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With the planned tantalum production, Arcadia Minerals is targeting a very interesting raw material niche



The war in Ukraine is further exacerbating the geopolitical tensions that have already risen in recent years. This also has consequences for the commodity market. Concerns about a shortage of supply as a result are driving the prices of many commodities further upwards.

Particularly in the focus of interest are also the so-called rare metals. As the name suggests, their availability is limited. At the same time, however, their great importance for products from the technology industry, for example, makes them a sought-after commodity. This is even more true in times of war than in times of peace.

The group of rare metals includes tantalum, which is considered a technology-critical element. Because of its properties, it plays an important role in various branches of industry. These include modern electronics, biomedicine, alloys and the aerospace industry.

New drilling results are encouraging

It should be noted that tantalum is only economically degradable in a few countries. Important producers are countries such as the Democratic Republic of the Congo and Rwanda, which are considered politically unstable and unsustainable. Countries with a better reputation that also offer tantalum help to achieve very favorable sales opportunities.

This initial constellation makes a commodity explorer tradable in Australia and Germany such as **Arcadia Minerals** (ISIN: AU0000145815) interesting. The company, which focuses on battery metals, plans to participate in the Swanson Tantalum Project as a tantalum producer in the future. For example, there are currently only a few listed tantalum manufacturers. One of the other advantages is that the mining site is located in Namibia. In a country that enjoys a reputation as a fairly stable democracy.

The new drill results recently presented for the Swanson Tantalum Project have also been advantageous. According to Arcadia CEO Philip le Roux, these exceeded the company's expectations. Results indicate a potential expansion of the existing open pit mineral resource.

Consequently, it will be interesting to see what the update of an existing JORC mineral resource estimate will bring. Their submission is expected in the second quarter of 2022. This in turn forms the basis for a planned feasibility study.

Simple calculation example shows the potential value of the Swanson Tantalum Project

From an investor's point of view, however, interesting considerations can already be derived from the present JORC mineral resource estimate. This indicated a total mineral resource of 1.2 million tonnes at 412 g/t Ta₂O₅ (tantalum), 2900 ppm Li₂O (lithium oxide) and 76 g/t Nb₂O₅ (niobium(V) oxide).

With a tantalum price for 25% concentrate (0.788 dollars per gram), which recently rose to 197 dollars per kilogram, this results in an in-situ value per tonne of around 325 dollars at an assumed 412 grams per tonne. Given a JORC resource estimate of 1.2 million tonnes, this in turn results in a fictitious in-situ total value of approximately \$406 million.

It should also be remembered that Arcadia Minerals, which currently has a market capitalization of around 12.7 million euros, is not only targeting tantalum with its exploration projects. Rather, it is intended to extract other sought-after raw materials such as lithium, nickel, copper and gold in the long term.

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