



**ARDEA RESOURCES LIMITED**  
**ACN 614 289 342**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**An Extraordinary General Meeting of the Company will be held at The Quest, 54 Kings Park Road, West Perth, WA 6005 on Monday 4<sup>th</sup> November 2019 at 10am (WST).**

*The Notice of Extraordinary General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 6244 5136.*

**Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice**

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# ARDEA RESOURCES LIMITED

ACN 614 289 342

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## NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Ardea Resources Limited (**Ardea or Company**) will be held at 10.00am (WST) on Monday 4<sup>th</sup> November 2019 at The Quest, 54 Kings Park Road, West Perth, Western Australia (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form together form part of this Notice. The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 5pm (WST) on 2<sup>nd</sup> November 2019.

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### 1. Resolution 1 - Approval to dispose of major asset

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

*“That, for the purposes of Listing Rule 11.4 and for all other purposes, approval is given for the sale of the NSW Assets to Godolphin Resources Limited, a subsidiary entity of the Company, on the terms and conditions set out in the Explanatory Statement.”*

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a party to the transaction to acquire the NSW Assets and any associates of those persons. However, the Company need not disregard a vote if 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, it is cast by the person chairing the meeting 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.

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### 2. Resolution 2 - Approval for a reduction of capital and in-specie distribution of Godolphin Shares

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

*“That, for the purposes of Sections 256B and 256C of the Corporations Act and for all other purposes, the issued share capital of the Company be reduced by the Company making a pro rata distribution in specie of Godolphin Shares to all holders of ordinary shares in the Company at the Record Date and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”*

BY ORDER OF THE BOARD



Sam Middlemas  
Company Secretary

Dated: 3 October 2019

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# ARDEA RESOURCES LIMITED

ACN 614 289 342

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 10.00am (WST) on Monday 4<sup>th</sup> November 2019 at The Quest, 54 Kings Park Road, West Perth, Western Australia.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Resolutions 1 and 2 - Approval for a reduction of capital and in-specie distribution of Godolphin Shares and disposal of a major asset
Section 4	Enquiries
Schedule 1:	Definitions
Schedule 2:	Pro-forma Consolidated Statement of Financial Position - Ardea
Schedule 3	Pro-forma Consolidated Statement of Financial Position - Godolphin
Schedule 4	Key risk factors facing Godolphin
Schedule 5	Tenement Schedule
Schedule 6	Lewis Ponds Freehold Land
Schedule 7	Option Terms

A Proxy Form is located at the end of the Explanatory Memorandum.

#### 1.1 Purpose of this document

The main purpose of this document is to:

- (a) explain the terms of the Proposal, and the manner in which the Proposal (or parts of the Proposal) will be implemented (if approved); and
- (b) to provide such information as is prescribed or otherwise material to the decision of Shareholders whether or not to approve the Resolutions required to give effect to the Proposal.

This document includes a statement of all the information known to the Company that is material to Shareholders in deciding how to vote on Resolution 2, as required by Section 256C(4) of the Corporations Act.

## **1.2 ASIC and ASX**

A final copy of this Notice of Meeting and Explanatory Memorandum has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this document.

## **1.3 Forward looking statements**

Some of the statements appearing in this document may be in the nature of forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and similar expressions are intended to identify forward-looking statements. Indications of guidance on future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties, many of which are outside the Company's control. Those risks and uncertainties include factors and risks specific to the Company and Godolphin such as (without limitation) the status of exploration and mining applications and licences and the risks associated with the non-grant or expiry of those applications and licences, liquidity risk, risks associated with the exploration or developmental stage of projects, funding risks, operational risks, changes to Government fiscal, monetary and regulatory policies, the impact of actions of Governments, the potential difficulties in enforcing agreements, protecting assets, increases in costs of transportation and shipping of international operations, alterations to resource estimates and the imprecise nature of resource and reserve statements, any circumstances adversely affecting areas in which the Company operates, fluctuations in the production, volume and price of commodities, any imposition of significant obligations under environmental regulations, fluctuations in exchange rates, the fluctuating industry and commodity cycles, the impact of inflation on operating and development costs, taxation, regulatory issues and changes in law and accounting policies, the adverse impact of wars, terrorism, political, economic or natural disasters, the impact of changes to interest rates, loss of key personnel and delays in obtaining or inability to obtain any necessary Government and regulatory approvals, insurance and occupational health and safety. For more information on the risk factors facing Godolphin, please refer to Schedule 4.

Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and such deviations are both normal and to be expected.

None of the Company, Godolphin, any of their respective officers or any person named in this document or involved in the preparation of this document make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on those statements.

The forward-looking statements in this document reflect views held only as at the date of this document.

## 1.4 No financial product advice

This document does not constitute financial product, taxation or investment advice nor a recommendation in respect of the Godolphin Shares. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Before deciding how to vote or act, Shareholders should consider the appropriateness of the information, having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their circumstances.

Neither the Company nor Godolphin is licensed to provide financial product advice. No cooling-off regime applies in respect of the acquisition of Godolphin Shares under the In-specie Distribution (whether the regime is provided for by law or otherwise).

## 1.5 No internet site is part of this document

No internet site is part of this Notice of Meeting and Explanatory Memorandum. The Company maintains an internet site ([www. ardearesources.com.au](http://www.ardearesources.com.au)). Any reference in this document to this internet site is a textual reference only and does not form part of this document.

## 1.6 Important Notices

Event	Date
Godolphin lodges prospectus with ASIC	25 October 2019
Godolphin applies for admission to the Official List	1 November 2019
Extraordinary General Meeting to approve the In-specie Distribution of Godolphin Shares ASX informed of Shareholder approval	4 November 2019
ASX Conditional Admission Letter for Godolphin Application to Official List	25 November 2019
Godolphin closes Priority Offer	18 November 2019
Godolphin closes Public Offer	25 November 2019
Record Date	28 November 2019
Completion of acquisition of the NSW Assets	2 December 2019
In-specie Distribution to Shareholders of Godolphin Shares	5 December 2019
Dispatch of holding statements for In-Specie Distribution	10 December 2019
Godolphin Shares commence trading on ASX	13 December 2019

**These dates are indicative only and may change without notice. Refer to Section 3.3 for further details.**

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## 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### 2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

### 2.2 Proxies

#### (a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

#### (b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

#### (c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;

- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### **2.3 Voting exclusions**

Pursuant to requirements of the Corporations Act and Listing Rules, certain voting exclusions apply to Resolution 1. Please refer to discussion of the relevant Resolutions below for details of the applicable voting exclusions.

### **2.4 Chair's voting intentions**

The chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

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## **3. Resolutions 1 and 2 - Approval for disposal of a major asset and a reduction of capital and in-specie distribution of Godolphin Shares**

### **3.1 Background and Overview of the Proposal**

The Company is an ASX listed, Australian based resources company, with a focus on projects within the Kalgoorlie Nickel Project, Eastern Goldfields of WA and the Lachlan Fold Belt in central NSW.

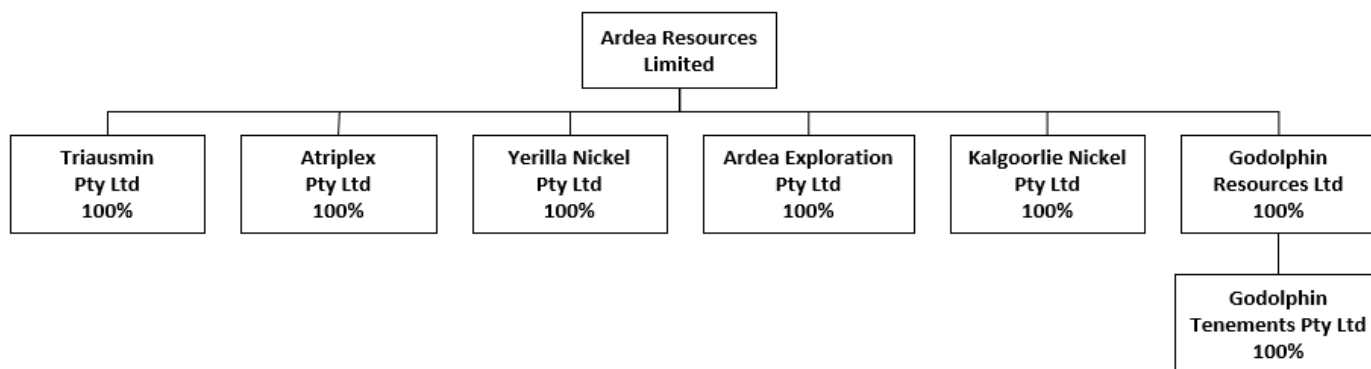
The Company has an 100% interest in the following projects:

- (a) Goongarrie Nickel Cobalt Project, WA (subset of the larger Kalgoorlie Nickel Project, WA);
- (b) Bardoc Tectonic Zone Gold Project, WA;
- (c) Mount Zephyr Gold Project, WA;
- (d) Perrinvale Nickel Sulphide Project, WA;
- (e) Bedonia Gold-Nickel Project, WA;
- (f) Mt Aubrey Epithermal Gold Project, NSW;
- (g) Lewis Ponds Gold-Base Metal Project, NSW;
- (h) Yeoval Porphyry Copper-Gold Project, NSW;
- (i) Wiseman's Creek Gold-Copper Project, NSW;
- (j) Calarie Gold Project, NSW; and
- (k) Gundagai Gold Project, NSW.

The Company currently owns the Lewis Ponds Freehold Land, being the land on which the Lewis Ponds Gold-Base Metal Project is located.

The current structure corporate structure of the Company is shown below in Figure 1.

**Figure 1. Current structure**



As announced to the ASX on 25 June 2019, the Company is proposing, subject to Shareholder approval, to transfer the NSW Assets to its new subsidiary company Godolphin (**Spin-out**), who will in-turn seek a listing on ASX. Following the Spin-Out but prior to the In-specie Distribution, Ardea will hold 30,000,000 Godolphin Shares.

Ardea intends to distribute and transfer all of its Godolphin Shares to Ardea Shareholders on a pro rata basis as an in-specie distribution (**In-specie Distribution**).

The In-specie Distribution will only proceed if the following conditions are met (together, the **In-specie Conditions**):

- (a) Ardea obtaining shareholder approval under the Corporations Act for the proposed In-specie Distribution;
- (b) Godolphin receives valid applications for not less than \$4,500,000 under the Public Offer;
- (c) receipt of a private taxation ruling from the Australian Taxation Office confirming the Demerger Relief on terms that are acceptable to Ardea (acting reasonably); and
- (d) Godolphin obtaining a conditional admission letter from ASX on terms satisfactory to the Godolphin directors, acting reasonably.

Should the In-specie Conditions be satisfied, the In-specie Distribution will be effected by an equal reduction of Ardea capital on a pro rata basis. Ardea Shareholders will receive an in specie return of capital by way of the distribution of Godolphin Shares in proportion to the number of Ardea Shares held by them at the Record Date. Ardea Shareholders will thereby retain direct ownership of Ardea and will also receive direct ownership of Godolphin.

From a tax perspective, the Company will seek a private taxation ruling from the ATO seeking to confirm that Demerger Relief for income tax purposes (see Section 3.26 for further details).

The Company's primary purpose in undertaking the Spin-out and In-specie Distribution (together the **Proposal**) is to facilitate a greater focus on the Company's large and high-quality portfolio of Western Australian nickel-cobalt development and gold and nickel sulphide exploration assets in line with the Board's commitment to deliver value for Ardea Shareholders. Specifically, the Proposal is being undertaken to achieve the following objectives:



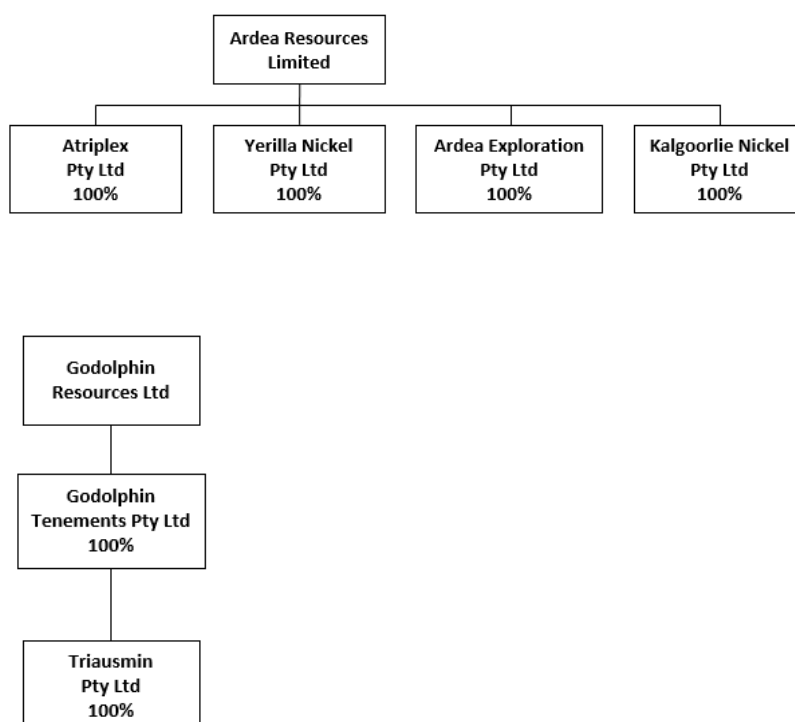
- (a) Secure sufficient funding to allow the exploration warranted by the high prospectivity of the NSW projects;
- (b) The Proposal will allow Ardea to dedicate its efforts to its Western Australian projects, in doing so remove the internal competition for valuable capital;
- (c) Provide Shareholders with the opportunity to participate in the development of the NSW Assets, whilst maintaining their investment exposure to the Western Australian projects;
- (d) Drive superior value for shareholders in both entities;
- (e) Enable both Godolphin and Ardea to undertake more targeted marketing to investors as both companies have a clear and more easily understood investment proposition; and
- (f) Allow for Ardea and Godolphin to have independent WA and NSW administrative staff, reducing the associated costs borne by Ardea in maintaining operations away from its WA base.

In the event:

- (a) Resolutions 1 and 2 are passed;
- (b) the Company proceeds with the Spin-out; and
- (c) the In-specie Conditions are satisfied,

the restructure of Ardea and Godolphin will result in the following structure:

**Figure 2. Structure post Proposal**



Should the In-specie Distribution not proceed as a result of the non-satisfaction of the In-specie Conditions, providing Resolution 1 is approved and the Conditions (other than the In-specie Conditions) are met, the Company will still proceed with the Internal Restructure and its corporate structure will remain as it is currently (see Figure 1).

