

ASX & Media Release

15 December 2020

ASX Symbol

ARL

Ardea Resources Limited

Suite 2 / 45 Ord St
West Perth WA 6005

PO Box 1433
West Perth WA 6872

Telephone

+61 8 6244 5136

Email

ardea@ardearesources.com.au

Website

www.ardearesources.com.au

Directors

Mat Longworth
Non-Executive Chair

Andrew Penkethman
Managing Director & CEO

Ian Buchhorn
Technical Executive Director

Executive Management

Sam Middlemas
Company Secretary & CFO

Matt Painter
General Manager Exploration

Issued Capital

Fully Paid Ordinary Shares
127,670,582

Directors/Employee
Performance Rights
4,236,000

ABN 30 614 289 342

Drilling recommences at Zeus gold discovery, Lily Albany to follow

- RC drilling has recommenced at the recent Zeus gold discovery.
 - Gold mineralisation at Zeus is near-surface and high grade. Zeus is located on the same tenure as the Goongarrie Nickel Cobalt Project, and represents a potential shallow gold mining opportunity.
 - New program comprises 19 drill holes for 1,150m.
 - Numerous shallow targets being tested, including down-plunge, up-plunge, up-dip, and an additional lode. Projected lode daylighting areas to be drill tested for the first time.
 - Recent results include (ASX release 9 November 2020):
 - ABFR0303: **10m at 12.97g/t Au from 42m including 4m at 28.25g/t Au from 44m**
 - ABFR0304: **6m at 2.07g/t Au from 68m**
- RC drilling at Lily Albany gold discovery will follow on from Zeus.
 - Drill out to define shallow oxide-zone resource potential throughout the discovery area. Open pit potential to be assessed.
 - Regularly spaced drill holes will penetrate to fresh rock, providing the full weathered profile for resource modelling.
 - Seventeen drill holes for 2,610m to test the top 130m of the profile.
- Diamond drilling of Zeus, Lily Albany and Big Four Gold are scheduled to commence in January 2021, with completion of the Emu Lake diamond hole.

Ardea Resources Limited (Ardea or the Company) is pleased to report that drilling has recommenced at the recent Zeus high-grade, shallow gold discovery. An RC drill program will test extensions to primary gold mineralisation, which is open in all directions.

Ardea's Managing Director, Andrew Penkethman, said:

"The Ardea Team are pleased to have drilling resume at Goongarrie, to build upon the recent gold discoveries at Zeus and Lily Albany. We believe these prospects and the multitude of other targets defined, are part of an emerging gold camp, concealed by transported cover, only 70km northwest of the City of Kalgoorlie-Boulder. The Company is making strong progress in defining the controls on gold mineralisation and applying this knowledge to help unlock the full potential of our strategic tenement portfolio. Each drill hole assists in this process as mineralisation is used to refine geological models. Should holes be unmineralised this helps demarcate areas suitable for infrastructure sites for future project development.

To be able to secure a drill rig in the booming WA resources sector and continue operating until Christmas is a testament to the strong local relationships that the Ardea Team have built by maintaining an Operations Office in West Kalgoorlie. The Company would like to thank all of its stake holders and the communities in which it operates for their support."

RC drilling underway at Zeus

Zeus is located on a granted mining lease that is part of Ardea's Goongarrie Nickel-Cobalt Project (GNCP), to the east of the nickel-cobalt deposits. It is less than 2km east of the 25km long line of nickel-cobalt-scandium laterite deposits.

A total of 19 drill holes, varying in depth from 40 to 140m, are planned to test a number of targets at Zeus, including the down-plunge and up-dip extents of Lode 1, confirmation of Lode 2, and the up-plunge, near-surface daylighting extent of Lode 2. Additionally, historic gold anomalism, similar to that which initially highlighted the Zeus target area for Ardea, is evident around 200m to the northwest. A set of closely-spaced drill holes aims to delimit gold anomalism and mineralisation distributions, similar to the discovery program at Zeus.

