

## ASX & Media Release

22 January 2020

## ASX Symbol

ARL

## Ardea Resources Limited

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West Perth WA 6005

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## Telephone

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## Email

ardea@ardearesources.com.au

## Website

www.ardearesources.com.au

## Directors

Katina Law  
*Executive Chair*

Ian Buchhorn  
*Executive Director*

Wayne Bramwell  
*Non-Executive Director*

## Executive Management

Andrew Penkethman  
*Chief Executive Officer*

Matt Painter  
*General Manager Exploration*

## Issued Capital

Fully Paid Ordinary Shares  
117,300,435

Directors/Employee  
Performance Rights  
4,476,000

ABN 30 614 289 342

## Tax Information Guide for Godolphin return of capital

The board of Ardea Resources Limited (“Ardea”) wishes to advise Ardea shareholders that following the transfer of all of the shares in Godolphin Resources Limited (“Godolphin”) owned by Ardea and the subsequent capital raising and listing on the ASX of Godolphin, that Ardea is able to provide our tax advisors comments on the indicative cost base of these in-specie shares.

The tax advice received proposes shareholders treat the in-specie shares they received in Godolphin as a return of equity capital for income tax purposes including for capital gains tax records.

Our tax advisers recommend this would have the impact of creating a cost base for each Godolphin share distributed to Ardea shareholders of \$0.20 per Godolphin share received and have an equal reduction in their cost base in their shares in Ardea.

Calculated as follows:

Godolphin shares transferred to Ardea shareholders	30,000,000
Value per Godolphin share	\$0.20
Total Ardea shares on issue at that date	117,300,435
Ratio of Godolphin shares to Ardea shares	0.25575
Ardea share cost base reduction	\$0.20*0.25575
	= \$0.05115 per share

As an example of this application:

*At the date of the return of capital Alex had 100,000 Ardea shares.*

*On a rounded basis Alex would have received 25,575 shares in Godolphin (based on the in-specie share distribution of 1 Godolphin share for every 3.91 Ardea shares owned at the record date) valued at \$0.20 per Godolphin share, or \$5,115. This \$5,115 is now Alex’s cost base for 25,575 shares in Godolphin.*

*If Alex’s Ardea shares were purchased for \$0.20 during the Ardea IPO, the cost base is reduced from \$0.20 to \$0.14885 (\$0.20 - \$0.05115). If Alex were to sell 100,000 Ardea shares at \$0.60 today, the profit would be 100,000\*(\$0.60 - 0.14885) = \$45,115.*

This update is provided for general indicative information purposes only and cannot be considered formal tax advice. Ardea shareholders who have any queries regarding the tax implications of the Capital Return should consult their own professional tax advisor for definitive advice.