If the In-specie Distribution does not proceed, the Company will continue to focus its resources on developing all of its projects. The Company will need to raise further capital or source other funding to continue the development of the NSW Assets. Informal discussions have occurred in respect of many of the NSW Assets over the last year involving possible joint ventures, which would be an option open to Ardea to further advance the mineral properties should the Proposal not proceed. However, the Board considers that the NSW Assets are of more value if retained as a whole unit by a single entity, rather than being divested on a project by project basis. Accordingly, the Board intends for the NSW Assets to be owned 100% by Godolphin on an unencumbered basis.

### **3.2 Plans for Ardea following completion of the Proposal**

#### **(a) Goongarrie Nickel Cobalt Project**

Ardea intends to focus on securing a strategic partner to assist fast tracking the Goongarrie Nickel Cobalt Project towards production through a feasibility study and independently advancing its WA gold and nickel sulphide exploration.

#### **(b) Gold and Nickel Sulphide Exploration**

Ardea will continue its geochemical and drilling exploration on these projects, with some now reaching the stage where joint venture to third parties may be considered.

#### **(c) Board changes**

The Company's current Directors are Katina Law as executive chairman, Wayne Bramwell as a non-executive director and Ian Buchhorn as an executive director. There are no proposed changes to the Board and senior executive team as part of the Proposal.

### **3.3 Capital Reduction - General**

Ardea seeks Shareholder approval under Resolution 2 to enable the Company to reduce its capital by the distribution of specific assets to Shareholders, being 30,000,000 Godolphin Shares.

The Corporations Act and the ASX Listing Rules set out the procedure and timing for a capital reduction. Refer to Section 1.6 for an indicative timetable in respect of the Proposal. The alteration to the Company's capital and the In-specie Distribution will become effective from the Record Date, provided that after the Record Date has been set, the Directors have not provided a notice to ASX stating that the Company does not intend to proceed with the reduction of capital contemplated by Resolution 2.

Generally, the standard record date for a reorganisation of capital of an ASX-listed company is not less than four business days following a general meeting of that company. However, in relation to the In-specie Distribution, the Company has provided for flexibility in the setting of the Record Date, such that the Directors may elect to defer the implementation of the In-specie Distribution depending on the timing of the satisfaction of all the In-specie Conditions.

As a result, the Record Date is to be set by the Directors after the date Resolution 2 is passed, such that the Record Date will be not less than five business days after the date on which Resolution 2 is passed and not later than six months after the date on which Resolution 2 is passed.

If the capital reduction proceeds, Shareholders will receive a pro rata entitlement to Godolphin Shares and each Shareholder's name will be entered on the register of members of Godolphin with each Shareholder having deemed to have consented to becoming a Godolphin shareholder and being bound by its constitution.

A Shareholder's entitlement to Godolphin Shares to be distributed is to be based on the number of Shares held at the Record Date.

Due to the outstanding Options on issue in Ardea and also because of the potential future issue of Shares by the Company before the Record Date, it is not clear at the date of this Notice how many Ardea Shares will be on issue at the Record Date nor therefore what the exact ratio for the In-specie Distribution will be.

If no Options are exercised prior to the Record Date, the ratio will be 1 Godolphin Share for every 3.743 Ardea Shares. If all Options are exercised, the ratio will be 1 Godolphin Share for every 3.91 Ardea Shares.

Other than as shareholders of Ardea or as otherwise set out in this Explanatory Memorandum, none of the Directors have any interest in Resolution 2.

### **3.4 ASX Waiver and confirmation**

Godolphin has received a conditional in principle waiver from ASX in respect of Listing Rule 9.1.3, to allow the Consideration Shares to be distributed in-specie to Ardea Shareholders, without being subject to the escrow restrictions set out in Appendix 9B to the Listing Rules.

The in-principle waiver is subject to the following conditions:

- (a) Shareholders approving the In-Specie Distribution (pursuant to Resolution 2) prior to Godolphin making an application to list on ASX; and
- (b) Godolphin prominently displaying a summary of the ASX's conditional waiver in respect of Listing Rule 9.1.3 in its listing prospectus.

Subject to the above conditions being met, the Consideration Shares will be freely tradeable upon the listing of Godolphin on ASX.

### **3.5 Pro forma financial position of Ardea and Godolphin upon completion of the Proposal**

Set out in Schedule 2 is the unaudited statement of financial position of the Company as at 30 June 2019 together with the pro forma statement of financial position of the Company following completion of the Proposal.

A pro forma statement of financial position for Godolphin, reflecting the indicative balance sheet of Godolphin following completion of the Proposal is set out in Schedule 3.

### **3.6 Advantages and disadvantages of the Proposal (assuming completion of the Spin-out and In-specie Distribution):**

- (a) **Advantages**
  - (i) Provides Ardea with a clearer focus and corporate strategy.
  - (ii) The Spin-out provides Shareholders with scrip in two companies - Ardea and Godolphin - which the Board believes has a better

prospect of delivering greater value to Shareholders than the NSW Assets and the projects in Western Australia being owned by one company.

- (iii) Shareholders may elect to retain exposure to either one or both companies as dictated by their investment preferences and objectives.
  - (A) All Shareholders will retain an interest in the NSW Assets through their individual pro rata shareholdings in Godolphin and thereby have an opportunity to benefit from the development of the NSW Assets.
  - (B) All Shareholders will retain approximately their current percentage ownership interest in the capital of Ardea and exposure to the projects in Western Australia.
- (iv) The Spin-out will deliver a structure that allows for Godolphin to focus specifically on advancing the NSW Assets and for the Company to focus its efforts on its Western Australian projects, with neither Godolphin nor Ardea affected by events or occurrences relating to the other's projects.
- (v) The Ardea Board sees considerable underlying value in the NSW Assets that is not currently being valued by the market, a dedicated fully funded vehicle is required.
- (vi) Future capital raisings are expected to be more readily achieved by each individual entity as the focus of the funding will be on either specifically, Ardea's Western Australian nickel or gold projects or Godolphin's NSW Assets focussed on gold, copper and zinc. In addition, the Spin-out is expected to provide greater flexibility to both Ardea and Godolphin to attract strategic investors.
- (vii) After a full and proper assessment of all available information, the Directors believe that the Proposal is in the best interests of Ardea Shareholders.

**(b) Disadvantages**

- (i) The Company will incur costs associated with the Spin-out, including, but not limited to legal, accounting and advisory fees incurred in the preparation of documentation required to give effect to the Proposal and tax advice obtained in relation to any taxation consequences of the Proposal.
- (ii) Shareholders may incur additional transaction costs if they wish to dispose of their Godolphin Shares (e.g. brokerage costs).
- (iii) There are a number of potential disadvantages arising from Godolphin seeking further funding. These include, but are not limited to:
  - (A) dilution of Godolphin Shareholders' shareholdings via an initial public offer; and

- (B) uncertainty regarding Godolphin's ability to raise required funding,
- (iv) Assuming completion of the Spin-out, there will be two separate companies that will require funding and will incur ongoing administrative costs which in some instances may lead to duplication, noting however, that Ardea is Perth and Kalgoorlie-based and Godolphin is already Orange-based, as it will continue to be.
- (v) A significant amount of time will be spent during coming months by the Board and by Company management in giving effect to the Proposal.

### 3.7 Failure to achieve completion of the Proposal

Failure to achieve completion of the Proposal may result in a reduced level of expenditure on the NSW Assets by the Company, or development may occur on a delayed timetable, through joint venturing.

In the event that the Proposal is not successful, providing Resolution 1 is approved and the Conditions (other than the In-specie Conditions) are met, the Internal Restructure will still proceed, resulting in a more effective internal ownership restructure of the NSW Assets (see Section 3.1 and in particular Figure 3 for further details). If this occurs, the Company may explore alternative methods of funding development of the NSW Assets although a successful outcome cannot be guaranteed.

Alternatively, the Company may seek to fund the development of the NSW Assets by joint venture or other mechanisms.

If the Proposal is not successful, the Board believes the Internal Restructure should proceed because it will provide the Company with a less complicated structure, allowing Godolphin to, among other things, seek a stock exchange listing in the future.

The Board has considered all the alternatives currently available and believes that the Proposal is expected to result in the most advantageous result for existing Shareholders.

### 3.8 Capital Raising

In conjunction with the Proposal, Godolphin intends to seek admission to the Official List and undertake the Public Offer by way of a prospectus to raise at least \$4,500,000 and up to \$8,000,000 (before costs) by the issue of at least 22,500,000 and up to 40,000,000 Shares (**Prospectus**).

It is Godolphin's intention that the Prospectus will contain a general Public Offer, which will include a Priority Offer available to eligible Ardea Shareholders who hold Shares on the Record Date and an Options Offer made to Ardea.

### 3.9 Background of the NSW Assets

Godolphin is intended to hold Ardea's NSW portfolio of assets which comprise the following projects:

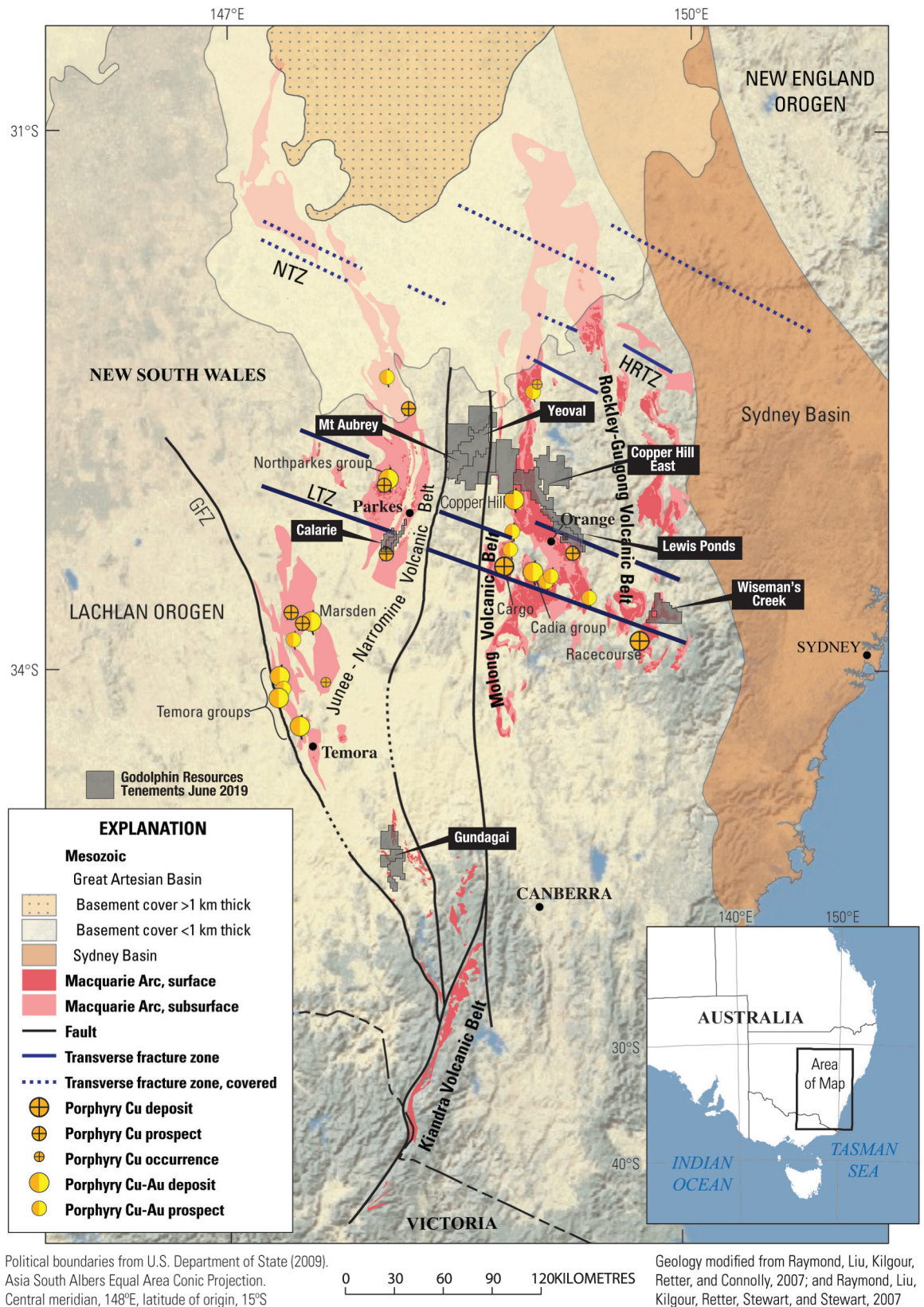
- (a) **Mt Aubrey Epithermal Gold Project** - located at the north margin of the Lachlan Transverse Zone (LTZ), covering multiple gold-hosting epithermal vein systems, three of which were historically successfully mined to shallow depths in the 1990s.

- (b) **Lewis Ponds Gold-Base Metal Project** - located at the north margin of the LTZ, covering a continuous 50km strike of the major orogenic gold-hosting structure termed the Godolphin Fault, prospects from southeast to northwest are Lewis Ponds, Ophir, Mt Bulga, Mount Lindsay, Copper Hill East and Caledonian.
- (c) **Yeoval Porphyry Copper-Gold Project** - located at the north margin of the LTZ, covering the Yeoval porphyry copper-gold-molybdenum-rhenium targets, prospects are Yeoval, Yeoval South and Yeoval East.
- (d) **Wiseman's Creek Gold-Copper Project** - located within the central LTZ, epithermal gold-silver discovery by Ardea.
- (e) **Calarie Gold Project** - located at the south margin of the LTZ, covering the Parkes Thrust orogenic gold structure, prospects are Parkes South, Lachlan Mine and Forbes Gold.
- (f) **Gundagai Gold Project** - historic gold mines on the Cootamundra Fault, a N-S splay structure to the Gilmore Suture.

Details of the tenements which comprise the above projects, together with any encumbrances are set out in Schedule 5.

The NSW Assets also include the Lewis Ponds Freehold Land held by TriAusMin (set out in Schedule 6), which will be transferred to Godolphin through a share sale of TriAusMin to Godolphin as part of the Proposal and its purchase price is included in the Consideration Shares.