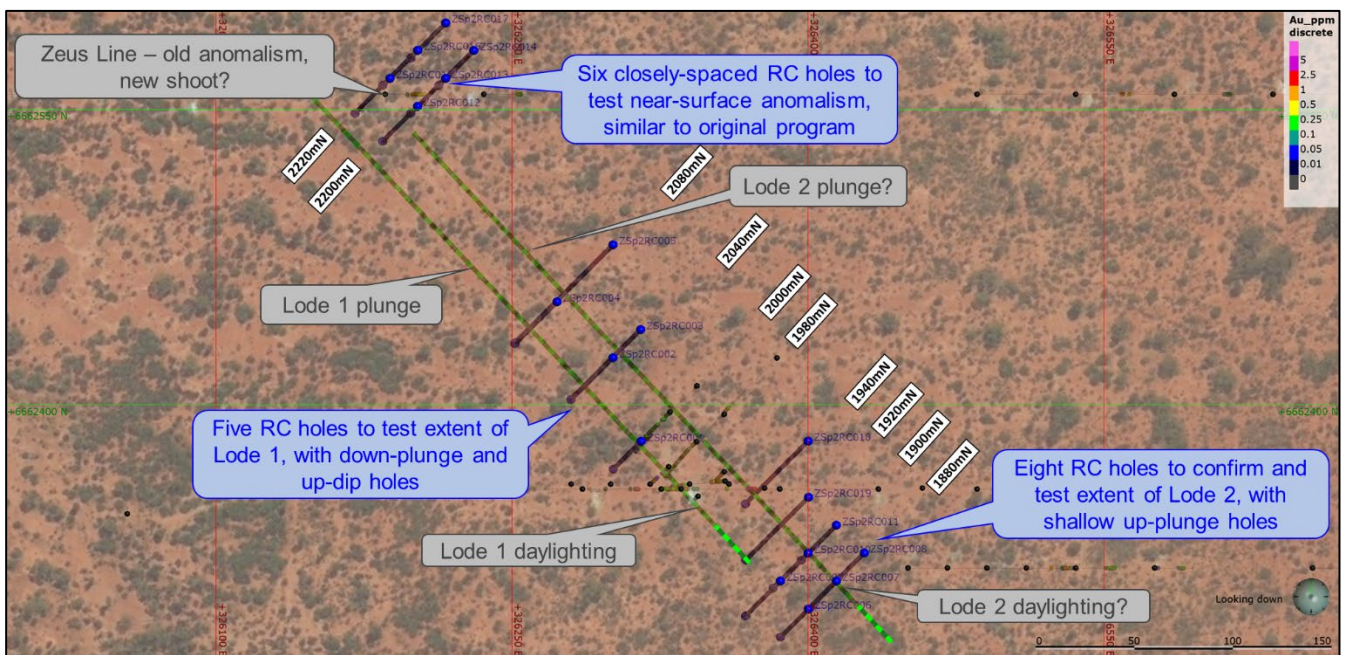


Figure 1 – Nineteen shallow RC drill holes are planned to test mineralisation distributions at the recent Zeus gold discovery. Projection: GDA94 MGA94 Zone 51.

RC drilling to follow at Lily Albany

RC drilling at Zeus is typically rapid due to the soft, fresh nature of the chlorite schist host rocks, the shallow target depths, and the negligible transported cover that is typically $\leq 5\text{m}$ thick. This has enabled Ardea to schedule commencement of the next RC drill program at the Lily Albany gold discovery prior to Christmas.

Several targets require attention at Lily Albany, including:

1. The shallower oxide discovery zone for initial resource definition and assessment of open pit mining potential.
2. Primary gold mineralisation immediately south of the discovery area that coincides with a suite of deep, strong demagnetisation targets.
3. The Southeast Line of mineralisation, anomalism, and demagnetisation targets that is coincident with the top of the target layered mafic-ultramafic intrusive.
4. The northern Hinge Zone of gold anomalism and demagnetisation that coincides with faulted and/or folded intersection of the limbs of the layered mafic-ultramafic intrusive.
5. Down dip and down plunge primary gold mineralisation throughout the areas drilled to date.

The first of these programs will start later this week. A regularly spaced (40m) drill out over four 40m-spaced lines will aim to define the oxide-zone resource potential throughout the discovery area. Given the recent very positive metallurgical results (ASX release: “Free milling gold confirmed for Lily Albany discovery”, 25 November 2020), the definition of shallower, oxide gold mineralisation will assess Lily Albany for its open pit potential.

Regularly spaced drill holes will penetrate to fresh rock thereby providing representative sampling of the entire weathered profile for resource modelling. Seventeen drill holes for 2,610m will test the top 130m of the profile. Additional holes have been designed if and when expansion of the program is warranted.

Should a resource be able to be defined from this program, it is expected that it will be between the base of transported material (between 10m and 40m depth) and the top of fresh rock (between 80m and 150m depth).

Programs for some of the other target areas highlighted above are already designed, and will follow as appropriate.

Diamond drilling at Zeus, Lily Albany, and Big Four Gold

Diamond drilling will commence on the Zeus, Lily Albany and Big Four Gold prospects within the GNCP in January 2021.

Oriented diamond drilling at each of these project areas will enable full assessment of the controlling structures for gold mineralisation. In turn, this will ensure that drill directions are optimised and will greatly assist resource estimation modelling and targeting of gold mineralisation.

Ongoing assessment of recent drill programs

Extensive RC drilling of a suite of targets was undertaken for the GNCP during September and October 2020. With industry-wide delays for the return of assay results, all results have only just been returned. Work is underway to fully assess the extent and distributions of gold anomalism and mineralisation, as well as a suite of gold associated vector elements. This data will be used to further exploration at each of the recently drilled target areas.

Other Ardea work streams

Multiple work streams are continuing on other Ardea project areas, such as: gold target generation and corporate structure for the planned gold spin-out; nickel sulphide exploration drilling and downhole electromagnetic surveys at the Binti Gossan target at Emu Lake, Kalpini; nickel sulphide target refinement at Highway, Black Range and other targets and copper target refinement at Ghost Rocks.

Work also continues apace in completing Ardea’s Goongarrie Line nickel-cobalt resource which will also include a maiden scandium resource component.

