

ASX & Media Release

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ASX Symbol

ARL

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Issued Capital

Fully Paid Ordinary Shares
106,145,424

Unlisted options
exercisable at \$0.25
11,155,011

Directors/Employee
Performance Rights
3,390,000

ABN 30 614 289 342

Goongarrie Nickel Cobalt Project Update

- **Strategic Partner process led by KPMG continues, with discussions ongoing**
- **Goongarrie Feasibility Study programs advancing the project in-line with value enhancement strategy**
- **Ardea financial position, \$10.7M as at 31 March 2019**

Ardea Resources (“Ardea” or “the Company”) is pleased to provide an update on the flagship Goongarrie Nickel Cobalt Project (GNCP).

In line with the 27 November 2018 **Corporate Strategy Update**, the Company has been advancing the Strategic Partner search, and continues the multiple feasibility study value enhancement technical work streams.

The GNCP Strategic Partner process has demonstrated that there is strong interest from battery producers and end-user organisations wanting to secure long-term supplies of nickel and cobalt.

Due to the international nature of these discussions, the process has taken and will require more time as Ardea remains focussed on defining and optimising project outcomes for all stakeholders.

The feasibility work streams continue with value enhancement work as part of the Strategic Partner process. Specific work streams include resource modelling, high-grade mine scheduling, project approvals studies and interpretation of pilot plant and bench-scale test results.

Commenting on recent progress at the GNCP, Ardea Chief Executive Officer Andrew Penkethman said:

“The Ardea team have undertaken extensive work as part of the Goongarrie Nickel Cobalt Project feasibility programs. It is pleasing to see the results being consolidated.

Each potential Strategic Partner has specific requirements, hence final project scale and product type will be determined during this process, ensuring that the Definitive Feasibility Study inputs are optimised, maximising value for Ardea’s shareholders.

The Company remains well funded with \$10.7M as at 31 March 2019 and will continue advancing its quality project portfolio in WA and NSW and maintains its intention to progress the planned demerger and IPO of the NSW projects.”

Goongarrie Nickel Cobalt Project

The Company continues to advance the GNCP with a focus on delivering the best outcome for shareholders. Recent results and ongoing work streams include:

- **Strategic Partner Update** - KPMG and Ardea executives continue to engage with potential international project partners interested in securing nickel and cobalt off-take from the large scale and strategic GNCP. Interest in off-take from the GNCP remains high, with a firm requirement by Ardea that offtake rights must include a commensurate project funding capability.
- **Resource Update** - The drill hole database has been updated with results from the 47,239m of drilling completed by Ardea since 2017. This data, along with the extensive legacy drill hole information, is being used to define new wire frame models which incorporate nickel, cobalt and scandium mineralisation, as well as materials characterisation for projected metallurgical performance. Wire-frame modelling has been completed over the majority of the extensive 16km of strike and is nearing completion. Deposits yet to be updated include Big Four and Scotia Dam. Carbonate units that can be utilised as a neutraliser in the process plant have also been wire-framed over the length of the GNCP. A resource and reserve update is expected in Q3 2019.
- **High Grade Mine Schedule** - Open pit optimisations and detailed mine scheduling, including pit back-fill schedule, waste dump locations and material characterisation are in progress utilising the updated GNCP wire-frames and block models. The objective is to focus upon higher grade mining areas during the GNCP capital payback period.
- **Metallurgical Variability Work** - Final reports have just been received for all pilot and bench-scale metallurgy research, apart from the Q4 2018 refinery program. Management are now reviewing the various reports for input into the current mine schedule study.
- **Mineralised Neutraliser** - Neutraliser bench-scale research test-work has demonstrated viable on-site neutraliser results from material containing nickel-cobalt and scandium mineralisation. These results once confirmed and evaluated will be incorporated into the mine scheduling work which is expected to allow their value to be captured in updated financial models (which was not possible in the March 2018 Pre-Feasibility Study).
- **Approvals** - Draft reports for all flora, fauna and water surveys commissioned in Q4 2018 are presently being reviewed and consolidated, as inputs to the site layout design. It is not currently planned to lodge any development applications with the various State authorities until the scale and footprint of the GNCP is finalised, this being part of the ongoing Strategic Partner process.
- **Tenement Consolidation** - As opportunities arise, GNCP tenure is being consolidated and adjoining infrastructure sites secured. Several of the new acquisitions include gold and nickel sulphide targets, which are being worked up ahead of testing with GNCP drill programs. These programs are particularly active around the Menzies - Ghost Rocks sector of the Kalgoorlie Nickel Project (KNP).

Once completed the results from the above work streams will help refine the key inputs to be carried forward into the Definitive Feasibility Study, notably production scale and type of nickel-cobalt sale product produced.