**Figure 3. Location of the Godolphin Tenements**



*Figure 3 - This is a map of the NSW Assets showing geologic setting and distribution of porphyry copper deposits, prospects, and occurrences for the Macquarie tract, New South Wales, Australia*

### 3.10 Project Summary

#### (a) Mt Aubrey Epithermal Gold Project

Mt Aubrey was acquired by Ardea as an epithermal gold system. Gold mineralisation is typically hosted by 0.5-3m thick chalcedonic epithermal quartz veins and stockworks. The site was mined via a number of shallow open pit gold-mines by BHP Gold in 1990 and 1991.

Ardea has announced an initial inferred mineral resource estimate (see ASX announcement 28 August 2019):

Resource Category	Cut-off Au g/t	Tonnes (Mt)	Au (g/t)	Contained gold (oz)
Inferred	≥0.50	1.21	1.61	62,400

A Competent Person Statement is included in respect of the Resource Estimate in Section 3.11 of this Notice.

#### (b) Lewis Ponds Gold-Base Metal Project

The Lewis Ponds group of projects covers a 50km strike length of the highly prospective Godolphin-Narragal Fault Zone, which significantly, hosts orogenic shear-hosted gold deposits including the McPhillamy's deposit some 20km south of Lewis Ponds and Commonwealth deposit some 100km north. Exploration has historically been on the basis of a narrow high-grade underground mining model. Following data appraisal and drilling four diamond core holes to confirm the geological model, Ardea has defined a bulk mining model and has generated an indicated and inferred mineral resource totalling 20.24 Mt at 0.5g/t Au, 33.3g/t Ag, 1.5% Zn, 0.7% Pb and 0.1% Cu (refer ASX announcement 3 September 2019).



The breakdown for the full Lewis Ponds resource categories is as follows:

Resource Category	Cut-off (ZnEq%)	Tonnes(Mt)	Au(%)	Ag(g/t)	Zn(g/t)	Pb(%)	Cu(%)
<b>Open Pit</b>							
Indicated	1	7.88	0.3	26.3	1.1	0.4	0.1
Inferred	1	6.51	0.5	27.4	1.3	0.6	0.1
<i>Subtotal</i>	<i>1</i>	<i>14.39</i>	<i>0.4</i>	<i>26.8</i>	<i>1.2</i>	<i>0.5</i>	<i>0.1</i>
<b>Underground</b>							
Indicated	3	0.07	0.2	20.0	1.8	0.5	0.1
Inferred	3	5.78	0.7	49.5	2.1	1.1	0.1
<i>Subtotal</i>	<i>3</i>	<i>5.85</i>	<i>0.7</i>	<i>49.1</i>	<i>2.1</i>	<i>1.1</i>	<i>0.1</i>
<b>Total Mineral Resource</b>		<b>20.24</b>	<b>0.5</b>	<b>33.3</b>	<b>1.5</b>	<b>0.7</b>	<b>0.1</b>

Zinc equivalent assumptions from (refer ASX Announcement 3 September 2019)

Metal prices US\$ (21/06/2019)	Zn/t 2,585	Cu/t 5,960	Pb/t 1,915	Au/oz 1,393	Ag/oz 15.50
<b>Zinc Equivalent Estimate</b>					
Recovery for ZnEq calc	80%	80%	80%	90%	80%
ZnEq recov multiply factor	1.000	2.306	0.741	1.949	0.019
<b>Gold Equivalent Estimate</b>					
Recovery for AuEq calc	80%	80%	80%	100%	80%
AuEq recov multiply factor	0.577	1.331	0.428	1.000	0.011

(c) **Yeoval Porphyry Copper-Gold Project**

Yeoval is located within the Macquarie Arc, 60km northeast of the Northparkes copper-gold mine. The tenement covers an area of 138km<sup>2</sup> and is intensely mineralised with more than 60 historic copper workings trending in a north-easterly direction along a 20km strike. The Ardea exploration concept is a large tonnage porphyry copper-gold-molybdenum-rhenium system. Yeoval has an Inferred Mineral Resource of (see ASX Announcement 15 August 2019):

Resource Category	Tonnes (Mt)	Copper (%)	Gold (g/t)	Silver (g/t)	Molybdenum (ppm)
Inferred	12.8	0.38	0.14	2.20	120

(d) **Wiseman's Creek Gold-Copper Project**

Wiseman's Creek is located 35km southeast of Bathurst, NSW, around the logging town of Oberon. Epithermal gold mineralisation within the tenure is hosted largely within Late Silurian to Early Devonian-aged sediments, with geology through the centre of the tenure comprising the andesitic Ordovician-aged Rockley Volcanics (equivalent units host the Cadia and Northparkes gold-copper operations).

(e) **Calarie Gold Project**

Calarie is associated with the highly mineralised Macquarie Arc Ordovician andesites (Parkes Volcanics) some 5-30km SSW of Parkes within the strongly gold-endowed Parkes Fault Zone.

(f) **Gundagai Gold Project**

The Gundagai tenements are located 315km southwest of Sydney. Several old gold workings hosted by mineralised porphyry units exist in the Ardea tenure, with historic RC drilling at Big Ben returning up to 20 metres at 1.58g/t gold within a quartz-limonite-pyrolusite stockworks system (as first announced to ASX in the Company's prospectus dated 9 November 2016).

### 3.11 JORC Competent Persons Statement

The information in this Notice of Meeting that relates to the Mt Aubrey Mineral Resource, Lewis Ponds Mineral Resources and Yeoval Mineral Resource is based on information compiled or review by Johan Lambrechts, who is a member of the Australian Institute of Geoscientists. Mr Lambrechts is a full time employee of Ardea Resources Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources. Mr Lambrechts consents to the inclusion in the report of the matter based on his information in the form and context in which it appears.

For further details on the NSW Assets, please refer to the Company's 2018 Annual Report and ASX announcements, which are available from the Company's ASX announcements platform and website ([www.Ardearesources.com.au](http://www.Ardearesources.com.au)).

### 3.12 Godolphin Board and Key Management Personnel

Godolphin was incorporated on 19 June 2019. The board of directors of Godolphin (**Godolphin Board**) is set out below.

(a) The Godolphin Board is comprised of:

(i) **Mr Mark Sykes**

BSc, B.Eng (Mining), Masters Min and Energy Econ

Mark Sykes is a qualified Mining Engineer (WASM) and Mineral Economist (Macquarie) with over 25 years' experience in the mining sector at both operational and executive levels. Based in NSW, Mr Sykes has previous ASX IPO experience with a focus on mineral exploration and building companies with a diversified growth strategy. Mr Sykes worked for BHP for 10 years and was head of the resource investment division for a Japanese trading house, being directly involved in over \$3 billion of investment in Australia and North and South America. Mr Sykes' experience covers a variety of commodities including platinum group metals, coal, iron ore and copper. Mr Sykes has overseen the development of projects within the Lachlan Fold Belt and specifically within the LTZ. Mr Sykes has a passion for the mining industry and has been involved in the development and commercialisation of innovative and sustainable mining practices.

Mr Sykes is a Director of Pacific American Holdings Limited and previously a Director of Golden Cross Resources Limited and Bass Metals Limited.

**(ii) Mr Ian James Buchhorn**

BSc (Hons), Dip Geosci (Min Econ), MAusIMM

Ian Buchhorn is a mineral economist and geologist with over 35 years' experience. Prior to listing Heron in 1996 as founding Managing Director, Mr Buchhorn worked with Anglo American Corporation in southern Africa, and Comalco, Shell/Billiton and Elders Resources in Australia, variously as a corporate and research geologist, as well as setting up and managing Australia's first specialist mining grade control consultancy. For the last 25 years Mr Buchhorn has developed mining projects throughout the Eastern Goldfields of Western Australia and operated as a Registered Mine Manager.

Mr Buchhorn is an executive director of Ardea Resources Limited, and was previously a director of Heron Resources Limited and RBR Group Limited.

**(iii) Andrew Stewart**

BSc, PhD, MAIG & MSEG

Dr Stewart is an exploration geologist with over 15 years' experience in mineral exploration; primarily focused on project generation, project evaluation and exploration strategy development throughout Asia and Eastern Europe. Andrew has particular expertise in porphyry copper-gold and epithermal gold deposits, but has worked across a diverse range of commodities. He holds a BSc (Hons) from Macquarie University and a PhD from the Centre of Ore Deposits and Exploration Studies at the University of Tasmania. During his time at Ivanhoe Mines and Vale, Dr Stewart held various technical and management positions in Mongolia and Indonesia and has been involved in several green fields discoveries. Dr Stewart is currently Chief Executive Officer of Xanadu Mines Limited.

**(b) Chief Executive Officer- David Greenwood**

Mr David Greenwood has an in-depth knowledge and more than 30 years broad-based experience in the resources industry across a range of commodities including precious metals, base metals, industrial minerals, mineral sands, and bulk commodities. Educated in the UK and worked internationally in the resources industry in exploration, production, marketing, business development and investment analysis. Last major role as Executive General Manager for Straits Resources Ltd, where responsible for exploration, marketing, corporate affairs, investor relations and investments. Have held Board positions with junior resource companies, including President (CEO) of Goldminco Corporation, a previously listed Canadian exploration company with assets in the Lachlan Fold Belt, NSW. Specific expertise in resources evaluation and financing, from exploration through to mine development, in addition to business development, minerals marketing and investor relations.

Mr Greenwood's appointment as CEO of Godolphin is effective 1 November 2019.

**(c) Key Management Personnel**

The Godolphin Board and CEO will be supported by:

- (i) Exploration Manager - Johannes Lambrechts: BSc (Hons) Geology, AIG; and
- (ii) Company Secretary - Sam Middlemas B.Com., PGradDipBus. CA

### 3.13 Demerger Implementation Deed

The Company and Godolphin (and various subsidiaries) have entered into a demerger implementation deed in relation to the Proposal and for the sale and purchase of the NSW Assets (DID) on 3 October 2019 on the following terms. The effect of the DID is that Godolphin acquires the NSW Assets for 30,000,000 fully paid ordinary shares in Godolphin at a deemed issue price of \$0.20 per Godolphin Share and 15,000,000 Options in Godolphin exercisable at \$0.25, expiring 3 years after the date of issue.

#### (a) Conditions precedent

The conditions precedent for completion of the DID include (unless otherwise agreed to be waived) (**Conditions**):

- (i) Godolphin making an offer of employment to Johan Lambrechts and Michael Ostrowski;
- (ii) receipt of the private tax ruling from the Australian Taxation Office confirming the Demerger Relief on terms that are acceptable to Ardea (acting reasonably);
- (iii) Ardea obtaining irrevocable board approval for the In-Specie Distribution;
- (iv) Ardea obtaining Shareholder approval;
- (v) Ardea completing the transfer of the Godolphin Tenements and TriAusMin;
- (vi) Godolphin issuing the Consideration Shares to Ardea;
- (vii) Godolphin issuing the Godolphin Vendor Options to Ardea;
- (viii) Godolphin receiving valid applications for not less than \$4,500,000 under the Public Offer (which includes valid applications made under the Priority Offer);
- (ix) Godolphin obtaining escrow relief from ASX and confirmation in relation to the number of Ardea Shareholders that can be counted towards Spread; and
- (x) receipt of ASX conditional admission letter in relation to Godolphin.

#### (b) Other material terms

- (i) (**Representations and warranties**) The parties provide representations and warranties that are considered standard for agreements of this nature, with the maximum amount of any claim recoverable by Godolphin limited to \$500,000.

- (ii) **(Funding)** Ardea will cover the costs expended for the benefit of Godolphin comprising the following from 1 June 2019 until Admission:
  - (A) wages and fees associated with the employees and contractors employed by Ardea working on Godolphin activities as identified by monthly timesheets;
  - (B) rents, rates and exploration costs on the Godolphin Tenements;
  - (C) any Duty payable on the transfer of the Tenements or the Lewis Pond Freehold Land to Godolphin; and
  - (D) adviser and legal expenses associated with the In-Specie Distribution, Internal Restructure and Public Offer,(together, the **Godolphin Expenses**).

At Admission, Godolphin will repay the Godolphin Expenses, in accordance with the following formula, provided that at Admission, Godolphin has net assets of not less than \$4,000,000:

- (i) \$500,000 subject to the funds raised under the Capital Raising not exceeding the Minimum Subscription amount; or
- (ii) 12.5% of funds raised under the Capital Raising where the Capital Raising exceeds the Minimum Subscription.

In the event that the Godolphin Expenses exceed the above formula, Godolphin will be obliged to issue Shares with a deemed value of up to \$0.20 up to a value of \$200,000 (**Admission Facility Shares**).

### 3.14 Disclosure to ASX

As an entity with Shares quoted on the Official List of the ASX, Ardea is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of documents lodged in relation to Ardea may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed at either the ASX announcements platform or the Company's website.

### 3.15 Risk Factors

On successful completion of the Proposal, Shareholders will become shareholders in Godolphin and should be aware of the general and specific risk factors which may affect Godolphin and the value of its securities. These risk factors are set out in Schedule 4.

### 3.16 Effect of Proposed Capital Reduction on the Company

A pro-forma statement of financial position of Ardea is contained in Schedule 2, which shows the financial impact of the capital reduction and the Proposal on the Company. Furthermore, the Company, being an ASX listed entity, is subject to the continuous disclosure requirements set out in Chapter 3 of the ASX Listing Rules. As such, the Company is required to lodge quarterly reports detailing the Company's current cash position. Any use of funds by the Company will be detailed in these quarterly reports and any significant transactions will be disclosed to Shareholders.

