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Arcadia Minerals

Battery metals for the Electromobility Revolution

The global economy continues to grow solidly and the willingness to consume remains buoyant. A starting position that plays into the hands of the commodity markets. For example, the CRB Index, which comprises 19 commodity futures, has risen by almost 135% since April 2020. Also this year it is enough so far to clear profits. On the other hand, the world stock exchanges have been struggling with losses so far in 2022.

Not infrequently, industry experts are already talking about a new multi-year commodity supercycle in view of favorable supply-demand conditions. The battery metals are practically all attested to dazzling prospects from analysts. Because nickel, lithium or copper etc. are considered the heart of electric cars. This means that they are benefiting from the rise of electromobility.

In the case of lithium, for example, this has recently been reflected in very strongly rising prices. Quotes for Chinese lithium carbonate rose to a new record level in January. This was accompanied by the news that registrations of electric vehicles in China rose by 35% in December compared to the previous month, as Bloomberg reported.

Analysts are chasing bullish lithium prices

Bank of America explains the high lithium prices with the confluence of several factors: projects have been canceled, established mining companies have shown discipline at existing mines, while sales of electric vehicles have increased significantly due to extensive stimulus measures and the introduction of new models. And as automakers continue to rely on lithium-ion batteries, analysts at the U.S. institute expect lithium demand to continue to rise in the coming years.

In line with this, UBS recently raised its lithium price forecasts for 2022, citing an increasingly tense market as a reason for the move. The price estimate for Chinese lithium carbonate, for example, went from \$25,000 per tonne to \$42,500 dollars per ton upwards. The Canadian financial services provider Canaccord Genuity also increased its in-house price forecast for this year by a very significant 57% to 43,125 dollars per tonne. This means that the forecasts of UBS and Canaccord are roughly at the level of the currently valid quotes for lithium.

An explorer with a focus on Namibia

As outlined, battery metals in general and lithium in particular are currently experiencing a lot of momentum. For raw material companies operating in this area, this means a favorable starting position. The beneficiaries include Arcadia Minerals, an Australian-based explorer focused on the extraction of battery metals.

The expansion of the business will be driven by an experienced management team whose track record on previous projects ranges from exploration to production. As the main shareholder with a 26% stake, Raubex is also an internationally experienced mining services company. By the way: The 20 largest shareholders hold 70.75% of the shares of the stock, which is listed in Germany in addition to Australia.

SNAPSHOT

SMALL & MICROCAP

The mines, which include the advanced Swanson Tantalum Project and a portfolio of battery cartridges (nickel, lithium, copper) plus a potential gold deposit, are located in Namibia and thus in a country that is considered a reliable trading partner and a stable democracy.

Swanson Tantalum Project Planned as Cash Cow

The Swanson Tantalum Project is referred to by the Board as the core project designed to underpin Arcadia's character as a diversified exploration company. Those responsible expect this to generate early cash flows that will increase shareholder value and help co-finance the other exploration projects.

According to the company, drilling showed that Swanson sub-areas are suitable for open pit mining. Test results indicate high-grade average grades. The Swanson Project's resource grade is expected to be significantly higher than the global tantalum occurrences of the peer group.

For tantalum you have to know that it is used in many industries. The most important and significant function of the metal is the production of electrolytic capacitors for the electronics industry and its use in mobile phones, PCs, DVD players, video game systems and automotive electronics. Metal also plays a decisive role in high-tech semiconductors (flat screens, inkjet printer heads and magnetic storage media, etc.).

The Kum-Kum project involves nickel, copper and platinum metals

Another asset is the Kum-Kum project, which involves nickel, copper and platinum metals. The Karas region of southern Namibia, where this mining site is located, is known for economically significant mineralization. The Karas region of southern Namibia, where this mining site is located, is known for economically significant mineralization.

It should be noted that this project is still in an early stage of exploration. However, those responsible see high potential for the discovery of magmatic Ni-Cu (PGE)-(Au)-(V-Co-Cr-Fe) sulphide deposits and a number of primary exploration targets have already been identified. A successful bet on commodities such as copper or nickel could be worthwhile, as evidenced by their sharp rise in prices since March 2020. This is no wonder, as these are key raw materials for electromobility. For example, an electric vehicle contains on average almost three times as much copper as a vehicle with a combustion engine.

Bitterwasser Lithium Brines & Lithium Project Promises Valuable Resources

Another activity is the Bitterwasser Lithium Brines & Lithium Project, which has eight exclusive exploration license areas with a workable area of 4,031 km². This is about advancing a lithium project located in the western part of the Kalahari Desert. According to those responsible, the activities carried out so far promise good opportunities for valuable resources.

As proof of this, it is pointed out that economically important salt pan complexes around the world are usually associated with abnormal K and B values. The reduced, clay-rich lithology documented in the main salt pan of Bitterwasser yielded B-values of > 400 ppm and K-values of consistently > 1.8 wt .-%. This underlines the geochemical similarities with other globally

important salt pan complexes. Why this project holds a lot of potential in the event of success has already been made clear by the explanations made at the beginning on the raw material lithium.

Karibib Copper & Gold Project with Significant Exploration Potential

The fourth asset is the Karibib Copper & Gold project in the Erongo district of central Namibia. The task here consists of a systematic exploration of the area with the aim of defining a JORC-compliant mineral resource. It is said that previous activity indicated significant exploration potential, justifying further detailed exploration.

With regards to gold, it should be added that the price of the yellow precious metal has only been trending sideways since mid-2020. Since 2001, however, the note has multiplied and gold has more than just underpinned its reputation as a haven of security thanks to this strong record during this time. And the numerous political, economic and social risks currently existing in the world suggest that gold will remain in demand in the future. An exploration success in gold should therefore pay off for Arcadia Minerals.

This also applies in general with regards to the other projects. In conclusion, it should be noted that the abundant imagination in view of the general rush on battery metals is currently only offset by a market capitalization of AUD 18.81 million (equivalent to EUR 11.88 million) at Arcadia Minerals. The market value thus corresponds to just 305 tons of lithium carbonate. By comparison, the amount of lithium mined in Australian mines was estimated at 40,000 tonnes in 2020.

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