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**ARDEA RESOURCES LIMITED**

**ABN 30 614 289 342**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10.30am (WST)

**DATE:** Thursday 29<sup>th</sup> November 2018

**PLACE:** The Park Business Centre  
45 Ventnor Avenue  
West Perth WA 6005

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6244 5136.***

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## BUSINESS OF THE ANNUAL GENERAL MEETING

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Notice is given that the annual general meeting of Shareholders will be held at 10.30am (WST) on 29<sup>th</sup> November 2018 at The Park Business Centre, 45 Ventnor Avenue, West Perth, WA.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 10.30am (WST) on 27 November 2018.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

## AGENDA

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### ORDINARY BUSINESS

#### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial period ended 30 June 2018 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial period ended 30 June 2018.”*

**Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 2. RESOLUTION 2 – ELECTION OF DIRECTOR – MR WAYNE BRAMWELL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 12.8 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Wayne Bramwell, a Director who was appointed casually on 29 January 2018, retires, and being eligible, is re-elected as a Director.”*

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**3. RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS TO MR WAYNE BRAMWELL (OR NOMINEE)**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.14 and section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 450,000 Performance Rights to Mr Wayne Bramwell (or his nominee) under the Company’s Performance Rights Plan on the terms and conditions set out in the Explanatory Statement”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in the Company’s Performance Rights Plan, or nominee of Mr Bramwell or an associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the Resolution.

Further, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the relevant Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**DATED: 11 OCTOBER 2018**

**BY ORDER OF THE BOARD**



**SAM MIDDLEMAS  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the year ended 30 June 2018 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.ardearesources.com.au](http://www.ardearesources.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial period) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## 2.3 Previous voting results

At the 2017 Annual General Meeting the vote against the remuneration report was less than 1% of those voting. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

## 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directed	Undirected
Key Management Personnel <sup>1</sup>	Voted	Not voted <sup>3</sup>
Chair <sup>2</sup>	Voted	Voted at discretion of Proxy <sup>4</sup>
Other	Voted	Voted at discretion of Proxy

**Notes:**

1. Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
2. Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).
3. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
4. The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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## 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR WAYNE BRAMWELL

### 3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders.

Mr Wayne Bramwell was appointed as a Director on 29 January 2018 and will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seek election from Shareholders.

Wayne Bramwell is an experienced mining executive with over 26 years of international and Australian project evaluation and development expertise across the base metals, precious metals and bulk commodity sectors.

Mr Bramwell holds a Bachelor of Science (Mineral Science - Extractive Metallurgy), Graduate Diploma of Business, Master of Science (Mineral Economics) and is a Graduate of the Australian Institute of Company Directors (GAICD). He is currently Chairman of the Bentley Branch of the WA School of Mines Alumni (WASMA) and the Chief Executive Officer of ASX listed Artemis Resources Limited.

### 3.2 Independence

Mr Bramwell has no interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected, the Board considers Mr Bramwell to be an independent director.

#### **Board recommendation**

The Board recommends Shareholders vote in favour of Resolution 2.

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## 4. RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS TO MR WAYNE BRAMWELL

### 4.1 General

The Board has agreed, subject to Shareholder approval, to issue a maximum of 450,000 performance rights to Mr Wayne Bramwell (or his nominee) (**Performance Rights**) as follows:

Director	Class B	Class C	Total
Mr Wayne Bramwell	225,000	225,000	450,000
<b>Total</b>	<b>225,000</b>	<b>225,000</b>	<b>450,000</b>

These Performance Rights will vest upon satisfaction of the milestones set out in Schedule 1 of this Notice. These milestones are the same as those attaching to the performance rights issued to each of the Directors then in office as approved by Shareholders at the 2017 annual general meeting.

The Performance Rights will be issued under the Plan (which was approved by Shareholders at the 2017 Annual General Meeting) but will not be issued in reliance of ASIC Class Order 14/1000 *Employee incentive schemes: Listed bodies*.

No disclosure document is required to be issued to the recipient of the Performance Rights as the offer is exempt under section 708(12) of the Corporations Act, as modified by ASIC Corporations (Disclosure Relief—Offers to Associates) Instrument 2017/737.

### 4.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Performance Rights requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit and Mr Bramwell is a related party of the Company by virtue of being a Director.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.15B do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Performance Rights.

### 4.3 Technical information required by Chapter 2E of the Corporations Act

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act, the following information is provided in relation to the proposed

grant of the Performance Rights. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 3:

(a) **Identity of the related party to whom Resolution 3 permits financial benefits to be given**

The Performance Rights will be issued to Mr Wayne Bramwell (or his nominee), a Director.

(b) **Nature of the financial benefit**

Resolution 3 seeks approval from Shareholders to allow the Company to issue up to 450,000 Performance Rights to Mr Wayne Bramwell (or his nominee) on the basis set out in Section 4.1. Schedule 1 sets out the key terms of the Performance Rights.