### 3.17 Directors' Interests and Recommendations

The table below sets out the number of securities in Ardea held by Ardea Directors and proposed directors of Godolphin at the date of the Meeting:

**Table 1. Directors' interests**

Director	Ardea Shares	%	Ardea Options	Performance Rights
Katina Law	1,008,046	0.9	Nil	600,000
Ian Buchhorn	12,511,440	11.14	Nil	600,000
Wayne Bramwell	Nil	Nil	Nil	450,000
Mark Sykes	Nil	Nil	Nil	Nil
Andrew Stewart	Nil	Nil	Nil	Nil
<b>Total Securities on Issue</b>	<b>112,291,853</b>	<b>100%</b>	<b>5,008,581</b>	<b>5,161,000</b>

The table below sets out the number of Godolphin Shares the Ardea Directors and proposed directors of Godolphin are likely to have an interest in if Resolution 2 is passed and implemented:

**Table 2. Directors' interests**

Director	Approximate Number of Godolphin Shares each Director will receive <sup>1</sup>	Approximate Number of Godolphin Shares each Director will apply for <sup>1</sup>	% at Minimum Subscription	% at Maximum Subscription
Katina Law <sup>2</sup>	269,311	Up to 50,000	0.6	0.5
Ian Buchhorn <sup>3</sup>	3,342,568	2,500,000	10.9	8.2
Wayne Bramwell <sup>4</sup>	Nil	Up to 50,000	0.1	0.1
Mark Sykes <sup>3</sup>	Nil	100,000	0.2	0.1
Andrew Stewart <sup>5</sup>	Nil	Up to 50,000	0.1	0.1
<b>Subtotal</b>	<b>3,611,879</b>	<b>2,750,000</b>	<b>11.9</b>	<b>9.0</b>
<b>Total Godolphin Shares on Issue</b>	<b>53,500,000 (min) 71,000,000 (max)</b>			

1. Assuming a 1 for 3.743 ratio for the In-specie Distribution for illustrative purposes only. It is not clear at the date of this Notice what the exact ratio for the In-specie Distribution will be. Refer to Section 3.3 for further details.
2. Katina Law intends to subscribe for up to 50,000 Godolphin Shares under the Public Offer.
3. Ian Buchhorn and Mark Sykes intend to subscribe for Godolphin Shares under the Priority Offer.
4. Wayne Bramwell intend to subscribe for between 25,000 to 50,000 Godolphin Shares under the Public Offer.
5. Andrew Stewart intends to subscribe for up to 50,000 Godolphin Shares under the Public Offer. Note that this figure is subject to change.

After considering all relevant factors, the Directors recommend the Company's Shareholders vote in favour of Resolutions 1 and 2 for the reasons summarised in Sections 3.1 and 3.6 of this Notice.

### **3.18 Effect of Proposed Capital Reduction on Shareholders**

#### ***What will you receive?***

If the Proposal is implemented, eligible Shareholders will receive an in-specie return of capital by way of the distribution of Godolphin Shares in proportion to the number of Shares held by them at the Record Date.

Shareholders are not required to contribute any payment for the Godolphin Shares which they are entitled to receive under the In-specie Distribution.

#### ***What is the impact on your shareholding in the Company?***

The number of Shares in the Company that you hold will not change as a result of the Proposal.

If the Proposal is implemented, the value of your Shares in the Company may be less than the value held prior to the Proposal being implemented due to the removal of the NSW Assets from the Company's asset portfolio. The size of any decrease cannot be predicted and will be dependent on the value ascribed to the NSW Assets.

#### ***Do you have to do anything to receive your Godolphin Shares?***

You must hold Ardea shares on the Record Date in order to receive your entitlement Godolphin Shares. If the Proposal proceeds, you will automatically receive the Godolphin Shares you are entitled to receive (unless you are an ineligible overseas Shareholder, in which case you will receive the proceeds - see Section 3.24(b) for more information), even if you vote against the Proposal or do not vote at all.

#### ***Can I acquire more Godolphin Shares under the Public Offer?***

Yes, Shareholders may participate in the Public Offer of Godolphin by making a valid application and paying the application monies under the Prospectus. It is Godolphin's intention that the Public Offer will contain a Priority Offer available to Ardea Shareholders.

#### ***Will I be able to trade my Godolphin Shares?***

If the Proposal is approved by Shareholders and is implemented, a holder of Godolphin Shares will be able to sell their Godolphin Shares in the future.

#### ***What are the taxation implications of the Proposal?***

A general guide to the taxation implications of the Proposal is set out in Section 3.26 of this Explanatory Memorandum. The description is expressed in terms of the Proposal and is not intended to provide taxation advice in respect of particular circumstances of any Shareholder. Shareholders should obtain professional advice as to the taxation implications of the Proposal in their specific circumstances.

#### ***What will happen if Resolution 2 is not approved?***

In the event that Shareholder approval of Resolution 2 is not obtained, the Proposal will not proceed and the distribution of Godolphin Shares to Ardea Shareholders will not occur.

### 3.19 Additional important information for Ardea Shareholders

(a) The capital structure of Ardea as at the date of this Notice is:

**Table 3. Ardea capital structure**

Security type	Number
Fully paid ordinary shares	112,291,853
Unquoted options <sup>1</sup>	5,008,582
Performance rights <sup>2</sup>	5,161,000

1. Unquoted Options exercisable at \$0.25, expiry date of 9 February 2020.
2. Comprised of 1,685,000 Class B Performance Rights, 2,085,000 Class C Performance Rights, 991,000 Class D Performance Rights and 400,000 Class E Performance Rights.

(b) The indicative capital structure of Godolphin post-completion of the Proposal will be:

**Table 4. Indicative Godolphin capital structure**

Security type	Number (Minimum)	%	Number (Maximum)	%
In-specie Shares issued to Ardea Shareholders	30,000,000	56.1	30,000,000	42.3%
Admission Facility Shares <sup>1</sup>	1,000,000	1.9	1,000,000	1.4%
Public Offer <sup>2</sup>	22,500,000	42.1	40,000,000	56.3%
<b>TOTAL SHARES</b>	<b>53,500,000</b>	<b>100.0</b>	<b>71,000,000</b>	<b>100.0</b>
Godolphin Loyalty Options <sup>3</sup>	17,833,333	46.7	23,666,667	53.8
Godolphin Vendor Options <sup>4</sup>	15,000,000	40.0	15,000,000	34.6
Godolphin Promoter Options <sup>5</sup>	2,000,000	5.3	2,000,000	4.6
Godolphin Employee Options <sup>6</sup>	1,000,000	2.7	1,000,000	2.3
Godolphin Incentive Options <sup>7</sup>	2,000,000	5.3	2,000,000	4.6
<b>TOTAL OPTIONS</b>	<b>37,833,333</b>	<b>100.0</b>	<b>43,666,667</b>	<b>100.0</b>

1. Up to 1,000,000 Admission Facility Shares may be issued to the Company in accordance with the formula set out in Section 3.13(b)(ii).
2. As at the date of this Notice, Godolphin intends to raise a minimum of \$4,500,000 (22,500,000 shares) and up to a maximum of \$8,000,000 (40,000,000 shares) at an issue price of at least \$0.20 per Godolphin Share.
3. As at the date of this Notice, Godolphin intends to issue the Godolphin Loyalty Option with an exercise price of the higher of 125% of the 5 day VWAP at the date of issue or \$0.25 an expiry date 15 months after the date of Admission on the terms set out in Schedule 7, contemporaneously with or shortly after the issue of the Loyalty Options to Godolphin Shareholders, Godolphin agrees to issue 3 Loyalty Options in respect of each Godolphin Vendor Option, Godolphin Employee Option and Godolphin Incentive Option ;
4. 15,000,000 unquoted Godolphin Options to be issued to the Company, with an exercise price of \$0.25 expiring 36 months after the date of issue on the terms set out in Schedule 7;



5. 2,000,000 unquoted Godolphin Options to be issued to the Godolphin's advisors in connection with the IPO, with an exercise price of \$0.25 expiring 36 months from the date of issue on the terms set out in Schedule 7;
6. 1,000,000 unquoted Godolphin Options to be issued to certain employees of Godolphin, exercisable at \$0.25 expiring 36 months after the date of issue on the terms set out in Schedule 7; and
7. 2,000,000 unquoted Godolphin Options to be issued to Directors of Godolphin, exercisable at \$0.25 expiring 36 months after the date of issue on terms set out in Schedule 7.

Shareholders should note this structure is indicative only as at the date of this Notice and that Godolphin retains discretion to amend the structure and issue more or less shares or other forms of securities, such as options.

- (c) All Godolphin Shares will be distributed on a pro rata basis to all holders of ordinary shares in the capital of the Company on the Record Date (**Return Shares**) based on the number of Ardea Shares held by such holders at the Record Date. The Record Date will be set by the Directors after the date Resolution 2 is passed and depends on the satisfaction of the In-specie Conditions. Due to the outstanding Options on issue in Ardea and also because of the potential future issue of Shares by the Company before the Record Date, it is not clear at the date of this Notice how many Ardea Shares will be on issue at the Record Date nor therefore what the exact ratio for the In-specie Distribution will be. At the date of this Notice, there are 112,291,853 Shares on issue in the Company. Assuming this same number of Shares was on issue at the Record Date, the formula for the In-specie Distribution would be approximately 1 Godolphin Share for every 3.743 Ardea Shares held. Any exercise of Options or further issue of Ardea Shares will have the effect of lowering the number of Godolphin Shares distributed for each Ardea Share. Any fractions of entitlement will be rounded up to the next whole number;
- (d) The return of capital will be effected by a pro rata distribution of the Return Shares in specie, proportionately to all of the Company's Shareholders:
  - (i) registered as such as at 5.00pm (AWST) on the Record Date; or
  - (ii) entitled to be registered as a Shareholder in the Company by virtue of a transfer of Shares executed before 5.00pm (AWST) on the Record Date and lodged with the Company at that time.

### 3.20 Information concerning Ardea Shares

The rights attaching to the Ardea Shares will not alter.

For the information of Shareholders, the highest and lowest recorded sale prices of the Company's Shares as traded on ASX during the 12 months immediately preceding the date of this Explanatory Memorandum, and the respective dates of those sales were:

Table 5. Share price information

Date	Highest Price	Date	Lowest Price
5 September 2019	\$0.76	28 June 2019	\$0.355

The latest available closing price of Ardea Shares on ASX prior to the date of this Notice was \$0.53 on 1 October 2019.

### **3.21 Section 256C of the Corporations Act**

The proposed reduction of capital by way of the In-specie Distribution is an equal capital reduction.

Under Section 256B of the Corporations Act, the Company may only reduce its capital if it:

- (a) is fair and reasonable to Shareholders as a whole;
- (b) does not materially prejudice the Company's ability to pay its creditors; and
- (c) is approved by Shareholders in accordance with Section 256C of the Corporations Act.

The Directors believe that the Proposal is fair and reasonable to Shareholders as a whole and does not materially prejudice the Company's ability to pay its creditors. Under the proposed reduction of capital, each Ardea Shareholder is treated equally and in the same manner since the terms of the reduction of capital are the same for each Shareholder. The In-specie Distribution is on a pro rata basis, and the proportionate ownership interest of each Shareholder remains the same before and after the Proposal. Further, the Directors consider that the Proposal will not result in the Company being insolvent at the time or after the In-specie Distribution.

In accordance with the Corporations Act:

- (a) the proposed reduction is an equal reduction and requires approval by an ordinary resolution passed at a general meeting of Ardea Shareholders;
- (b) this Explanatory Memorandum and previous ASX announcements set out all information known to Ardea that is material to the decision on how to vote on Resolution 2; and
- (c) Ardea has lodged with ASIC a copy of this Notice of Meeting and accompanying documentation.

Under the Corporations Act, an offer of securities generally requires disclosure to investors through a disclosure document, typically in the form of a prospectus.

### **3.22 ASX Listing Rule 7.17**

ASX Listing Rule 7.17 provides in part that a listed entity, in offering shareholders an entitlement to securities, must offer those securities pro rata or in such other way as, in the ASX's opinion, is fair in all the circumstances. In addition, there must be no restriction on the number of securities which a shareholder holds before this entitlement accrues. The Proposal satisfies the requirements of ASX Listing Rule 7.17, as the issue of Godolphin Shares is being made to Shareholders on a pro rata basis, and there is no restriction on the number of Shares a Shareholder must hold before the entitlement to the Godolphin Shares accrues.

### **3.23 ASX Listing Rule 11.4**

Listing Rule 11.4 provides that an entity must not dispose of a major asset if at the time of the disposal it is aware that the person acquiring the asset intends to issue or offer securities with a view to becoming listed. This rule does not apply if the holders of ordinary securities in the entity:

- (a) approve of the disposal;

- (b) if the disposal is made solely by way of a pro-rata distribution to shareholders; or
- (c) the disposal is effected to a wholly owned subsidiary.

As Godolphin intends to undertake the Capital Raising in conjunction with the Proposal, the exceptions in Sections 3.23(b) and 3.23(c) do not apply, and accordingly the Company must obtain shareholder approval for the disposal of the NSW Assets.

### **3.24 Effect of Shareholder approval**

#### **(a) General**

If Resolution 2 is approved, Shareholders (as at the Record Date) will receive a pro rata beneficial entitlement to Godolphin Shares based on the number of Ardea Shares held at the Record Date. The reduction in Ardea's capital and the transfer and distribution of Godolphin Shares will become effective from the Record Date (provided that after the Record Date has been set, the Directors have not provided a notice to ASX stating that the Company does not intend to proceed with the reduction of capital contemplated by Resolution 2). Any fractions of entitlement will be rounded down to the next whole number. Shares in Godolphin are to be held subject to its constitution which is in standard form.

The actual dollar value of the proposed return of capital will be an amount equal to the value of the Godolphin Shares transferred and distributed to be assessed by the Directors. Please refer to Schedule 2 and Schedule 3 for the pro-forma statements of financial position of both Ardea and Godolphin which show the indicative financial impact of the Proposal.

The Board considers the proposed reduction of capital will have no material effect on the interests of Ardea Shareholders, except as disclosed in the discussion of the advantages and disadvantages of the reduction set out in Section 3.6 above.

#### **(b) Overseas Ardea Shareholders**

The In-specie Distribution of the Godolphin Shares to overseas Ardea Shareholders under the reduction of capital will be subject to legal and regulatory requirements in their relevant overseas jurisdictions. If the requirements of any jurisdiction where an Ardea Shareholder is resident are held to restrict or prohibit the distribution of securities as proposed or would impose on Ardea an obligation to prepare a prospectus or other similar disclosure document or otherwise impose on Ardea an undue burden, the Godolphin Shares to which the relevant Ardea Shareholder is entitled will not in fact be issued to such Shareholders and instead will be sold by Ardea on their behalf, in order that Ardea will pay the relevant Shareholder a cash equivalent amount, or otherwise Ardea will seek to make alternative arrangements with respect to the relevant Shareholder which are reasonable in all the circumstances.

If Ardea elects to sell the Godolphin Shares on a relevant Ardea Shareholder's behalf, Ardea will then account to those Shareholders for the net proceeds of sale after deducting the costs and expenses of the sale. As the return of capital is being represented and satisfied by the In-specie Distribution and security prices may vary from time to time (assuming a liquid market is available), the net proceeds of sale to such Shareholders may be more or less

than the notional dollar value of the reduction of capital. It will be the responsibility of each Ardea Shareholder to comply with the laws to which they are subject in the jurisdictions in which they are resident.