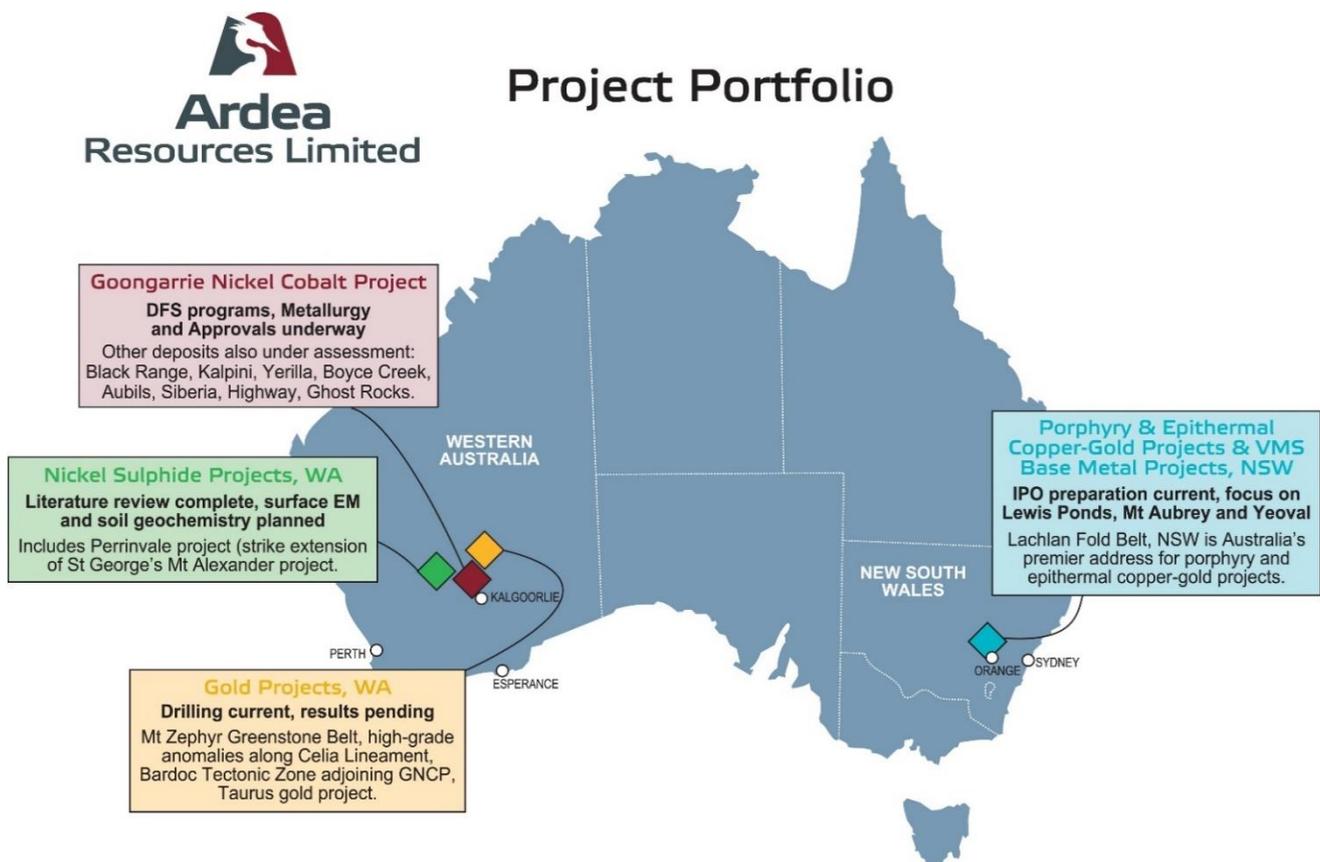
Gold and Base Metal Exploration in WA and NSW

In tandem with the GNCP feasibility study programs, Ardea continues to advance its exploration efforts in WA and NSW for base and precious metals as part of the Company's three-pronged value creation strategy. Updates on the WA and NSW base and precious metals exploration will be provided as each phased exploration program is completed. Follow up work programs are being planned in a staged approach to ensure maximum value is added and funds managed prudently.

ABOUT ARDEA RESOURCES

Ardea Resources ("Ardea" – ASX:ARL) is an ASX-listed resources company, with 100%-controlled Australian-based projects, prioritising a three-pronged value creation strategy which is:

- development of the Goongarrie Nickel Cobalt Project, which is part of the Kalgoorlie Nickel Project, a globally significant series of nickel-cobalt-scandium deposits which host the largest cobalt resource in the developed world;
- advanced-stage exploration at WA gold and nickel sulphide targets; and
- the demerger of the NSW gold and base metal assets with planned in-specie share distribution.



For further information regarding Ardea, please visit www.ardearesources.com.au or contact:

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements and forward-looking information within the meaning of applicable Australian securities laws, which are based on expectations, estimates and projections as of the date of this news release.

This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management's expectations with respect to, among other things, the timing and ability to complete Ardea's NSW spin-out, the timing and amount of funding required to execute the Company's exploration, development and business plans, capital and exploration expenditures, the effect on the Company of any changes to existing legislation or policy, government regulation of mining operations, the length of time required to obtain permits, certifications and approvals, the success of exploration, development and mining activities, the geology of the Company's properties, environmental risks, the availability of labour, the focus of the Company in the future, demand and market outlook for precious and base metals and the prices thereof, progress in development of mineral properties, the Company's ability to raise funding privately or on a public market in the future, the Company's future growth, results of operations, performance, and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "intend", "may" and similar expressions have been used to identify such forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time. Forward-looking information involves significant risks, uncertainties, assumptions and other factors that could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors, including, but not limited to, the ability to complete the NSW spin-out on the basis of the proposed terms and timing or at all, fluctuations in currency markets, fluctuations in commodity prices, the ability of the Company to access sufficient capital on favourable terms or at all, changes in national and local government legislation, taxation, controls, regulations, political or economic developments in Australia or other countries in which the Company does business or may carry on business in the future, operational or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves, contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Prospective investors should not place undue reliance on any forward-looking information.

Although the forward-looking information contained in this news release is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure prospective purchasers that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. The Company does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.

No stock exchange, regulation services provider, securities commission or other regulatory authority has approved or disapproved the information contained in this news release.