The Shares to be issued upon conversion of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

The valuation of the Performance Rights is set out in Schedule 2 with a summary below:

<b>Class</b>	<b>Valuation</b>
Class B	\$57,937
Class C	\$78,547
<b>TOTAL</b>	<b>\$136,484</b>

(d) **Dilution**

If the vesting conditions attaching to the Performance Rights are satisfied and all Performance Rights vest and are exercised, a total of 450,000 Shares would be issued. This will increase the number of Shares on issue from 104,990,413 to 105,440,413 (assuming there are no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted by 0.42% by Shares issued to Mr Bramwell (or his nominee).

The actual dilution will depend on the extent that additional Shares are issued by the Company.

(e) **Remuneration**

The remuneration and emoluments from the Company to Mr Bramwell for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

	Current Financial Year	Previous Financial Period ended 30 June 2018
Mr Wayne Bramwell	\$65,700	\$21,900

(f) **Existing relevant interests**

At the date of this Notice, Mr Bramwell does not have a relevant interest in any securities of the Company.

Assuming that Resolution 3 is approved by Shareholders, all of the Performance Rights vest and are exercised, and no other Shares are issued, Mr Bramwell would hold a relevant interest in 0.43% of the Shares on issue.

(g) **Trading history**

The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price (\$)	Date
Highest	\$1.94	28 December 2017
Lowest	\$0.525	19 September 2018
Last	\$0.62	10 October 2018

(h) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

(i) **Director recommendations**

The Directors (excluding Mr Bramwell, who declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution) recommend that Shareholders vote in favour of Resolution 3.

The primary purpose of the grant of the Performance Rights is to provide a performance linked incentive component in Mr Bramwell's remuneration package to motivate and reward the performance of achieving specified vesting conditions within a specified period. The Board considers this issue to be a cost-effective remuneration practice and reasonable given the vesting conditions will align the interests of Mr Bramwell with those of Shareholders. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.

#### 4.4 Technical information required by ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the Performance Rights:

- (a) Mr Bramwell is a Director.;
- (b) the maximum number of Performance Rights to be issued to Mr Bramwell is 450,000, as set out in section 4.1 above;
- (c) the Performance Rights are being issued for nil cash consideration and therefore have an issue price of nil, and no cash consideration will be payable on the vesting of the Performance Rights;
- (d) the names of all persons referred to in ASX Listing Rule 10.14 who have received securities under the Plan since it was approved at the 2017 Annual General Meeting, the number of the securities received and the acquisition price for each security is as specified below:

<b>Name</b>	<b>Number of securities issued</b>	<b>Acquisition price</b>
Katina Law (or her nominee)	900,000 performance rights	Nil
Ian Buchhorn	900,000 performance rights	Nil

Mr Matthew Painter was also issued with 1,200,000 performance rights under the Plan. At the time of issue, Mr Painter was referred to in ASX Listing Rule 10.14. Mr Painter has subsequently transitioned into the role of General Manager – Gold and is no longer a Director;

- (e) the names of all persons referred to in ASX Listing Rule 10.14 entitled to participate in the Plan are the current Directors, namely: Katina Law, Ian Buchhorn and Wayne Bramwell;
- (f) no loan is being provided in connection with the grant of the Performance Rights;
- (g) the Performance Rights will be granted to the Director no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be issued on one date.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Performance Rights as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Performance Rights will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

**Associated Body Corporate** means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** or **Ardea Resources** means Ardea Resources Limited (ACN 614 289 342).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or

indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Performance Right** means a performance right granted pursuant the Performance Rights Plan with the terms and conditions set out in Schedule 1.

**Performance Rights Plan** or **Plan** means the employee incentive scheme titled "Incentive Performance Rights Plan" that was adopted by shareholders in the 2017 Annual General Meeting held on 23<sup>rd</sup> November 2017.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the period ended 30 June 2018.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**VWAP** means the volume weighted average price of the Company's Shares as traded on the ASX.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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A summary of the terms and conditions of the Performance Rights to be issued pursuant to Resolution 3 is set out below:

- (a) **(Vesting Conditions):** The Performance Rights shall vest as follows:
- (i) **Class 'B' Performance Rights:** upon:
- (A) the Company's Shares reaching a 30 day VWAP which is equal to or greater than \$2.37 per share; and
- (B) 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 1 February 2019,
- prior to 30 November 2019.
- (ii) **Class 'C' Performance Rights:** upon:
- (A) completion of the Definitive Feasibility Study in relation to the KNP Cobalt Zone; and
- (B) 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 1 February 2020,
- prior to 30 November 2020.
- (b) **(Conversion):** Once vested, each Performance Right will, at the election of the holder, convert into one Share. The holder will be entitled to give notice to the Company Secretary in writing that the relevant Performance Rights have vested and, provided that the holder remains employed by the Company at the time of giving such notice, the Company shall, unless otherwise directed by the holder, issue the associated number of Shares within 10 Business Days of receipt of such notice.
- (c) **(Consideration):** The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the conversion of the Performance Rights.
- (d) **(Share ranking):** All Shares issued upon the conversion of the Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (e) **(Listing of Shares on ASX):** The Performance Rights will not be quoted on ASX. Upon conversion of the Performance Rights into Shares, the Company will apply for quotation of all Shares issued upon conversion of the Performance Rights within the period required by ASX.
- (f) **(Dividend and Voting Rights):** A Performance Right does not confer upon the holder an entitlement to notice of, or to vote or attend at, a meeting of the Shareholders of the Company or receive dividends declared by the Company.
- (g) **(Share Buy-back/ Capital Return):** In the event that there is a share buy-back or capital return to Shareholders undertaken by the Company which has a material impact on the Company's market capitalisation and upon the achievability of