(c) **Effect of In-specie Distribution on existing Options**

In accordance with the terms of issue of each of the existing Options in Ardea that are outstanding as at the date Resolution 2 is passed and in accordance with ASX Listing Rule 7.22.3, the exercise price of each such outstanding Option in Ardea will be automatically reduced by the same amount as the amount returned in relation to each Ardea Share.

### **3.25 Information concerning Godolphin Shares**

A summary of the more significant rights that will attach to the Godolphin Shares is set out below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Godolphin Shareholders. Full details of the rights attaching to the Godolphin Shares are set out in Godolphin's constitution, a copy of which is available on request.

(a) **General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Godolphin constitution.

(b) **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend Rights**

Subject to the rights of persons (if any) entitled to shares with special rights to dividends, the directors may declare a dividend in accordance with the Corporations Act and may authorise the payment or crediting by the company to the shareholders of such a dividend. The directors may from time to time pay to shareholders any interim dividend that they may determine. Subject to

the rights of any preference shareholders and to the rights of the holders of any shares credited or raised under any special arrangement as to the dividend, the dividend as declared shall be payable proportionately according to the amounts paid up or credited as paid up, on the shares, and otherwise in accordance with Part 2H.5 of the Corporations Act. Interest may not be paid by the company in respect of any dividend, whether final or interim.

**(d) Winding-Up**

If the company is wound up, the liquidator may, with the authority of a special resolution of the company, divide among the shareholders in kind the whole or any part of the property of the company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

**(e) Transfer of Shares**

Generally, shares in the company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

**(f) Variation of Rights**

Pursuant to Section 246B of the Corporations Act, the company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

## **3.26 Taxation**

### **Taxation implications for Shareholders**

The Company will seek a taxation Class Ruling from the ATO seeking to confirm Demerger Relief for income tax purposes will be available to Shareholders. Under Demerger Relief, the distribution of Godolphin Shares should not be a taxable dividend for income tax purposes, and any capital gain or loss from the demerger should be disregarded, provided the Shareholder elects for this capital gains tax (CGT) relief to apply.

Under Demerger Relief, a shareholder's cost base and reduced cost base of their shares in Ardea before the demerger should be apportioned across their shares in Ardea and Godolphin after the demerger on a reasonable basis and the Godolphin Shares will be treated as being acquired at the same time as the Shareholder's Ardea Shares for the purposes of applying the CGT provisions.

Shareholders should consult their own professional advisors to confirm these implications as they may vary depending on individual circumstances and taxation positions.

Once a Class Ruling has been received, it will be posted on the Company's website [www.ardearesources.com.au](http://www.ardearesources.com.au).

### **Taxation implications for the Company**

The Company will seek a private binding ruling from the ATO seeking to confirm Demerger Relief for income tax purposes will be available to the Company.

The transfer of Godolphin Shares from Ardea to Ardea Shareholders in respect of the share capital reduction is not expected to have any CGT implications for Ardea where Demerger Relief is available.

### **3.27 Lodgement with ASIC**

The Company has lodged with ASIC a copy of this Notice and Explanatory Memorandum in accordance with Section 256C(5) of the Corporations Act. ASIC and its officers take no responsibility for the contents of this Notice or the merits of the transaction to which this Notice relates.

If Resolution 2 is passed, the reduction of capital is required to take effect in accordance with a timetable approved by ASX. Please refer to Section 1.6 for the proposed indicative timetable for completion of the Proposal, which is subject to change by the Company and any requirements of the ASX Listing Rules and the Corporations Act.

### **3.28 Other Material Information**

There is no information material to the making of a decision by a Shareholder in the Company whether or not to approve Resolution 2 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders in the Company) other than as disclosed in this Explanatory Memorandum and all relevant Schedules.

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## **4. Enquiries**

Shareholders are requested to contact Ardea's company secretary, Mr Sam Middlemas on +61 8 6244 5136 if they have any queries in respect of the matters set out in this Notice.

## Schedule 1 - Definitions

**\$** means Australian dollars.

**Admission** means the date Godolphin is admitted to the official list of ASX.

**Admission Facility Shares** has the meaning given in Section 3.13(b).

**Ardea Exploration** means Ardea Exploration Pty Ltd ACN 137 889 279.

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

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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

**ATO** means the Australian Taxation Office

**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.

**Capital Raising** means the capital raising conducted by Godolphin for a minimum of \$4,500,000 and a maximum of \$8,000,000 (before costs) through a Prospectus.

**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** means Ardea Resources Limited (ACN 009 129 560).

**Conditions** has the meaning given in Section 3.13(a) of the Explanatory Memorandum.

**Consideration Shares** means 30,000,000 Godolphin Shares.

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

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

**Demerger Relief** means confirmation from the Australian Taxation Office that:

- (a) the shareholders of Ardea may be eligible to choose to receive roll-over under Division 125 of the *Income Tax Assessment Act 1997* (Cth) in respect of the proposed demerger;

- (b) the Commissioner for Taxation will not make a determination under section 45A, 45B(3)(a) or 45B(3)(b) of the *Income Tax Assessment Act 1936* (Cth) in respect of ARDEA shareholders participating in the In-specie Distribution; and
- (c) section 45 of the *Income Tax Assessment Act 1936* (Cth) will not apply to the demerger transaction.

**DID** means the demerger implementation deed between Ardea, Godolphin, TriAusMin, Ardea Exploration and GTPL which is intended to be executed shortly after the receipt of Shareholder approval.

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

**Duty** means any transfer, transaction or registration duty or similar charge imposed by any government or government department, a governmental or semi-governmental or judicial person (whether autonomous or not), charged with the administration of any applicable law, and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them.

**Equity Security** has the meaning given in the Listing Rules.

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

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

**Godolphin** means Godolphin Resources Limited (ACN 633 779 950).

**Godolphin Board** means the board of directors of Godolphin.

**Godolphin Employee Options** means an unquoted Godolphin Option to be issued to employees of Godolphin with an exercise price of \$0.25, expiring 36 months after the date of issue, on the terms set out in Schedule 7.

**Godolphin Expenses** has the meaning given in clause 3.13(b)(ii).

**Godolphin Incentive Options** means an unquoted Godolphin Option to be issued to Directors of Godolphin with an exercise price of \$0.25, expiring 36 months after the date of issue, on the terms set out in Schedule 7.

**Godolphin Loyalty Option** means an unquoted Godolphin Option that Godolphin intends to issue approximately three months after admission to the official list of ASX, with an exercise price of the higher of the following:

- a. 125% of the 5 day volume weighted average price at the date of issue; or
- b. \$0.25,

and an expiry date approximately 15 months after the date of Admission.

**Godolphin Option** means an option to acquire a Godolphin Share.

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

**Godolphin Shareholders** means a holder of a Godolphin Share.

**Godolphin Vendor Option** means an unquoted Godolphin Option to be issued to the Company with an exercise price of \$0.25 expiring 36 months after the date of issue on the terms set out in Schedule 7.



**Godolphin Promoter Option** means an unquoted Godolphin Option to be issued to Godolphin's advisors to the IPO with an exercise price of \$0.25 expiring 36 months after the date of issue on the terms set out in Schedule 7.

**GTPL** means Godolphin Tenements Pty Ltd ACN 634 219 999.

**In-specie Conditions** has the meaning given in Section 3.1 of the Explanatory Memorandum.

**In-specie Distribution** has the meaning given in Section 3.1 of the Explanatory Memorandum.

**Internal Restructure** means the reorganisation of the Company's as shown in Figure 3 in Section 3.1 of the Explanatory Memorandum.

**IPO** means initial public offering.

**JORC Code** means the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition.

**Key Management Personnel** or **KMP** 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.

**LTZ** means the Lachlan Transverse Zone.

**Lewis Ponds Freehold Land** means freehold land set out in Schedule 6.

**Minimum Subscription Amount** means \$4,500,000 (before costs).

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

**NSW Assets** means the Tenements and the Lewis Ponds Freehold Land.

**Option** means an option to acquire a Share.

**Options Offer** means the offer containing in the Prospectus to Ardea for 15,000,000 Godolphin Vendor Options.

**Performance Rights** means the contractual rights issued on the terms set out in the Company's announcement of 22 July 2019 entitled "Appendix 3B - Issue of Performance Rights".

**Priority Offer** means the prior right of Ardea Shareholders to subscribe for Godolphin Shares in the Public Offer.

**Public Offer** means the IPO by Godolphin of at least 22,500,000 and up to 40,000,000 Godolphin Shares at \$0.20 to raise at least \$4,500,000 and up to \$8,000,000 (before costs), which includes the Priority Offer.

**Prospectus** has the meaning given in Section 3.8.

**Proposal** means the proposed Spin-out and In-specie Distribution as set out in Section 3.1 of the Explanatory Memorandum.

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

**Record Date** means the record date to be set by Directors in accordance with Section 3.3.

**Resolutions** means the resolutions set out in the Notice.

**Return Shares** has the meaning given in Section 3.19(c).

**Securities** mean all Equity Securities of the Company.

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

**Shareholder** or **Ardea Shareholder** means a registered holder of a Share.

**Spin-out** has the meaning given in Section 3.1 of the Explanatory Memorandum.

**Spread** means the number of Shareholders set out in Listing rule 1.1, condition 8.

**Tenements** or **Godolphin Tenements** means the tenements and tenement applications set out in Schedule 5.

**TriAusMin** means TriAusMin Pty Ltd ACN 062 002 475.

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

**Schedule 2 - Ardea Pro-forma Consolidated Statement of Financial Position as at  
30 June 2019**

	<b>30/6/19</b>	<b>Proforma 30/6/19</b>	<b>Proforma</b>
	<b>\$'000s</b>	<b>\$'000s Min Subscription</b>	<b>\$'000s Max Subscription</b>
<b>Current Assets</b>			
Cash and Cash equivalents	11,188	10,643	11,364
Other Receivables	1,987	1,812	1,811
Other Financial Assets	15	15	15
	<b>13,190</b>	<b>12,470</b>	<b>13,190</b>
<b>Non Current Assets</b>			
Plant & Equipment	618	251	251
Investments	10	210	2101
Options	-	1,059	1,059
Capitalised Mineral exploration	24,462	17,769	17,769
	<b>25,090</b>	<b>19,290</b>	<b>19,090</b>
<b>Total Assets</b>	<b>38,280</b>	<b>31,760</b>	<b>32,280</b>
<b>Current Liabilities</b>			
Trade and other payables	391	391	391
Provisions	239	240	240
<b>Total Liabilities</b>	<b>630</b>	<b>631</b>	<b>631</b>
<b>Net Assets</b>	<b>37,650</b>	<b>31,129</b>	<b>31,649</b>
<b>Equity</b>			
Contributed Equity	39,897	33,897	33,897
Share Option Reserve	3,589	3,588	3,589
Accumulated Losses	(5,836)	(6,357)	(5,836)
<b>Total Equity</b>	<b>37,649</b>	<b>31,129</b>	<b>31,649</b>

**Adjustments**

1. Ardea pays costs of Godolphin's activities from 1 June 2019 until listing of (estimated at \$850,000 - which includes costs under the Public Offer of \$305,000).
2. Costs of Promoter 1% of total raising + 5% underwriting fee on all third party counterparties.
3. Ardea transfers Tenements and Lewis Pond Freehold Land into Godolphin in consideration for 30,000,000 Consideration Shares and 15,000,000 Godolphin Vendor Options
4. Ardea distributes the Consideration Shares to its shareholders (in-specie) recording a reduction in capital
5. Godolphin repays Ardea for the costs of the Godolphin Expenses from 1 June 2019 (based on the assumption minimum subscription is raised, with a repayment of \$500,000 in cash and Godolphin Shares with a value of \$200,000).

The above figures are indicative estimates and are subject to change.

**Schedule 3 - Godolphin Pro-Forma Consolidated Statement of Financial Position as  
at 25 June 2019**

	Note	25 June 2019 A\$'000	Pro-forma Financial Information 25 June 2019	
			Min Subscription A\$'000	Max Subscription A\$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		-	4,000	7,000
<b>TOTAL CURRENT ASSETS</b>		-	<b>4,000</b>	<b>7,000</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	1	-	367	367
Exploration and evaluation costs carried forward	2	-	7,087	7,413
<b>TOTAL NON-CURRENT ASSETS</b>		-	<b>7,454</b>	<b>7,780</b>
<b>TOTAL ASSETS</b>		-	<b>11,454</b>	<b>14,780</b>
<b>CURRENT LIABILITIES</b>				
Accounts Payable	3		-	-
Provisions - employee entitlements			10	10
<b>TOTAL CURRENT LIABILITIES</b>			<b>10</b>	<b>10</b>
<b>TOTAL LIABILITIES</b>			<b>10</b>	<b>10</b>
<b>NET ASSETS</b>		-	<b>11,444</b>	<b>14,770</b>
<b>EQUITY</b>				
Contributed equity	4		10,244	13,570
Option reserve	5		1,200	1,200
Accumulated losses	-	-	-	-
<b>TOTAL EQUITY</b>		-	<b>11,444</b>	<b>14,770</b>

## Note 1 – Property Plant and equipment

	Pro-forma Financial Information 25 June 2019	
	Min Subscription	Max Subscription
	A\$'000	A\$'000
Freehold Land - Lewis Ponds	\$367	\$367
Total	<u>\$367</u>	<u>\$367</u>

## Note 2 – Exploration and Evaluation Costs carried forward

	Pro-forma Financial Information 25 June 2019	
	Min Subscription	Max Subscription
	A\$'000	A\$'000
Lewis Ponds and other NSW properties	\$7,087	\$7,413
Total	<u>\$7,087</u>	<u>\$7,413</u>

## Note 3 – Accounts Payable

	Pro-forma Financial Information 25 June 2019	
	Min Subscription	Max Subscription
	A\$'000	A\$'000
Repay equity raising and operating expenses to Ardea **	-	-
	<u>-</u>	<u>-</u>

\*\* Total listing and listing related costs expected to be incurred in the IPO of Godolphin are \$305k, and its operating costs and exploration costs from 25 June 2019 to the date of listing are expected to be \$721k, leaving a total to be paid from proceeds of \$1,026k at the date of listing. In addition to this the Promoter will be paid a 1% fee on total proceeds from the new equity, and 5% underwriting fee on all 3<sup>rd</sup> party funds received. In the pro-forma the repayments are deemed to have been paid to Ardea following the receipt of funds from the proceeds of the IPO. If only the minimum of \$4.5m is raised then the total cash repayment will be capped at \$500k with an additional \$200k paid in fully paid ordinary shares at the 20 cent subscription price. If more than the minimum \$4.5m is raised then the repayments will be on a sliding scale based on 12.5% of funds raised up to the maximum of \$1m. If the loan is greater than \$1m then up to an additional \$200k will be paid in fully paid ordinary shares at the 20 cent subscription price. In each case the balance of funds payable will be written off by Ardea limiting the payments for Godolphin and ensuring a minimum cash position of \$4m at the time of listing.