Ardea looks forward to reporting results and updates from these work streams in Q1 2021, as the Company continues to unlock the full potential of its strategic Eastern Goldfields of Western Australia tenement holding.

Authorised for lodgement by the Board of Ardea Resources Limited.

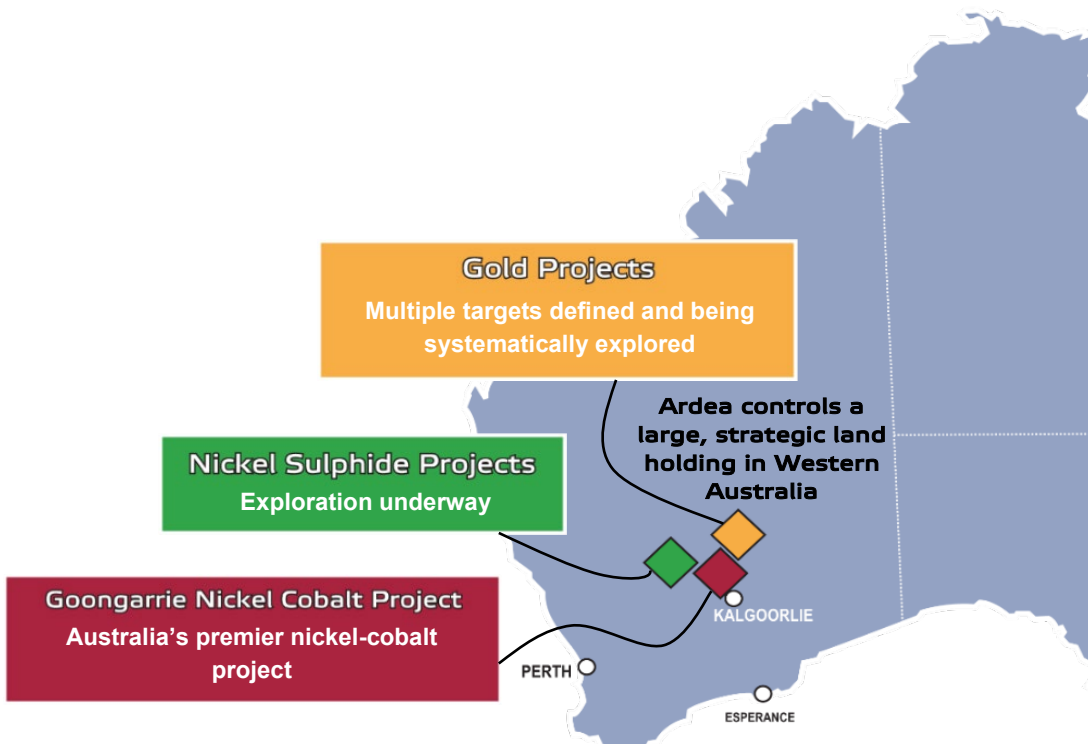
For further information regarding Ardea, please visit www.ardearesources.com.au or contact:

Andrew Penkethman
Managing Director and Chief Executive Officer
Tel +61 8 6244 5136

About Ardea Resources

Ardea Resources (ASX:ARL) is an ASX-listed resources company, with a large portfolio of 100%-controlled West Australian-based projects, focussed on:

- Development of the Goongarrie Nickel Cobalt Project, which is part of the encompassing Kalgoorlie Nickel Project, a globally significant series of nickel-cobalt deposits which host the largest nickel-cobalt resource in the developed world, coincidentally located as a cover sequence overlying fertile orogenic gold targets; and
- Advanced-stage exploration within its WA nickel sulphide and gold exploration tenure located on crustal-scale Tectonic Zone structures in lake settings within the Eastern Goldfields world-class nickel-gold province.



Follow Ardea on social media



CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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

This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management's expectations with respect to, among other things, the timing and amount of funding required to execute the Company's exploration, development and business plans, capital and exploration expenditures, the effect on the Company of any changes to existing legislation or policy, government regulation of mining operations, the length of time required to obtain permits, certifications and approvals, the success of exploration, development and mining activities, the geology of the Company's properties, environmental risks, the availability of labour, the focus of the Company in the future, demand and market outlook for precious metals and the prices thereof, progress in development of mineral properties, the Company's ability to raise funding privately or on a public market in the future, the Company's future growth, results of operations, performance, and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "intend", "may" and similar expressions have been used to identify such forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time.

Forward-looking information involves significant risks, uncertainties, assumptions, and other factors that could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors, including, but not limited to, the ability to create and spin-out a gold focussed Company, fluctuations in currency markets, fluctuations in commodity prices, the ability of the Company to access sufficient capital on favourable terms or at all, changes in national and local government legislation, taxation, controls, regulations, political or economic developments in Australia or other countries in which the Company does business or may carry on business in the future, operational or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves, contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Prospective investors should not place undue reliance on any forward-looking information.

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

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

Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Matthew Painter, a Competent Person who is a Member of the Australian Institute of Geoscientists. Dr Painter 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 being undertaken 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 Reserves. Dr Painter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.