

ASX & Media Release

28 June 2021

ASX Symbol

ARL

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Directors

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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

Successful A\$5.7M Capital Raising to fund Kalgoorlie Nickel Project Feasibility Work

Highlights

- Commitments received from sophisticated investors for a A\$5.7 million Placement in Ardea, at A\$0.55 per share
- Raising at a premium to last closing Ardea share price of \$0.535 per share
- Funds raised will be used to support Ardea's Kalgoorlie Nickel Project feasibility study work streams, including hydrology, metallurgical core drilling and bench-scale test work, pit optimisations and working capital

Ardea Resources Limited (**Ardea** or the **Company**) is pleased to announce that it has received binding commitments for a share placement to sophisticated investor and professional clients of Petra Capital Pty Limited (**Petra Capital**) to raise A\$5.7 million before costs. The placement was very well supported and placed at a premium to the last closing price of \$0.535 per share.

The Placement raising puts Ardea in a strong position to further accelerate Kalgoorlie Nickel Project (**KNP**) feasibility study work streams.

Petra Capital Limited acted as Sole Lead Manager and Sole Bookrunner to the placement.

Comments from Managing Director Andrew Penkethman

"We are delighted with the support for the Placement. Ardea welcomes our new sophisticated and professional investors to the Company and thanks Petra Capital for their strong support. The proceeds of the placement ensure Ardea is well funded to maintain momentum on accelerated Kalgoorlie Nickel Project feasibility study work streams.

With the continued expansion of the lithium-ion battery sector and Original Equipment Manufacturers needing to secure sustainable and ethical mineral supply, Ardea's Kalgoorlie Nickel Project is perfectly positioned to play a leading role with its globally significant nickel-cobalt and scandium resource at Goongarrie with direct transport infrastructure links to the emerging Kwinana Battery Hub

We have drill rigs contracted for the KNP Goongarrie Hub to commence drilling water production bores and metallurgical core holes during the September 2021 Quarter. Borefield exploration drilling has recently been completed and defined production bore targets are ready for drilling. This hydrology drilling will lock in secure process water supplies for the development of our nickel and critical mineral resources at the Goongarrie production hub. The metallurgical testwork will provide samples for additional testwork to refine our plans to use mineralised neutraliser sourced during conventional open pit mining as opposed to having to import neutraliser. We will also be assessing options to recover additional critical minerals, in addition to the planned nickel-cobalt and scandium production. All of these work streams will further enhance the Kalgoorlie Nickel Project and build upon the prefeasibility and expansion studies completed by Ardea in 2018."

Use of Funds

The raising puts Ardea in a strong position to further accelerate Kalgoorlie Nickel Project (**KNP**) feasibility study work streams.

The Company will have more than A\$10 million cash upon settlement of the Placement, with the new funds raised under the Placement to be used to progress and accelerate hydrology and metallurgical drilling programs, metallurgical test work, pit optimisation studies and working capital.

An independent engineering group has also been engaged to complete a gap analysis of previous KNP feasibility studies, ahead of the current bench-scale metallurgical programs commencing.

Placement Structure and Pricing

The new shares will be issued at a price of A\$0.55 per share, being a 2.8% premium to the last Ardea closing share price of \$0.535 on 25 June 2021.

Under the placement, the Company will issue an estimated 10,363,637 new fully paid ordinary shares to institutional, sophisticated, and professional investors using its existing placement capacity under ASX Listing Rule 7.1A. It is anticipated settlement will occur on or about 5 July 2021. The new shares will rank equally in all respects with existing ordinary shares in the Company.

An Appendix 3B for the proposed issue of securities will follow this announcement.

Authorised for lodgement by the Board of Ardea Resources Limited.