#### Note 4 – Contributed Equity

	Pro-forma Financial Information 25 June 2019			
	Number of Shares	Min Subscription A\$'000	Number of Shares	Max Subscription A\$'000
Issued Capital on date of incorporation	100	-	100	-
Share split following de-merger	30,000,000	6,000	30,000,000	6,000
Issue of Shares via Public Offering	22,500,000	4,500	40,000,000	8,000
Ardea loan repaid with shares	1,000,000	200	1,000,000	200
Costs of IPO	-	(456)	-	(630)
	<u>53,500,100</u>	<u>10,244</u>	<u>71,000,100</u>	<u>13,570</u>

#### Note 5 – Option Reserve

	Number of options	Option Reserve A\$'000's
<b>Option reconciliation</b>		
Opening balance at 25 June 2019	-	-
Options issued to Ardea for successful IPO	15,000,000	1,059
Options issued to Promoters	2,000,000	141
Options issued to Directors/Employees under ESOP	-	-
Closing balance	<u>17,000,000</u>	<u>1,200</u>

The Black Scholes valuation methodology has been used to value the options issued during the reporting period. The following table lists the inputs used to value the options issued.

The Options issued to Directors and Employees will be amortised over the life of the option and consequently are not valued here.

Number of options	17,000,000
Method adopted	Black Scholes
Average volatility (%)	61
Average risk free interest rate (%)	1.5%
Average expected life of option (years)	3
Exercise price	\$0.25
Share price at grant date	\$0.20
Average value per option	\$0.0706

## Schedule 4 - Key risk factors facing Godolphin

The business, assets and operations of Godolphin will be subject to certain risk factors that have the potential to influence its operating and financial performance in the future. These risks can impact on the value of an investment in its securities and include those highlighted in the table below.

The risk factors set out below ought not to be taken as exhaustive of the risks faced by Godolphin or by investors in Godolphin. The below factors, and others not specifically referred to below, may in the future materially affect the financial performance of Godolphin and the value of the Godolphin Shares. Therefore, the Godolphin Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those shares.

Risk	Description
<b>Failure of Godolphin to raise capital and/or list on a recognised securities exchange</b>	<p>There is a risk that Godolphin may fail to raise sufficient capital to develop the NSW Assets in the future. Further, the Directors may deem that listing Godolphin may not be appropriate and that other forms of funding should be sought. There is no guarantee that these future funding sources or opportunities to invest directly in the NSW Assets will eventuate.</p> <p>Any additional future equity financing will dilute existing shareholders to the extent they do not participate, and any debt financing, if available, may involve restrictions on Godolphin's operating activities and business strategy. If Godolphin is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations or scale back its business plans or exploration programmes, as the case may be or forfeit rights to some or all of its projects which could have a material adverse effect on Godolphin's activities.</p>
<b>Ardea not retaining NSW Assets</b>	<p>Under the Proposal, Ardea (or its subsidiaries) will be transferring the NSW Assets to Godolphin. Accordingly, Shareholders need to be aware that any investment made in Ardea upon the basis of the NSW Assets should be undertaken in the knowledge that Ardea (or its subsidiaries) will not be holding those assets following completion of the Proposal. However, investors in Ardea who hold Ardea Shares on the Record Date will receive Shares in Godolphin and so will continue to have an ownership interest in the NSW Assets.</p>
<b>Exploration, development, mining and processing risks</b>	<p>The tenements to be held by Godolphin under the Proposal are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these licences, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is</p>

Risk	Description
	<p>identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of Godolphin may be affected by a wide range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, tribal and traditional ownership processes, changing government regulations and many other factors beyond the control of Godolphin.</p> <p>The success of Godolphin will also depend on Godolphin having access to sufficient development capital to allow for progressing exploration opportunities towards mining operations, being able to maintain title to its licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the licences, a reduction in the base reserves of Godolphin and possible relinquishment of the licences.</p> <p>Each of Godolphin's exploration licences, mining licences and permits are for a specific term and carry with them annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Godolphin could lose title to or its interest in these tenements if licence conditions including environmental are not met or insufficient funds are available to meet expenditure commitments.</p> <p>The exploration costs of Godolphin are based on certain assumptions with respect to method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially affect the Godolphin's viability.</p>
<p><b>Non-renewal of title</b></p>	<p>Under New South Wales law, exploration tenements are valid for set periods of time and renewal is subject to the approval of the minister. There is no guarantee that Godolphin will be successful in the renewal of exploration tenements as they reach their expiry date.</p> <p>If in future, tenements are not extended, Ardea may suffer damage through loss of opportunity to discover and/or develop any mineral resources.</p>
<p><b>Management and Key Personnel</b></p>	<p>Ardea and Godolphin have engaged directors and key management personnel, as set out in Sections 3.2(c), 3.12 and 3.12(b). The Proposal may lead to circumstances which precipitate unforeseen personnel changes.</p> <p>Recruiting and retaining qualified personnel are important to both Ardea and Godolphin's success. The</p>



Risk	Description
	<p>number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance given that there will be no detrimental impact on Godolphin if one or more key employees, including the directors, leave Godolphin or Ardea.</p>
<p><b>Limited exploration</b></p>	<p>Aside from Lewis Ponds, Mt Aubrey, Yeoval and Calarie, Godolphin's projects have been subjected to only limited drill testing. Whilst gold and/or base metal mineralisation as the case may be has been located in multiple previous drill intersections, there is a risk that the mineralisation in adjacent drill holes is not continuous between drill holes. There is also a risk that the presently completed drill holes may not be representative of the overall mineralisation present. Further drill tests are required to determine if mineralisation extends further beyond the geometry as defined in current drill patterns.</p> <p>There is no guarantee that if exploration extends the current resources that it will be capable of sustaining commercial development.</p>
<p><b>Estimation of Mineral Resources and Ore Resources</b></p>	<p>There is a degree of uncertainty to the estimation of Mineral Resources and Ore Reserves and corresponding grades being mined or dedicated to future production. Until Mineral Resources or Ore Reserves are actually mined and processed, the quantity of Mineral Resources and Ore Reserves must be considered as estimates only. In addition, the grade of Mineral Resources and Ore Reserves may vary depending on, among other things, metal prices. Any material change in quantity and grades of Mineral Resources, Ore Reserves, or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.</p> <p>Fluctuation in the prices of relevant commodities, results of drilling, metallurgical testing and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of Mineral Resources and / or Ore Reserves, could have a material adverse effect on Godolphin's financial condition.</p>
<p><b>Joint Venture Parties, Agents and Contractors</b></p>	<p>Godolphin is unable to predict the risk of financial failure or default by a participant in any future joint venture to which Godolphin may become a party (noting that Godolphin has no current joint venture intentions). Further, Godolphin is unable to predict the risk of insolvency or managerial failure by any of the contractors used by Godolphin in any of its activities or the insolvency or other managerial failure by any of the other service providers used by Godolphin for any activity. The effects</p>

Risk	Description
	of such failures may have an adverse effect on Godolphin's operations.
<b>Exploration and Operations</b>	<p>The current and future operations of Godolphin, including exploration, appraisal, development and possible production activities may be affected by a range of exploration and operating factors, including:</p> <ul style="list-style-type: none"> <li>(a) geological conditions;</li> <li>(b) limitations on activities due to seasonal or adverse weather patterns;</li> <li>(c) alterations to program and budgets;</li> <li>(d) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling, metallurgical laboratory work and production activities;</li> <li>(e) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;</li> <li>(f) industrial action, disputation or disruptions;</li> <li>(g) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations;</li> <li>(h) unavailability of suitable laboratory facilities to complete metallurgical test-work investigations;</li> <li>(i) failure of metallurgical testing to determine a commercially viable product;</li> <li>(j) shortages or unavailability of manpower or appropriately skilled manpower;</li> <li>(k) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and</li> <li>(l) prevention or restriction of access by reason of inability to obtain consents or approvals.</li> </ul> <p>Certain of Godolphin's tenements in future may become subject to agreements with third parties which limit the commodities that Godolphin may exploit on these tenements; with third parties having certain rights (no current shared commodity rights). Whilst Godolphin does not consider these limitations to be unduly onerous, there is a risk that these restrictions may not be in Godolphin's best interests or that the third parties may, in asserting</p>

Risk	Description
	their rights over Godolphin's tenements, not act in Godolphin's best interests.
<b>Environmental, rehabilitation and other regulatory risks</b>	<p>Godolphin's operations are and will be subject to environmental regulation. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance and assessments of proposed projects. Environmental regulations could impact on the viability of Godolphin's projects. Godolphin may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible.</p> <p>As a condition of the Tenements, Godolphin will also be required to rehabilitate, level, re-grass, reforest or contour land that has been damaged or adversely affected by exploration activities, failure to do so may render the Tenements liable to cancellation. Godolphin is also required to lodge rehabilitation security by way of cash deposit.</p> <p>It is Godolphin's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p>
<b>Annual Rents and Levies</b>	An annual rental and an administrative levy are payable, based on the size of the Tenements. Tenements are also subject to expenditure requirements in accordance with work programs approved by the NSW Department of Planning and Environment. Payment of rentals and levies are currently up to date. Failure to comply with expenditure requirements may render the Tenements liable to cancellation.
<b>Mining Tax and Royalties</b>	There is a risk that the Commonwealth or New South Wales Governments may seek to introduce further, or increase existing, taxes and royalties.
<b>Encumbrances on Title</b>	Godolphin may at a future date be required to encumber part or all of its tenure to expedite future commercial transactions.
<b>Unforeseen Risks</b>	There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on Godolphin and its operations, and on the valuation and performance of the Godolphin Shares.
<b>Land owner and access risk</b>	Godolphin may be required to pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a mining tenement. Godolphin's ability to resolve compensation issues and compensation costs involved will have an impact on the future success and financial performance of Godolphin's operations. If Godolphin is

Risk	Description
	<p>unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of Godolphin. Access to land for exploration purposes can be affected by land ownership, nature reserves and national parks, government regulation and environmental restrictions. Access is critical for exploration and development to succeed and the ability to be able to negotiate satisfactory commercial arrangements with landowners, farmers and occupiers is often essential.</p> <p>There are no current access agreements in place.</p>
<b>Economic conditions</b>	<p>General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Godolphin's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the tenements comprising the NSW Assets may have to be surrendered or not renewed. General economic conditions may also affect the value of Godolphin Shares and its valuation regardless of its actual performance.</p>
<b>Native Title &amp; Heritage Sites</b>	<p>The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on Ardea's operations and future plans.</p> <p>Ardea must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations.</p> <p>Title searches demonstrate that two Tenements, relating to Yeoval and Ophir, overlap with registered native title claims.</p> <p>Godolphin must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations.</p>
<b>Non-completion of the Spin-out</b>	<p>There can be no assurance that the Spin-out will complete, as a consequence, there is a risk that costs associated with the Proposal and management time allocated to the Proposal will have been wasted.</p>

## Schedule 5 - Tenement Schedule

Tenement	Project	Holder	Interest
EL 5583**	Lewis Ponds	TriAusMin	100% of Group 1 metals
EL 8323	Ophir	Ardea Exploration	100% of Group 1 metals
EL 8556	Copper Hill East	Ardea Exploration	100% of Group 1 metals
ELA5794*	Mt Bulga	Ardea Exploration	100% of Group 1 metals
ELA5812	Caledonian	Ardea Exploration	100% of Group 1 metals
EL 8532	Mt Aubrey	Ardea Exploration	100% of Group 1 metals
EL 8538	Yeoval	Ardea Exploration	100% of Group 1 metals
ELA5780-Area1*	Yallundry	Ardea Exploration	100% of Group 1 metals
ELA5780-Area2*	Obley West	Ardea Exploration	100% of Group 1 metals
ELA5780-Area3*	Obley North	Ardea Exploration	100% of Group 1 metals
ELA8890	Cumnock	Ardea Exploration	100% of Group 1 metals
EL 8554	Wiseman's Creek	Ardea Exploration	100% of Group 1 metals
EL 8555	Calarie	Ardea Exploration	100% of Group 1 metals
EL 8580	Calarie Central	Ardea Exploration	100% of Group 1 metals
ML 0739	Calarie Lachlan Mine	TriAusMin	100% of Group 1 metals
EL 8061	Gundagai South	Ardea Exploration	100% of Group 1 metals
EL 8586	Gundagai North	Ardea Exploration	100% of Group 1 metals
ELA8889	Gundagai	Ardea Exploration	100% of Group 1 metals

\* *formal offer of tenements awaited from NSW Department of Planning, Industry and Environment*

\*\* *EL 5583 is subject to a finder's fee, payable to geologist David Timms, following commencement of production, or sale of the EL, capped at A\$2 million. The fee is based on 1/3 proceeds from sale of the EL or 1/3 of net profits from production, or 30% of any royalties received from production.*

**Schedule 6 - Lewis Pond Freehold Land**

<b>Title Reference</b>	<b>Street Address</b>	<b>Project</b>	<b>Holder</b>
1/131668	500 Dry Creek Road, Lewis Ponds 2800	Lewis Ponds	TriAusMin
107/750418	500 Dry Creek Road, Lewis Ponds 2800	Lewis Ponds	TriAusMin
108/750418	500 Dry Creek Road, Lewis Ponds 2800	Lewis Ponds	TriAusMin
115/750418	500 Dry Creek Road, Lewis Ponds 2800	Lewis Ponds	TriAusMin
33/750418	500 Dry Creek Road, Lewis Ponds 2800	Lewis Ponds	TriAusMin
34/750418	500 Dry Creek Road, Lewis Ponds 2800	Lewis Ponds	TriAusMin
51/750418	500 Dry Creek Road, Lewis Ponds 2800	Lewis Ponds	TriAusMin
55/750418	500 Dry Creek Road, Lewis Ponds 2800	Lewis Ponds	TriAusMin
7/750418	500 Dry Creek Road, Lewis Ponds 2800	Lewis Ponds	TriAusMin
71/750418	500 Dry Creek Road, Lewis Ponds 2800	Lewis Ponds	TriAusMin
81/750418	500 Dry Creek Road, Lewis Ponds 2800	Lewis Ponds	TriAusMin

## Schedule 7 - Option Terms

### 1. Entitlement

Each option entitles the holder (**Optionholder**) to subscribe for one fully paid ordinary share in the capital of Godolphin (**Share**) upon exercise of the option (**Options**).

