement dated 6 May 2022 "JORC Mineral Resource at Swanson Tantalum Project Doubles in Size"

(Arcadia 80% and the balance of 20% to existing minority vendors, and the terms will be consistent with the terms of the Company's Replacement Prospectus)².

Terms of Transaction

The Transaction will only become effective once the following documentation have been delivered by HeBei:

- a) a processing plant completion certificate issued by a professional engineer appointed by the parties confirming satisfactory construction and commissioning of the MGS plant,
- b) a finance completion certificate by an auditor appointed by the parties confirming that a minimum value of US\$ 7,000,000 (AU\$10.4M) has been expended by HeBei for the purposes of constructing and commissioning of the MGS processing plant,
- c) a processing plant production certificate issued by a professional engineer or metallurgist appointed by ORP confirming that the MGS plant holds the capacity to process the agreed volumes of minerals, and
- d) an executed assumption deed by HeBei to the effect that HeBei has acceded to the terms of the existing ORP shareholders' agreement³.

The above conditions (Second Set of Conditions Precedent) are to be fulfilled (or waived by ORP) not later than 18 (eighteen) months from the date of the agreement, whereafter each of ORP or HeBei may terminate the subscription agreement if the above conditions are not fulfilled subject to the provision that neither ORP nor any other shareholder of ORP will be obliged to restitute funds expended by HeBei at that time or the value of such work to HeBei on the Basis that HeBei's failure to establish a MGS plant in accordance with the terms of the Transaction will be the sole risk of HeBei.

Compliance with Plant and Mine Specifications

HeBei, at its own costs and without recourse (whether financially or otherwise) to ORP or Arcadia must proceed to construct and commission the MGS processing plant independently, but otherwise subject to:

- detailed engineering and design specifications provided by ORP in terms of the Transaction documents. If the specifications do not provide sufficient or complete details required for a specific element of the construction and commissioning of the processing plant, HeBei will be required to perform such works with due skill and care,

² Refer to Replacement Prospectus dated 23 June 2021

³ Refer to Replacement Prospectus dated 23 June 2021

and in a professional and workmanlike manner, in accordance with best and latest industry and business standards and practices;

- HeBei providing suitably skilled and experienced staff, employees and sub-contractors required at its own cost until the Transaction has become effective (as described above);
- HeBei using its own facilities, equipment and tools of trade for the construction and commissioning of the processing plant at its own cost and without any further recourse to ORP and Arcadia, and
- strict compliance by HeBei with the laws of Namibia, including Mining, Environmental, Health and Safety regulations.

The minimum plant and mine specifications relate to the final description of the location, design, components and functionality of the processing plant, all associated infrastructure (power, water and roads), mine site infrastructure, all of which has been prepared by Arcadia in pursuance of a Definitive Feasibility Study (DFS) over the Swanson Project⁴, the results of which are to be announced shortly.

HeBei is to construct the MGS plant to a design capacity of 20,000t feed, and commission the plant strictly within the time frames provided by the specifications, which may not be completed later than 12 months following signature of the agreement on the basis that time is of the essence in relation to the required completion and commissioning of the MGS Plant.

HeBei Indemnity

HeBei agreed to indemnify and hold harmless Arcadia and ORP from and against all costs, losses or damages, claims or demands arising in any manner out of the acts or omissions of HeBei its staff arising from failure to comply with all applicable Namibian law, all bodily injuries, including sickness, disease or death, all loss or damage of or to any physical property, real or personal, of HeBei and operational staff.

Agreed Outcome of the Transaction

It was agreed that the intent of HeBei and ORP in respect of the construction and commissioning of the MGS plant is that HeBei, as a precondition and as a material condition of the Transaction, be required to provide ORP with a MGS Plant strictly in accordance with the specifications, both with regard to the nature and components of the MGS Plant, as well as with regard to the operational functionality of the plant, which operational functionality

⁴ Refer to ASX Announcement 29 September 2022 “DFS Progress at Swanson Tantalum/Lithium Project”

shall be proven by a processing plant production certificate (described above). Successful construction and commissioning to the agreed steady state of production of the MGS Plant and a mine constitutes a material term of the Transaction, and therefore the basis on which HeBei shall become entitled to subscribe to and be issued with the Subscription Shares.