the performance criteria in respect of the Performance Rights, set out in paragraph (a) above, the parties will agree on a pro rata adjustment of the market capitalisation targets required to be met as part of the performance criteria. Any such changes to the performance criteria of the Performance Rights will be subject to Shareholder approval and any other restrictions imposed by ASX.

- (h) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Performance Rights and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (i) **(Reorganisation of capital):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of the holder of the Performance Rights are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (j) **(Change of control):** In the event that there is a Change of Control Event which occurs as a direct consequence of a decision of the Board to procure or seek a change of control of the Company, the holder will be entitled within 60 days of the happening of such Change of Control Event to call on the Company (which call the Company will be obliged to meet) either, at the holder's election:
  - (i) Issue the holder with Shares in respect of those Performance Rights that have not already vested or expired as at the date of the Change of Control Event in the same number as the holder would have been entitled to had the holder met the performance criteria applicable to those Performance Rights; or
  - (ii) pay to the holder a sum equal to the market value of the Shares that the holder would have received had the holder met the performance criteria applicable to the Performance Rights, referred to in (i) above, which market value shall be assessed by reference to the higher of the 30 day daily closing price trading average of the Company's Shares immediately preceding the occurrence of the Change of Control Event and the consideration payable per Share under the Change of Control Event.

**Change of Control Event** means a change in ownership of the Company occurs when:

- (a) any one person or more than one person acting as a group acquires ownership of stock of the Company that constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; or
- (B) a merger of two companies.

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**SCHEDULE 2 – VALUATION OF PERFORMANCE RIGHTS**

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The Performance Rights to be issued to a Director pursuant to Resolution 3 have been independently valued.

The Performance Rights have been valued using a hybrid employee share option pricing model that simulates the Company's share price at the expiry date.

The variables required to value the Performance Rights are as follows:

<b>Item</b>	<b>Class B</b>	<b>Class C</b>
Underlying Security Spot Price	65.6 cents	65.6 cents
Exercise Price	Nil	Nil
Share Price Barrier	\$2.37	Nil
Assumed Grant Date	30 Nov 2018	30 Nov 2018
Expiration Date	30 Nov 2019	30 Nov 2020
Life of Rights (years)	1	2
Volatility	100%	100%
Risk free rate	2.033%	2.033%

Using the above variables, Stantons International Securities Pty Ltd have calculated a value of \$136,484 for the Performance Rights as follows:

<b>Performance Rights</b>	<b>Number</b>	<b>Value per Right</b>	<b>Total Value</b>
Class B Performance Rights	225,000	\$0.2575	\$57,937
Class C Performance Rights	225,000	\$0.3491	\$78,547
<b>TOTAL</b>	<b>450,000</b>		<b>\$136,484</b>

**APPOINTMENT OF PROXY FORM**  
**ARDEA RESOURCES LIMITED      ANNUAL GENERAL MEETING**

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby

appoint

Name of proxy

**OR:**

the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.30am (WST), on Thursday 29<sup>th</sup> November 2018 at The Park Business Centre, 45 Ventnor Avenue, West Perth, WA, 6005, and at any adjournment thereof.

**Voting on business of the Meeting**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Election of Director – Mr Wayne Bramwell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Issue of Performance Rights to Mr Wayne Bramwell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

Subject to the below, the Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

**IMPORTANT FOR RESOLUTIONS 1 AND 3**

Where I/we have appointed the Chair as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 3 (except where I/we have indicated a different voting intention above) even though these Resolutions are connected directly or indirectly with the remuneration of a member(s) of Key Management Personnel, which includes the Chair.

In relation to Resolution 3: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement applicable to that Resolution, the Chair will only be able to cast a vote as proxy for you if you are entitled to vote, have appointed as proxy in writing and specified your voting direction above.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

**Signature of Shareholder(s):**

**Individual or Shareholder 1**

Sole Director/Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

**Date:** \_\_\_\_\_

**Contact name:** \_\_\_\_\_

**Contact ph (daytime):** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_

**Consent for contact by e-mail:**    YES  NO

## Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) in person, Ardea Resources Limited, Suite 2, 45 Ord Street, West Perth, WA 6005; or
  - (b) mail, Ardea Resources Limited, PO Box 1433, West Perth, WA 6872; or
  - (c) email to the Company at [smiddlemas@ardearesources.com.au](mailto:smiddlemas@ardearesources.com.au),so that it is received not later than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**