### 2. Exercise Price and Expiry Date

The exercise price of the Option is as follows:

Option Category	Exercise Price	Expiry Date
Godolphin Vendor Option	\$0.25	5:00 pm (WST) 3 years from the date of issue
Godolphin Incentive Option	\$0.25	5:00 pm (WST) 3 years from the date of issue
Godolphin Employee Option	\$0.25	5:00 pm (WST) 3 years from the date of issue
Godolphin Promotor Options	\$0.25	5:00 pm (WST) 3 years from the date of issue
Godolphin Loyalty Options	The higher of: <ul style="list-style-type: none"> <li>- A\$0.25; or</li> <li>- a 25% premium to the Volume Weighted Average Market Price (as defined in the Listing Rules) for Shares over the last 5 days on which sales in Shares were recorded prior to a prospectus being lodged for the Loyalty Options (being at the discretion of the Board and intended to be approximately three months following the date of listing of Godolphin).</li> </ul>	5:00 pm (WST) 12 months from the date of issue (being approximately 15 months from the date of listing)

### 3. Vesting Condition

The Godolphin Incentive Options and Employee Options are subject to vesting conditions as set out below:

Option Category	Vesting Condition	Expiry Date
Godolphin Incentive Option	The Company successfully listing on the Australian Securities Exchange within 12 months of the date of issue of the Incentive Option	5:00 pm (WST) 3 years from the date of issue

Godolphin Employee Option	24 months of continuous employment by the Optionholder (or controller of the Optionholder)	5:00 pm (WST) 3 years from the date of issue
---------------------------	--	---

Should the relevant Vesting Condition not be fulfilled, the Options will lapse.

**4. Exercise Period**

The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

**5. Quotation of the Options**

The Options will be unquoted.

**6. Transferability of the Options**

Option Category	Transferability
Godolphin Vendor Option	The Godolphin Vendor Options will be transferable subject to compliance with the Corporations Act and Listing Rules
Godolphin Promotor Options	The Godolphin Vendor Options will be transferable subject to compliance with the Corporations Act and Listing Rules
Godolphin Incentive Option	The Godolphin Incentive Options will not be transferable.
Godolphin Employee Option	The Godolphin Employee Options will not be transferable.
Godolphin Loyalty Option	The Godolphin Loyalty Options will not be transferable.

**7. Notice of Exercise**

The Options may be exercised by notice in writing to Godolphin in a form reasonably acceptable to Godolphin (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by cheque or electronic funds transfer.

Any Notice of Exercise of an Option received by Godolphin will be deemed to be a notice of the exercise of that Option as at the date of receipt.

**8. Shares Issued on Exercise**

Shares issued on exercise of the Options rank equally with the then Shares of Godolphin.

**9. Timing of Issue of Shares**

Within 15 Business Days after the later of the following:

- (i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and



- (ii) when excluded information in respect to Godolphin (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

Godolphin will:

- (iii) issue the Shares pursuant to the exercise of the Options;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If Godolphin is unable to deliver a notice under paragraph (iv) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Godolphin will lodge with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. Where a "cleansing prospectus" is required, any Shares issued on exercise of Options will be subject to a holding lock until such time as a prospectus is issued by Godolphin.

#### **10. Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

#### **11. Adjustment for Bonus Issues of Shares**

If Godolphin makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) (the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

#### **12. Adjustment for Entitlements Issue**

If Godolphin makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 10 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

#### **13. Adjustments for Reorganisation**

If there is any reorganisation of the issued share capital of Godolphin, the rights of the Optionholders will be varied in accordance with the Listing Rules.

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# ARDEA RESOURCES LIMITED

REGISTERED OFFICE:  
SUITE 2, 45 ORD STREET  
WEST PERTH WA 6005

+

ACN: 614 289 342

«EFT\_REFERENCE\_NUMBER»

«Company\_code» «Sequence\_number»

«Holder\_name»  
«Address\_line\_1»  
«Address\_line\_2»  
«Address\_line\_3»  
«Address\_line\_4»  
«Address\_line\_5»

**SHARE REGISTRY:**  
Security Transfer Australia Pty Ltd  
**All Correspondence to:**  
PO BOX 52  
Collins Street West VIC 8007  
Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000  
T: 1300 992 916  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

ARL

Holder Number:

«HOLDER\_NUM

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE  
ONLINE**

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

**OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 10:00am WST on Monday 4 November 2019 at The Quest, 54 Kings Park Road, West Perth, WA 6005 and at any adjournment of that meeting.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

#### RESOLUTION

1. Approval to dispose of major asset

For

Against

Abstain\*

2. Approval for a reduction of capital and in-specie distribution of Godolphin Shares

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

**Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am WST on Saturday 2 November 2019.**

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ARLPX1041119

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My/Our contact details in case of enquiries are:

Name:

Number:

(  )

**1. NAME AND ADDRESS**

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

**2. APPOINTMENT OF A PROXY**

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

**3. DIRECTING YOUR PROXY HOW TO VOTE**

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

**4. APPOINTMENT OF A SECOND PROXY**

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

**5. 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 must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

**6. LODGEMENT OF PROXY**

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

**Security Transfer Australia Pty Ltd**

**Online** [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

**Postal Address** PO BOX 52  
Collins Street West VIC 8007

**Street Address** Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000

**Telephone** 1300 992 916

**Facsimile** +61 8 9315 2233

**Email** [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

**PRIVACY STATEMENT**

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.





# **ARDEA RESOURCES LIMITED**

## **ACN 614 289 342**

### **Short Form Prospectus**

**For an offer to transfer Godolphin Shares to Shareholders of Ardea Resources Limited pursuant to a Capital Reduction by way of In-specie Distribution contained in the Capital Reduction Resolution in the Notice of Meeting dated 3 October 2019 and to facilitate secondary trading of those shares.**

#### **IMPORTANT NOTICE**

This Prospectus is important and requires your immediate attention. You should read this Prospectus in its entirety and consult your professional adviser in respect of the contents of this Prospectus.

This Prospectus is a short form prospectus prepared in accordance with Section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, but refers to parts of other documents lodged with ASIC, the contents of which are therefore taken to be included in this Prospectus.

The Company Directors consider an investment in Godolphin Shares that will be distributed and transferred under this Prospectus and the Capital Reduction Resolution, to be speculative.

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# 1. Important Notes

## 1.1 General

This Prospectus is dated 3 October 2019 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the content of this Prospectus, or the merits of the investment to which this Prospectus relates.

No Godolphin Shares may be offered or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with this Prospectus.

This Prospectus, including the Notice of Meeting which is incorporated by reference into this Prospectus, is important and should be read in its entirety. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser immediately. Investment in the Godolphin Shares that are the subject of this Prospectus should be considered speculative.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to Company Shareholders and professional advisers whom Company Shareholders may consult.

If you are uncertain about the terms and conditions of the Offer, you should seek the advice of an appropriately qualified financial adviser.

Defined terms and abbreviations used in this Prospectus are set out in Section 7.

## 1.2 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in the Notice of Meeting lodged with ASIC on 3 October 2019.

In referring to the Notice of Meeting, the Company:

- (a) identifies the Notice of Meeting as being relevant to the offer of Godolphin Shares under this Prospectus and contains information that will provide Company Shareholders and their professional advisers to assist them in making an informed assessment of:
  - (i) the rights and liabilities attaching to the Godolphin Shares;
  - (ii) the assets, liabilities and financial position and prospects of Godolphin;

- (b) refers Company Shareholders and their professional advisers to this Prospectus which summarises the material information in the Notice of Meeting deemed to be incorporated in this Prospectus;
- (c) informs Company Shareholders and their professional advisers that they are able to obtain, free of charge, a copy of the Notice of Meeting or the Constitution by contacting the Company at its registered office during normal business hours during the Offer Period; and
- (d) advises that the information in the Notice of Meeting will be primarily of interest to Company Shareholders and their professional advisers or analysts.

### 1.3 Exposure Period

The Corporations Act prohibits the Company from transferring the Godolphin Shares in the seven day period after the date of lodgement of this Prospectus. This period may be extended by ASIC by up to a further seven days. This period is an exposure period to enable this Prospectus to be examined by market participants prior to the transfer of the Godolphin Shares. Given the General Meeting will be held on 4 November 2019 and the In-specie Distribution will occur some time after that date, the exposure period will be expired by the time the In-specie Distribution occurs.

### 1.4 Forward looking statements

This Prospectus may contain forward-looking statements which are identified by words such as ‘may’, ‘should’, ‘will’, ‘expect’, ‘anticipate’, ‘believes’, ‘estimate’, ‘intend’, ‘scheduled’ or ‘continue’ or other similar words. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in the forward looking statements or information.

Whilst the Company considers the expectations reflected in any forward looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined in Schedule 4 of the Notice of Meeting, as well as other matters not yet known to the Company or not currently considered material to Godolphin, may cause actual events to be materially different from those expressed, implied or projected in any forward looking statements or information. Any forward looking statement or information contained in this Prospectus is qualified by this cautionary statement.

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## 2. The Offer

### 2.1 Terms and Conditions of the Offer

The terms and conditions of the Offer are set out in the Notice of Meeting accompanying this Prospectus. The Capital Reduction Resolution of the Notice of Meeting is as follows:

*“That, for the purposes of Sections 256B and 256C of the Corporations Act and for all other purposes, the issued share capital of the Company be reduced by the Company making a pro rata distribution in-specie of Godolphin Shares to all holders of ordinary shares in the Company at the Record Date and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”*

Pursuant to the Capital Reduction Resolution, the Company is inviting Company Shareholders to vote on a reduction of capital by way of an In-specie Distribution of 30,000,000 Godolphin Shares to Company Shareholders on a pro rata basis. This

represents one Godolphin Share for approximately every 3.743 Ardea Shares held by Company Shareholders on the Record Date (rounded up to the nearest whole Godolphin Share).

The In-specie Distribution will only proceed if the following conditions are met or alternatively waived (together, the **In-specie Conditions**):

- (a) Ardea obtaining shareholder approval under the Corporations Act for the proposed In-specie Distribution;
- (b) receipt of a draft class ruling from the Australian Taxation Office confirming the availability of Demerger Relief;
- (c) Godolphin obtaining a conditional admission letter from ASX on terms satisfactory to the Godolphin directors, acting reasonably.

Based on ASIC Regulatory Guide 188, the invitation to vote on the Capital Reduction Resolution of the Notice of Meeting constitutes an offer to transfer the Godolphin Shares for the purposes of Section 707(3) of the Corporations Act. Accordingly, the Company has prepared this Prospectus.

Distribution of Godolphin Shares to any Shareholder with a registered address outside Australia or New Zealand under the Capital Reduction Resolution will be subject to the legal and regulatory requirements in the relevant jurisdictions of those Shareholders.

If the requirements of any jurisdiction where an Ardea Shareholder is resident are held to restrict or prohibit the distribution of securities as proposed or would impose on Ardea an obligation to prepare a prospectus or other similar disclosure document or otherwise impose on Ardea an undue burden, the Godolphin Shares to which the relevant Ardea Shareholder is entitled will not in fact be issued to such Shareholders and instead will be sold by Ardea on their behalf, in order that Ardea will pay the relevant Shareholder a cash equivalent amount, or otherwise Ardea will seek to make alternative arrangements with respect to the relevant Shareholder which are reasonable in all the circumstances.

If Ardea elects to sell the Godolphin Shares on a relevant Ardea Shareholder's behalf, Ardea will then account to those Shareholders for the net proceeds of sale after deducting the costs and expenses of the sale. As the return of capital is being represented and satisfied by the In-specie Distribution and security prices may vary from time to time (assuming a liquid market is available), the net proceeds of sale to such Shareholders may be more or less than the notional dollar value of the reduction of capital. It will be the responsibility of each Ardea Shareholder to comply with the laws to which they are subject in the jurisdictions in which they are resident.

## **2.2 Effect of the Offer on the Company**

The effect of the Offer on the Company will be:

- (a) the Company ceasing to own 30,000,000 Godolphin Shares (being the 30,000,000 Godolphin Shares to be issued to it under the DID); and
- (b) the Company's share capital and total and net assets being reduced by approximately \$6,326,000. This figure will vary slightly depending on the fair market value of the assets being acquired; and
- (c) Company Shareholders that are registered on the Record Date will receive one Godolphin Share for approximately every 3.743 Ardea Shares held.



## **2.3 Effect of the Offer on Godolphin**

The effect of the Offer on Godolphin will be that the 30,000,000 Godolphin Shares to held by the Company post-completion of the DID will no longer be held by a sole shareholder and instead will be held by Company Shareholders that are registered on the Record Date.

## **2.4 Action required by Company Shareholders**

No action is required by Company Shareholders under this Prospectus.

Should Company Shareholder approval be obtained for the In-specie Distribution, the Consideration Shares will be transferred to Company Shareholders in accordance with the terms set out in the Notice of Meeting.

If you have any queries regarding this Prospectus, please contact the Company Secretary on +61 8 6244 5136.

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# **3. Information deemed to be incorporated in this Prospectus**

## **3.1 Short Form Prospectus**

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however it incorporates by reference information contained in a document that has been lodged with ASIC.

The Notice of Meeting contains all the information that Company Shareholders require in relation to the Proposal and the Notice of Meeting in its entirety is deemed to be incorporated in this Prospectus.

The material provisions of the Notice of Meeting are summarised below in Section 3.2 of this Prospectus and will primarily be of interest to Company Shareholders and their professional advisers.

A copy of the Notice of Meeting has been sent to Company Shareholders with this Prospectus. However, Company Shareholders and their professional advisers may also obtain, free of charge, a copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours.