To achieve monitoring by Arcadia, HeBei has agreed that it will, on a weekly basis, hold construction progress meetings with ORP for the purposes of reporting on the progress of construction and to allow ORP to consider the progress of construction in relation to the specifications, and ORP and HeBei identifying and resolving any obstacles or issues which may delay the completion or operational functionality.

In the event of any dispute between HeBei and ORP in respect of any matter relating to construction and matters that arise during monitoring, such dispute will be finally resolved by an independent engineer (acting as an expert and not as an arbitrator) to be appointed by agreement between HeBei and ORP.

Ownership after completion of the Transaction

Ownership of the issued shares in ORP post-completion of the Transaction will be as follows:

Arcadia	49.6%
HeBei	38%
Russell Brooks	4.854%
SPH Kundalila	4.836%
A. Pepler	0.806%
Pius	0.71%
L. Pepler	0.407%
Champion	0.469%
Koekemoer	0.159%
Van der Westhuizen	0.159%

ABOUT HEBEI XINJIAN CONSTRUCTION

HeBei Xinjian Construction CC was established in August 2013 in Namibia to provide quality and cost-effective construction services to its customers. HeBei's parent company HeBei Xinjian construction Group (**HXCG**) was founded in July 1952 and conducted business in housing construction, decoration, industrial and civil equipment installation, plumbing, electrical and instrument installation, real estate development, overseas project contracting, labour export, import and export trading.

In December 2022 HeBei concluded an agreement to purchase the +50-year Homestead Tantalum and Lithium mine from Kazera Global PLC (KZG.L)⁵, which mine is adjacent to the Swanson Project, in Tantalite Valley, Namibia. The transaction provides for a cash consideration of US\$13,000,000 with Kazera retaining the right to receive a debenture payment equivalent to 2.5% of gross sales of produced Lithium & Tantalum for the rest of the life of the mine. To date, HeBei performed its obligations by paying an amount of US\$3,500,000⁶.

SWANSON DFS

The finalisation of the DFS over the Swanson project⁷ has been delayed until completion of the first set of conditions precedent relating to approval by Arcadia and minority shareholders of ORP and the passing of affirming resolutions by the directors of ORP, HeBei and directors

of the Company. This has occurred with the effect that the only remaining conditions precedent are the Second Set of Conditions Precedent relating to a processing plant completion certificate, a finance completion certificate, a processing plant production certificate, and the execution of an assumption deed by HeBei to the existing ORP shareholders' agreement.

This announcement has been authorised for release by the directors of Arcadia Minerals Limited.

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⁵ Refer to RNS Announcement 20 December 2022 by Kazera Global PLC "*100% disposal of African Tantalum (Proprietary) Limited*"

⁶ Refer to Kazera Global Presentation "Q2/2023", page 7.

⁷ Refer to ASX Announcement 29 September 2022 "*DFS Progress at Swanson Tantalum/Lithium Project*"

COMPETENT PERSONS STATEMENT & PREVIOUSLY REPORTED INFORMATION

The information in this announcement that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by the Competent Person(s) whose name(s) appears below, each of whom is either an independent consultant to the Company and a member of a Recognised Professional Organisation or a director of the Company. The Competent Person(s) named below have sufficient experience relevant to the style of mineralisation and types of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012.

The information in the referenced announcements footnoted below in the table below that relates to Exploration Results, including the Mineral Resources has previously been released to the ASX. The Company confirms that it is not aware of any information or data that materially affects the information included in the market announcement, and that all material assumptions and technical parameters underpinning the announcement continue to apply. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Release Date	ASX Announcements
29 September 2022	<i>DFS Progress at Swanson Tantalum/Lithium Project</i>
6 May 2022	<i>JORC Mineral Resource at Swanson Tantalum Project Doubles in Size</i>

MINERAL RESOURCE ESTIMATES

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Swanson Mineral Resource estimate and all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its updated resource announcement made on 6 May 2022. The Company confirms the form and context in which the Competent Person's findings are presented and have not been materially modified from the original market announcement. The information in this announcement that relates to Mineral Resources complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Summary of estimated JORC compliant Mineral Resources for the Swanson Project – Tantalum and Lithium in Hard Rock over the D and E-F Pegmatites.

