

24 October 2019

Dear Shareholder,

**RE: GODOLPHIN RESOURCES LIMITED**

Ardea Resources Limited (Ardea, the Company) is in the process of finalising the Prospectus for Godolphin Resources Limited (Godolphin), which is a spinout of the Company's NSW Assets. Shareholders have been asked to vote for the approval of the spinout at the EGM to be held on 4 November 2019. If that vote is successful, and the other Conditions Precedent to the listing on ASX are met, then Godolphin will be listed as a separate entity on the ASX under the ASX Code "GRL".

Subject to Godolphin lodging a full form prospectus, receiving commitments of not less than \$4.5 million under a public offer and successfully applying to ASX for quotation of the Godolphin shares, all Australian-based Ardea shareholders will receive an "in-specie" distribution of shares in Godolphin based on the number of shares you currently hold in Ardea. You will also be entitled to subscribe for additional shares in the Godolphin IPO under a PRIORITY APPLICATION at the issue price of 20 cents per share.

The Prospectus will not be sent out to all Shareholders, however you can download the Prospectus at the following website – <https://investor.automic.com.au/#/ipo/godolphinpriority>, and you will be given instructions on how to apply for priority shares if you wish to participate further in the new float.

The Ardea Board is excited about this development as it will give Godolphin sufficient funds to allow it to explore and develop the NSW assets within the Lachlan Fold Belt which is one of Australia's premier gold mining provinces. Additionally, it will allow Ardea to focus its activities on its WA-based gold and nickel assets. It is seen as a very positive outcome for all Shareholders who will retain their interests in both entities and potentially expand their success rates into the future.

Yours sincerely



Katina Law  
Chair