## **3.2 Summary of material provisions of Notice of Meeting**

The material provisions of the Notice of Meeting are summarised below. The Sections and Schedules referred to below are a reference to Sections and Schedules (respectively) in the Explanatory Memorandum to the Notice of Meeting:

(a) **Section 1.6 - Timetable**

This Section sets out the indicative timetable for the In-specie Distribution.

(b) **Section 3.1 - Background and Overview of the Proposal**

This Section provides an overview of the Company and the Proposal including information on the NSW Assets, which is to be acquired by Godolphin from the Company under the DID.

(c) **Section 3.2 - Plans for Ardea following completion of the Proposal**

This Section clarifies the Company's anticipated future plans (assuming the Proposal is completed).

(d) **Sections 3.3, 3.17 and 3.20 - Capital reduction**

These Sections provide an overview of the Capital Reduction, include a statement that the Company Directors believe that the Capital Reduction is fair and reasonable to Company Shareholders and that the Capital Reduction will not prejudice the Company's ability to pay its creditors, and set out the effect of the Capital Reduction on the Company's Shareholders.

(e) **Section 3.4**

This Section sets out the conditional waiver decision Godolphin has received from ASX in relation to the application of escrow restrictions on the Consideration Shares.

(f) **Sections 3.5, 3.16 and Schedules 2 and 3 - Pro-forma financial information**

These Sections and Schedules 2 and 3 include a pro-forma balance sheet of the Company's balance sheet as at 30 June 2019 as a result of the Proposal, which includes the In-specie Distribution, and Godolphin's balance sheet as at incorporation on 25 June 2019 and a Proforma Financial information on 25 June 2019 (assuming the Proposal is completed).

(g) **Section 3.6 - Advantages and disadvantages**

This Section outlines the principal advantages and disadvantages to Company Shareholders of the Proposal.

(h) **Section 3.7 - Failure to achieve completion of the Proposal**

This Section sets out the Company's anticipated future plans (assuming the Proposal is not completed).

(i) **Section 3.8 - Capital Raising**

This Section gives a description of the Capital Raising to be undertaken by Godolphin in conjunction with (and as a condition to) the In-specie Distribution.

(j) **Sections 3.9 to 3.11 - Background of the NSW Assets, projects and JORC Code information**

This Section gives a description of the NSW Assets that Godolphin is acquiring under the DID, JORC information relating to the projects comprising the NSW assets, and a competent person statement made in accordance with the JORC Code.

(k) **Section 3.12- Information on Godolphin, its Board and key management personnel**

These Sections set out Godolphin's anticipated future plans and priorities (assuming the Proposal is completed) and provide information about Godolphin's board of directors.

(l) **Section 3.13 - Demerger Implementation Deed (DID)**

This Section provides a summary of the DID. The Company and Godolphin (and their various subsidiaries) entered into an agreement for the sale and purchase of the NSW Assets on 3 October 2019. The effect of the DID is that Godolphin acquires the NSW Assets for 30,000,000 fully paid ordinary shares in Godolphin at a deemed issue price of \$0.20 per Godolphin Share and 15,000,000 Options in Godolphin, exercisable at \$0.25 expiring 3 years from the date of issue.

(m) **Section 3.14- Disclosure to ASX**

This Section sets out that as an ASX listed entity, copies of documents lodged in relation to Ardea may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed at either the ASX announcements platform or the Company's website.

(n) **Section 3.15 and Schedule 4 - Risk Factors**

This Section and Schedule 4 list a number of specific and general risks that may have a material effect on the financial position and performance of Godolphin and the value of Godolphin Shares.

(o) **Section 3.16 and Schedule 2**

This Section sets out the financial effect of the proposed Capital Reduction on the Company.

(p) **Section 3.18 - Effect of Proposed Capital Reduction on Shareholders**

This Section sets out the effect of the proposed Capital Reduction on Shareholders.

(q) **Section 3.17 - Directors' interests and recommendations**

This Section details the number of securities in the Company which the Ardea Directors and proposed directors of Godolphin have an interest in prior to the Proposal and the number of Godolphin Shares they are likely to receive if the Proposal is completed.

(r) **Sections 3.19 and 3.20 - Additional information**

These Sections set out the proposed capital structures of the Company and Godolphin following completion of the Proposal, and provide details of recent trading information with respect to the Company's Shares.

(s) **Sections 3.21 to 3.23**

These Sections set out the relevant sections of the Corporations Act and ASX listing rules relating to the Capital Reduction.

(t) **Section 3.24 - Effect of Shareholder approval**

This Section outlines the effect of the proposed Capital Reduction on Company Shareholders which is that eligible Company Shareholders registered on the Record Date will receive a pro rata distribution in-specie of Consideration Shares. This Section also outlines the treatment of overseas Company Shareholders and the effect of the Proposal on existing Company Options.

(u) **Section 3.25 - Information concerning Godolphin Shares**

This Section contains a summary of the more significant rights and liabilities attaching to Godolphin Shares.

(v) **Section 3.26 - Taxation implications**

This Section provides an overview of the taxation implications for the Company's Shareholders and the Company itself, and notes the Company has sought a private ruling from the ATO with respect to Demerger Relief.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences for Company Shareholders.

(w) **Section 3.27 and 3.28**

These Sections provide information on the lodgement of the Notice of Meeting with ASIC and sets out a confirmation from the Company in respect of the information provided in the Notice of Meeting.

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## **4. Additional Information**

### **4.1 Interests of Godolphin Directors**

- (a) Other than as set out elsewhere in this Prospectus or the Notice of Meeting:
- (i) no Godolphin Director holds, or during the last two years before lodgement of this Prospectus with the ASIC, held, an interest in:
    - (A) the formation or promotion of Godolphin;
    - (B) property acquired or proposed to be acquired by Godolphin in connection with its formation or promotion or the Offer; or
    - (C) the Offer; and
  - (ii) except as set out in this Prospectus or the Notice of Meeting, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Godolphin Director either to induce him to become, or to qualify, as a Godolphin Director or otherwise for services rendered by them in connection with the formation or promotion of Godolphin or the Offer.

## 4.2 Interests of Ardea and Godolphin Directors

### (a) Remuneration of Godolphin Directors

The annual remuneration of the Godolphin Directors, following the implementation of the Capital Reduction will be as follows:

Godolphin Director	Role	Remuneration <sup>1</sup>
Mark Sykes	Non-Executive Chairman	\$60,000
Ian Buchhorn	Non-Executive Director	\$45,000
Andrew Stewart	Non-Executive Director	\$45,000

Note:

- Note that Godolphin Directors have also received Godolphin security incentives in the form of Incentive Options under the Godolphin Employee Incentive Securities Plan. Mr Sykes has received 500,000 Options with a Black Scholes Value of \$35,300 and Mr Buchhorn and Mr Stewart have both received 250,000 Options each with a Black Scholes value of \$17,650. The Options were approved at a Shareholders Meeting held on 3 October 2019. The board will also receive per diem fees for additional services as and when provided.
- Godolphin has also appointed a Chief Executive Officer, Mr David Greenwood who will receive an annual salary of \$275,000 + 9.5% superannuation. He has also received 500,000 Incentive Options under the Godolphin Employee Incentive Securities Plan with a Black Scholes value of \$35,300.

### (b) Director's security interests in Godolphin

Director	Number of Godolphin Shares each Director will receive <sup>1</sup>	Number of Godolphin Shares each Director will apply for <sup>2</sup>	% at Minimum Subscription	% at Maximum Subscription	Options
<b>Common Directors</b>					
Ian Buchhorn <sup>2</sup>	3,342,568	2,500,000	10.9	8.2	250,000
<b>Ardea Directors</b>					
Katina Law <sup>3</sup>	269,311	Up to 50,000	0.6	0.5	nil
Wayne Bramwell <sup>3</sup>	Nil	Up to 50,000	0.1	0.1	nil
<b>Godolphin Directors</b>					
Mark Sykes <sup>2</sup>	Nil	100,000	0.2	0.1	500,000
Andrew Stewart <sup>4</sup>	Nil	Up to 50,000	0.1	0.1	250,000
<b>Subtotal</b>	<b>3,611,879</b>	<b>2,750,000</b>	<b>11.9</b>	<b>9.0</b>	<b>1,000,000</b>

Note:

- Assuming a 1 for 3.743 ratio for the In-specie Distribution for illustrative purposes only. It is not clear at the date of this Notice what the exact ratio for the In-specie Distribution will be. Refer to Section 3.3 of Notice of Meeting for further details.
- Ian Buchhorn and Mark Sykes intend to subscribe for Godolphin Shares under the Public Offer.
- Katina Law and Wayne Bramwell intend to subscribe for up to 50,000 Godolphin Shares under the Public Offer.
- Andrew Stewart intends to subscribe for up to 50,000 Godolphin shares under the Public Offer, this figure being subject to change.

### 4.3 Interests of Advisors

Other than as set out below or elsewhere in this Prospectus or the Notice of Meeting, no promoter of Godolphin or person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of Godolphin;
- (b) any property acquired or proposed to be acquired by Godolphin in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered in connection with the formation or promotion of Godolphin or the Offer.

Bellanhouse Lawyers has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Bellanhouse Lawyers approximately \$60,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Bellanhouse Lawyers has received approximately \$58,406 in fees from the Company.

### 4.4 Substantial Godolphin Shareholders

As at the date of this Prospectus, Godolphin is a wholly owned subsidiary of the Company.

Based on the information known as at the date of this Prospectus, and assuming only the proposed minimum subscription by Godolphin is achieved, the following persons will have an interest in 5% or more of the Godolphin Shares on issue. Shareholders should note the details below do not include any Company Shareholder who participates in the proposed priority offer to Company Shareholders.

Name of Godolphin Shareholder	Number of Godolphin Shares	% interest at Minimum Subscription	% interest at Maximum Subscription
Ian Buchhorn	5,842,568	10.9	8.2

### 4.5 Litigation

To the knowledge of the Company Directors, as at the date of this Prospectus, Godolphin is not involved in any legal proceedings, and the Company Directors are not aware of any legal proceedings pending or threatened against Godolphin.

### 4.6 Dividend policy

The Company does not expect Godolphin to declare any dividends in the near future as its focus will primarily be the NSW Assets.

Any future determination as to the payment of dividends by Godolphin will be at the discretion of the Godolphin Directors and will depend on matters such as the availability of distributable earnings, the operating results and financial condition of Godolphin, future capital requirements and general business and other factors considered relevant by the Godolphin Directors. No assurances can be given by the Company Directors in relation to the payment of dividends by Godolphin.

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## 5. Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, other than those referred to in this section;
- (b) has not authorised or caused the issue of this Prospectus or the making of the Offer; and
- (c) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, any part of this Prospectus other than a reference to its name and a statement and/or any report (if any) included in this Prospectus with the consent of that party as specified in this section.

Bellanhouse Lawyers has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as solicitors to the Company in relation to the Offer in the form and context in which it is named and to the incorporation by reference into this Prospectus of the Notice of Meeting in the form and context in which it is incorporated, and to all references to the Notice of Meeting in this Prospectus in the form and context in which they appear.

Messrs Mark Sykes, Ian Buchhorn and Andrew Stewart have given their written consent to being named as directors of Godolphin in this Prospectus and have not withdrawn their consent prior to the lodgment of the Prospectus with ASIC.

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## 6. Directors authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Company Directors.

In accordance with Section 720 of the Corporations Act, each Company Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.



Katina Law  
Executive Chair  
3 October 2019

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## 7. Definitions

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

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

**ASX** means Australian Securities Exchange Limited (ACN 008 624 691).

**Board** means the board of Company Directors unless the context indicates otherwise.

**Capital Reduction** means the equal reduction of capital of the Company proposed to be satisfied by the In-specie Distribution and transfer to eligible Company Shareholders (in proportion to their holdings of Ardea Shares) of Consideration Shares held by the Company.

**Capital Reduction Resolution** means Resolution 2 of the Notice of Meeting to be put to Company Shareholders at the General Meeting to approve the Capital Reduction.

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

**Company Directors** means the directors of the Company as at the date of this Prospectus.

**Company Option** means an option to acquire an Ardea Share.

**Company Shareholder** means a holder of Ardea Shares.

**Constitution** means the Company's constitution as at the date of this Prospectus.

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

**Demerger Relief** has the meaning set out in Schedule 1 to the Notice of Meeting.

**DID** means the demerger implementation deed between the Company and Godolphin (and their subsidiaries) for the sale and purchase of the NSW Assets.

**Explanatory Memorandum** means the explanatory statement accompanying and forming part of the Notice of Meeting.

**General Meeting or Meeting** means the meeting that is the subject of the Notice of Meeting.

**Godolphin** means Godolphin Resources Ltd (ACN 633 779 950).

**Godolphin Director** means a current director of Godolphin.

**Godolphin Employee Incentive Securities Plan** means the employee incentive securities plan approved by Shareholders at the EGM of Godolphin held on 3 October 2019.

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

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

**Godolphin Vendor Shares** means approximately 30,000,000 Godolphin Shares to be issued by Godolphin to Ardea as consideration for the acquisition of the NSW Assets.



**In-specie Conditions** has the meaning set out in Section 2.1 of this Prospectus.

**In-specie Distribution** means the proposed in-specie distribution of the Consideration Shares by Ardea to eligible Ardea Shareholders.

**JORC Code** means the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition.

**Minimum Subscription** means a Capital Raising of \$4.5 million (before costs) through the issue of 22,500,000 Godolphin Shares.

**Maximum Subscription** means a Capital Raising of \$8 million (before costs) through the issue of 40,000,000 Godolphin Shares.

**Notice of Meeting** means the Notice of General Meeting of the Company dated 3 October 2019 in which the Capital Reduction Resolution is to be considered.

**NSW Assets** has the meaning given in Schedule 1 of the Notice of Meeting.

**Offer** means the offer of Consideration Shares pursuant to the Notice of Meeting.

**Proposal** means the proposed Spin-out and In-specie Distribution as set out in Section 3.1 of the Explanatory Memorandum.

**Prospectus** means this short form prospectus prepared in accordance with section 712 of the Corporations Act and dated 3 October 2019.

**Record Date** means the record date to be set by Directors in accordance with Section 1.6 of the Notice of Meeting.

**Schedule** means a schedule of the Notice of Meeting.

**Section** means a section of this Prospectus, the Notice of Meeting or the Corporations Act, as the context requires.

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

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

**Spin-out** has the meaning given in Section 3.1 of the Explanatory Memorandum.