D Class v5.1	D v5.1 for Estimation	Mass (kt)	Ta ₂ O ₅ (ppm)	Li ₂ O %	Nb ₂ O ₅ (ppm)
Indicated	D0 v5	25	314	0.18	41
	D1 v5	323	340	0.35	96
	D2 v5	220	408	0.17	78
	Total	568	365	0.27	87
Inferred	D0 v5	90	325	0.29	46
	D1 v5	250	361	0.42	93
	D2 v5	103	408	0.19	72
	Total	444	365	0.34	79
Indicated + inferred	D0 v5	115	322	0.27	45
	D1 v5	573	349	0.38	95
	D2 v5	324	408	0.17	76
	Total	1 012	365	0.30	83
Differences may occur in totals due to rounding.					

E-F Class	E-F v5.2 for Estimation	Mass (kt)	Ta ₂ O ₅ (ppm)	Li ₂ O %	Nb ₂ O ₅ (ppm)
Indicated	E7 v5	75	626	0.24	59
	E8 v5	26	723	0.00	71
	E6 v5	40	513	0.10	54
	F1 v5	311	563	0.03	59
	E4 v5	3	748	0.01	56
	E3 v5	53	460	0.14	76
	E2 v5	68	660	0.02	95
	Total	577	578	0.07	65
Inferred	E7 v5	72	649	0.17	59
	E8 v5	61	709	0.01	67
	E6 v5	0	529	0.13	58
	F1 v5	259	560	0.02	57
	E4 v5	6	756	0.01	57
	E3 v5	231	456	0.10	72
	E2 v5	365	571	0.02	77
	Total	995	557	0.05	69
Indicated + Inferred	E7 v5	146	637	0.21	59
	E8 v5	87	713	0.00	68
	E6 v5	41	513	0.10	54
	F1 v5	570	561	0.03	59
	E4 v5	10	753	0.01	57
	E3 v5	284	457	0.11	73
	E2 v5	434	585	0.02	80
	Total	1 572	564	0.05	67
Differences may occur in totals due to rounding.					

BACKGROUND ON ARCADIA

Arcadia is a Namibia-focused diversified metals exploration company, which is domiciled in Guernsey. The Company explores for a suite of new-era metals (Lithium, Tantalum, Platinum-Group-Elements, Nickel and Copper). The Company's strategy is to bring the advanced Swanson Tantalum project into production and then to use the cashflows (which may be generated) to drive exploration and development at the potentially company transforming exploration assets. As such, the first two pillars of Arcadia's development strategy (a potential cash generator and company transforming exploration assets) are established through a third pillar, which consists of utilising the Company's human capital of industry specific experience, tied with a history of project generation and bringing projects to results, and thereby, to create value for the Company and its shareholders.

Most of the Company's projects are located in the neighbourhood of established mining operations and significant discoveries. The mineral exploration projects include-

1. Bitterwasser Lithium in Clay Project – which project contains a potentially expanding JORC Mineral Resource from lithium-in-clays
2. Bitterwasser Lithium in Brines Project – which is prospective for lithium-in-brines within the Bitterwasser Basin area.
3. Kum-Kum Project – prospective for nickel, copper, and platinum group elements.
4. TVC Pegmatite Project – prospective for Lithium, Tantalum and other associated minerals.
5. Karibib Project – prospective for copper and gold.
6. The Swanson Mining Project – advanced tantalum mining project undergoing development to become a mining operation, and which contains a potentially expanding JORC Mineral Resource within the Swanson Project area.

As an exploration company, all the projects of the company are currently receiving focus. However, currently the Swanson project and the Bitterwasser Lithium projects may be considered as Arcadia's primary projects due to their potential to enhance the Company's value.

For more details, please visit www.arcadiaminerals.global

DISCLAIMER

Some of the statements appearing in this announcement may be forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Arcadia operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Arcadia's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of Arcadia, its directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.



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