For further information regarding Ardea, please visit <https://ardearesources.com.au/> or contact:

Andrew Penkethman

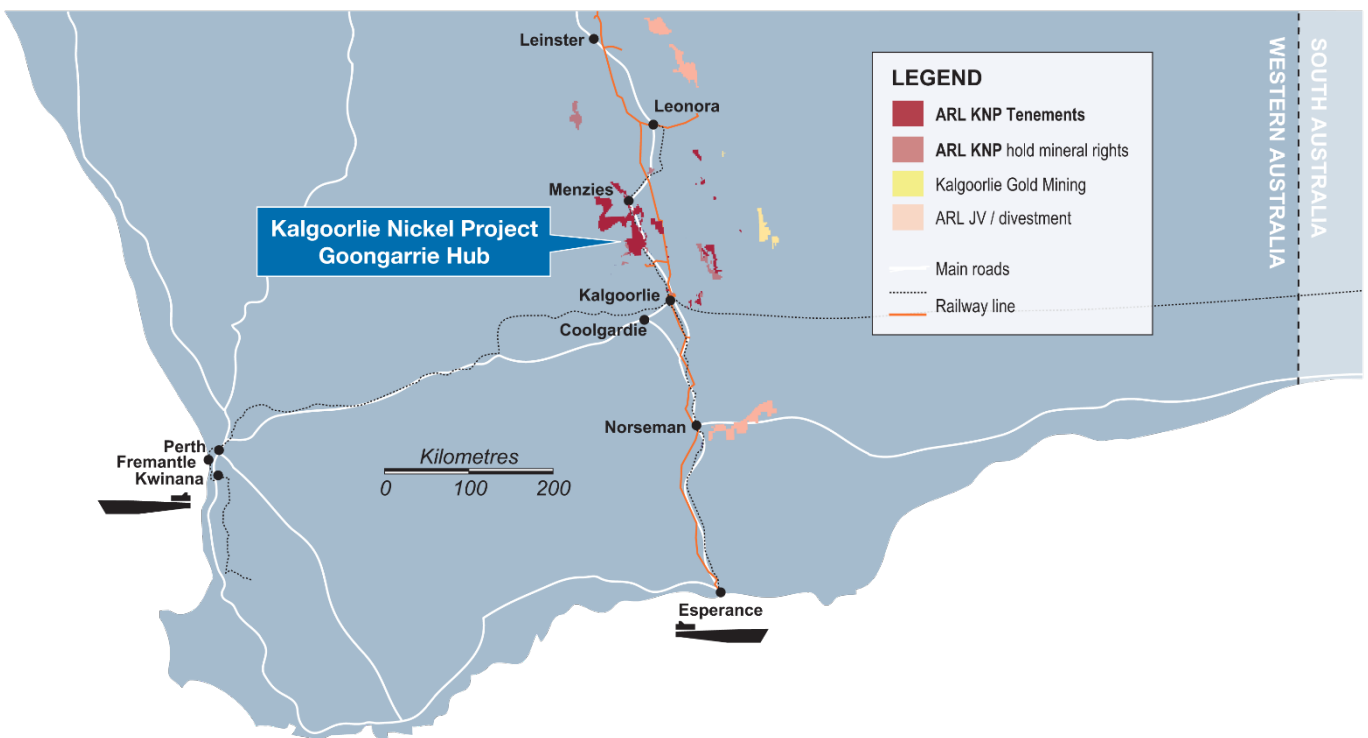
Managing Director and Chief Executive Officer

Tel +61 8 6244 5136

About Ardea Resources

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

- Development of the Kalgoorlie Nickel Project (**KNP**) and its sub-set the Goongarrie Hub, a globally significant series of nickel-cobalt and Critical Mineral deposits which host the largest nickel-cobalt resource in the developed world at **830Mt at 0.71% nickel and 0.046% cobalt for 5.9Mt of contained nickel and 380kt of contained cobalt** (ARL ASX announcement 16 June 2021) located in a jurisdiction with exemplary ESG credentials.
- Advanced-stage exploration at compelling nickel sulphide, Critical Minerals, and gold targets within the KNP Eastern Goldfields world-class nickel-gold province, with all exploration targets complementing the KNP nickel development strategy.



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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 technical information in this report relating to Mineral Resources and Exploration Results is based on information compiled or reviewed by Mr Andrew Penkethman, who is a Fellow of the Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists. Mr Penkethman is a full-time employee of Ardea and has sufficient experience, which 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. Mr Penkethman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Penkethman owns shares in Ardea.