

18 September 2020

Dear Shareholder

RETENTION NOTICE – SALE OF UNMARKETABLE PARCELS

ASX Listing Rules and the Company's Constitution empowers directors of Ardea Resources Limited ("Ardea" or "the Company") to sell the security holdings of any member who holds less than a marketable parcel of securities ("Small Shareholder") provided the Small Shareholder has:

- (a) been given written notice advising of the Company's intention to sell the security holdings of the Small Shareholder; and
- (b) not returned their Notice of Retention (attached to this letter) by 5.00 pm on 30 October 2020 (minimum 42 days) ("Retention Date"), advising the Company of the Small Shareholder's intention to retain their security holdings.

Ardea would like to sell on your behalf, your unmarketable parcel of shares in the Company.

As at 18 September 2020 ("Notice Date") a marketable parcel as defined by the Australian Stock Exchange Listing Rules was at least 1,000 shares (representing \$500 in value based upon 50 cents per share).

Your shareholding (which is set out on the Notice of Retention on the reverse side of this notice) was less than a marketable parcel at the Notice Date.

To assist in reducing the large shareholder base and the administrative costs associated with that base, Rule 2.6 and Schedule 4 of the Company's Constitution provides the Company with the power to sell unmarketable parcels of shares, at the Company's cost, and to remit the proceeds to the shareholders whose shares have been disposed of in this manner. The shares will be sold on-market or in any other way determined by the Directors with the intent to maximise the sale price and therefore funds to the Small Shareholder. In many cases, such a sale may benefit the shareholders involved as it will allow their shares to be readily sold on the ASX (which they might otherwise find difficult to do due to the small size of their shareholding) and there will be no brokerage costs payable by them on the sale (as these will be borne by the Company).

The sale of unmarketable parcels may reduce the number of shareholders by up to 1,698, which is approximately 37% (1,698/4,576) of the total number of shareholders of the Company, holding 0.50% of total issued capital.

This notice is to inform you, and all other holders of unmarketable parcels of shares, that the Company intends to invoke the provisions of Rule 2.6 and Schedule 4 of the Company's Constitution and sell your unmarketable parcel. If you do not wish for your shares to be sold you must complete and return the Notice of Retention on the reverse of this notice to our Share Registry by 30 October 2020.

If you wish your shareholding to be sold there is no need to do anything. As soon as is practical after 30 October 2020 the Company will arrange the sale of all the shares and the proceeds from that sale will be remitted to you.

Should you have any queries in relation to this matter please contact the Company by telephone on (08) 6244 5136 or the Company's share registry, Automic Share Registry by telephone on 1300 288 664.

Yours faithfully
ARDEA RESOURCES LIMITED



RS (Sam) Middlemas
Company Secretary

Record Date: 5.00pm (WST) 18 September 2020

No. of Securities Held: [Securities]

Security Code: ARL

Holder Reference (SRN/HIN): [HolderNumber]

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

UNMARKETABLE PARCEL: SHARE SALE ELECTION FORM

IMPORTANT: YOUR ELECTION MUST BE RECEIVED BY NO LATER THAN 5.00PM (WST) ON 30 OCTOBER 2020.

This is an important document and requires your immediate attention. This document should be read in conjunction with the enclosed shareholder letter. If you are in any doubt as to how to deal with this form, you should consult your professional advisor.

Option A: Elect Online (Recommended)

Visit <https://investor.automic.com.au/#/home>

To elect online, simply scan the barcode to the right with your tablet or mobile device or enter the above link into your browser. Instructions lodging your election online and accessing this portal are provided in the section overleaf.

- It's fast and simple:** Electing online is very easy to do, it eliminates any postal delays and removes any potential risk of it being lost in transit.
- It's secure and confirmed:** Electing online provides you with greater privacy over your instructions and provides you with confirmation that your Election has been successfully processed.



Option B: Paper Election

Step 1: Make your election below:

A PLEASE TICK THE BOX TO INDICATE YOU WISH TO RETAIN YOUR SHARES

B REQUEST FOR DIRECT CREDITING OF PAYMENTS – SELL YOUR SHARES

Please provide your EFT details below.

BSB Number

Account Number

Name in which account is held (e.g.: John Smith)



DO NOT USE YOUR CARD NUMBER
If you are unsure of your account or BSB number, please check with your bank, building society or credit union.

Note: Do not complete section B if you wish to retain your shares. By completing your details online OR above you are agreeing to the sale of your shares even if you tick the above box in section A.

Step 2: Provide your contact details:

Telephone Number

Contact Name (PLEASE PRINT)

Email Address

SUPPORT YOUR COMPANY: By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

Step 3: Sign and return the form in accordance with the instructions provided:

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director or Sole Director &
Sole Company Secretary

Director

Director/Company Secretary



INSTRUCTIONS FOR COMPLETION OF THIS FORM

ELECTION OPTIONS

A: RETENTION OF SHARES

If you wish to retain your shares, please place a tick in the box provided. Should you validly sign the form but fail to place a tick in the box, it will be at the Company's discretion as to whether or not it is your intention to retain your shares.

B: SELLING YOUR SHARES - REQUEST FOR DIRECT CREDITING OF PAYMENTS

If you wish to sell your shares, please provide your bank details in this section. Do not complete this section if you wish to retain your shares. If you provide your direct credit instruction details, you are agreeing to the sale of your shares even if you have placed a tick in Box A.

SIGNING REQUIREMENTS

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:	If any signatory signs under Power of Attorney, please attach an originally certified photocopy of the Power of Attorney to this Form when you return it.
Companies:	To be signed in accordance with your Constitution. Please sign in the box which indicates the office held by you.
Estates:	If any signatory signs in the capacity of Executor/s, please attach to this Form when you return it, a certified photocopy of the Probate or Death Certificate together with the Will.

LODGING YOUR SHARE SALE FACILITY FORM



IMPORTANT! Election Forms cannot be returned by fax or email.
Your Acceptance Form must be returned via one of the return methods provided below.

Due to recent changes to delivery times by Australia Post, standard delivery may now take up to six Business Days, or longer from regional areas. Shareholders should bear this in mind when returning Election Forms using Australia Post.

ONLINE

Visit <https://investor.automic.com.au>

Login with your existing Username and Password

Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

If you have not yet established an online account, visit <https://investor.automic.com.au/#/signup>

1. Select "Ardea Resources Limited" from the dropdown list in the Issuer Name Field
2. Enter your Holder Reference (SRN/HIN) as shown on the top of this letter
3. Enter your postcode OR country of residence (only if outside Australia)
4. Tick the box "I'm not a robot" and then select "Next"
5. Complete the prompts to set up your username and password details

Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

BY MAIL

Ardea Resources Limited – Unmarketable Parcel Share Sale Facility

C/- Automic Group

GPO Box 5193

Sydney NSW 2001

BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEST)

Automic Group

Level 5

126 Phillip Street

Sydney NSW 2000

YOUR SHARE SALE FACILITY FORM MUST BE RECEIVED BY NO LATER THAN 5.00PM (WST) ON 30 OCTOBER 2020

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