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26 March 2025

Mr Vinay Agrawal
Level 40 Central Park
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by email: ListingsCompliancePerth@asx.com.au

Arcadia Minerals Limited

Arcadia Minerals Limited (**ASX: AM7**) (Company or AM7) refers to your ASX aware query letter dated 24th March 2025 and provides the following responses.

1. AM7's current unaudited cash balance is less than A\$2,900.
2. Yes, if the Company was to expend funds at historical rates. However, there are other factors to consider;

As previously announced, AM7 internally implemented several austerity measures by reducing operations significantly and by focussing on keeping the licenses in good standing. In this regard, the Company has undertaken the following steps:

- Through its longstanding relationship with Lexrox Exploration and Mining (Pty) Ltd as a service provider (the Company owned by the executive directors that provides exploration services to AM7 within Namibia), AM7 was able to agree with Lexrox to assist AM7 with attending to any exploration services to ensure the good standing of licences is maintained whilst the Company resolved its longer-term funding solution;
- as announced on 30 January 2025, the Company commenced a competitive bidding process to obtain a replacement funding partner for the fully permitted Swanson Tantalum Project.
- The Company is also in advanced negotiations with several parties interested in joint venture operations with respect to AM7's TVC Projects and the Swanson Mine.
- The Company has agreed with some officials of the Company to go without remuneration
- Ongoing expenses are being carried by the founders to ensure fulfilment of listing requirements.

The Company appreciates its current cash position appears insufficient, however the Directors are of the opinion that the current measures and ongoing advanced discussions with third parties render the implementation of the measures in the best interests of its shareholders.

3. AM7 expects future outgoings to be significantly less based on the austerity measures implemented under question 2. It should be further noted, that some of the outgoings reported in the December 2024 Quarterly Report will still be applicable, mostly focussed on ongoing listing requirements. These primarily include ASX listing fees, compliance-related costs, audit and statutory reporting fees, corporate administration fees, share registry expenses, and essential regulatory and legal expenses. As discussed under question 2, these expenses have and are currently being met through direct expense reimbursement of founder directors.
4. This has been addressed in question 2 and 3, however as noted in the quarterly report disclosure, the Company is confident it will be able to undertake a capital raising if required.
5. Yes, the Board considers there are reasonable grounds to pay its debts as and when they become due and payable. As disclosed in the Interim Report published on the 12 March 2025 and noted on page 15 of the interim report, the Company has the ability to issue additional shares to raise working capital, to further reduce operational commitments during the next 12 months and an agreement with amounts owing to directors and related parties to not call on payment until the Company has sufficient cash resources available.
6. The amount of A\$71,473.89 reported as 'Other Financing Inflows' refers to funds received from Hebei before termination of the agreement and is not subject to restitution as result of Hebei's failure to fulfil its obligations.
7. AM7 confirms that it is in compliance with the ASX Listing Rules, particularly Listing Rule 3.1, and that there is no further information concerning its financial condition requiring disclosure to ASX that has not already been released to the market.
8. AM7 confirms that these responses have been authorised and approved in accordance with its continuous disclosure policy, including authorisation by the Board or by an officer with delegated authority from the Board to respond to ASX on disclosure matters.

Your Sincerely,

**Mr Jurie Wessels
Executive Chairman
Arcadia Minerals Limited**



24 March 2025

Reference: 105731

Ms Kyla Garic
Company Secretary
Arcadia Resources NL

By email: Kyla.garic@onyxcorporate.com

Dear Ms Garic

Arcadia Minerals Limited ('AM7'): ASX Query Letter

ASX refers to the following:

- A. AM7's half year accounts (the '2024 Half Year Report') for the half year ended 31 December 2024 released on the ASX Market Announcements Platform ('MAP') at 8:15 PM AEDT on 12 March 2025 disclosing (relevantly) the following information:
- (i) Cash and cash equivalents as at 31 December 2024 of \$47,258;
 - (ii) Total current assets of \$116,619; and
 - (iii) Total current liabilities of \$286,433.
- B. The Independent Auditor's review report attached to the 2024 Half Year Report (the 'Auditor's Report') which contained the following material uncertainty related to going concern:
- "Material Uncertainty Related to Going Concern*
- We draw attention to Note 1 of the half-year financial report, which indicates that the consolidated entity incurred a net loss of \$430,058 and had net cash outflows from operating activities of \$231,609 for the half-year ended 31 December 2024. As at that date, the consolidated entity had net current liabilities of \$169,814. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter."*
- C. AM7's Quarterly Activities/Appendix 5B Cash Flow Report (the 'December 2024 Quarterly Report') released to MAP at 11:57 AM AEDT on Friday, 31 January 2025 which disclosed the following:
- (i) cash inflows from financing activities of A\$91,000, of which, A\$71,000 was categorized in the 'other category' ('Other Financing Inflows');
 - (ii) total relevant cash outflows for the quarter of \$101,000;
 - (iii) cash and cash equivalents as at 31 December 2024 of A\$46,000; and
 - (iv) 0.5 estimated quarters of funding available.
- D. AM7's responses to the question at item 8.8 of the December Quarterly Report as set out below:
- (i) "8.8.1: Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Answer: Yes."

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- (ii) *“8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? Answer: Yes, there have been initial discussions with a corporate advisor around the potential to undertake a capital raising. The Company is confident it will be able to secure additional funding, as it has demonstrated previously.”*
- (iii) *“8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? Answer: There is sufficient cash available to continue meeting business objectives in the short term.”*

E. Listing Rule 12.2 which states:

12.2 *“An entity’s financial condition (including operating results) must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing.”*

Request for information

Having regard to the above, ASX asks AM7 to respond separately to each of the following questions:

1. What is AM7’s current unaudited cash balance?
2. It is possible to conclude, on the basis of the information provided in the 2024 Half Year Report and the December Quarterly Report, that if AM7 were to continue to expend cash at the existing rate for the half year ended 31 December 2024, AM7 may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing AM7’s position?
3. Does AM7 expect that in the future it will have outgoings similar to that reported in the December Quarterly Report? If so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate.
4. What steps has AM7 taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
5. Does AM7’s board consider there are reasonable grounds to believe that AM7 will be able to pay its debts as and when they become due and payable? Please explain the basis for the conclusion reached in answering this question.
6. Please provide a description of the \$71,000 ‘Other Financing Inflows’ disclosed in the December 2024 Quarterly Report?
7. Please confirm that AM7 is in compliance with the Listing Rules and, in particular, Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
8. Please confirm that AM7’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AM7 with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3:00 PM AWST Wednesday, 26 March 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AM7’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out above and may require AM7 to request a trading halt immediately if trading in AM7’s securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AM7's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AM7's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that AM7's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours faithfully

ASX Compliance