Ardea Resources
World-significant Australian cobalt and nickel for the battery industry

Presentation to the Australian Nickel Conference - 23rd October 2018

www.ardearesources.com.au
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This presentation contains general information only and is, or is based upon, information which has been released to ASX or is contained in the Company's prospectus dated 9 November 2016 (including supplementary prospectuses dated 18 November 2016 and 6 January 2017), the Goongarrie Nickel Cobalt Project Pre-Feasibility Study (dated 28 March 2018) and the Goongarrie Expansion Study (24 July 2018). This presentation is not an invitation, offer or recommendation (express or implied) to subscribe for, or apply for the purchase of, or to take any other action in respect of securities of any entity described herein and is not a prospectus, product disclosure statement or disclosure document for the purposes of the Corporations Act 2001 (Cth) and has not been lodged with ASIC. None of Ardea Resources Limited (Ardea or the Company) or its representatives are providing or offering investment advice or services by making this presentation.

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The Goongarrie Project has completed the Pre-Feasibility Study phase and has commenced programs that are part of the Definitive Feasibility Study. Though reasonable care has been taken to ensure that the facts are accurate and/or that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results and developments of projects and the market development may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. A key conclusion of the Pre-Feasibility Study and the Expansion Study, which are based on forward looking statements, is that the Goongarrie Project is considered to have positive economic potential.

No stock exchange, regulation services provider, securities commission or other regulatory authority has approved or disapproved the information contained in this news release. Application for securities under the Company’s public offer can only be made under the prospectus, a copy of which is available from the Company. Investors should consider the prospectus in deciding whether to acquire Ardea shares and will need to complete the application form that accompanies the prospectus.
The Fundamentals of Ardea

- The Goongarrie Nickel Cobalt Project is part of the broader Kalgoorlie Nickel Project (KNP) - multi-decade resource
- KNP is the largest cobalt resource in Australia*
- Potential for multiple processing hubs
- Proximity to world-class infrastructure and logistics - prime location on the Goldfields Highway
- Ardea is adopting a staged development approach via 1.0 Mtpa base case scenario at Goongarrie
- Upside growth potential via robust 2.25 Mtpa expansion study
- Goongarrie offers an ethical, low environmental impact and long life source of nickel-cobalt from a stable jurisdiction

* See appendix for resource breakdown
Experienced management team with global experience in corporate fundraising, processing and engineering for laterite nickel-cobalt deposits, laterite geology and geometallurgy, ensures the right mix to make Goongarrie succeed.
Bulk Tonnage Gold Projects, WA
- Mt Zephyr Greenstone Belt, high-grade anomalies along Celia Lineament, Taurus gold project

Nickel-Cobalt Laterites, WA
- Goongarrie Nickel Cobalt Project
- Other deposits also under assessment: Black Range, Kalpini, Yerilla, Boyce Creek, Aubils, Siberia, Highway, Ghost Rocks

Nickel Sulphide Projects, WA
- Includes Perrinvale project (strike extension of St George’s Mt Alexander project)

Porphyry & Epithermal Copper-Gold Projects, NSW
- Lachlan Fold Belt, NSW is Australia’s premier address for porphyry and epithermal copper-gold projects

Lewis Ponds Zinc-Silver-Gold, NSW
- Historic silver-gold-base metal mine
- High-grade resources
- Bulk mining option

Bulk Tonnage Gold Projects, NSW
- Includes Ophir, Australia’s first goldfield
Developing Goongarrie into the Next Successful Mining Operation

- Sumitomo at Coral Bay has paved the way and set out an effective and successful HPAL project process to develop and deliver a profitable long-life project
- Ore type is consistent with only goethite present, with high levels of cobalt, and low acid consumption
  - No screen upgrade required, which is a significant point of difference and caused problems for other WA laterite projects
- Onsite neutralizer recovered during laterite mining
- Environmentally friendly
- Comparable capital intensity with successful operations
- Access to a large amount of successful vendor information (20 years) to develop Goongarrie
- A thorough and high-level of understanding of ore types and processing operations
Outstanding results delivered from PFS* and Expansion Studies+

- PFS 1.0Mtpa base case over a 25-year mine life
- ES 2.25Mtpa with a 25-year mine life
- 95.5% cobalt and 94.5% nickel recovery – life of mine
- Pre-cobalt credit C1 costs in line with current worldwide operators
- PAL** 5th generation plant, proven design, successfully operated in other laterite projects globally

### Table: Project Specifications

<table>
<thead>
<tr>
<th></th>
<th>1.0Mtpa</th>
<th>1.5Mtpa</th>
<th>2.25Mtpa</th>
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</thead>
<tbody>
<tr>
<td><strong>Status</strong></td>
<td>PFS</td>
<td>PFS</td>
<td>ES</td>
</tr>
<tr>
<td><strong>No. Trains</strong></td>
<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
<td><strong>Pre Tax NPV</strong></td>
<td>US$ 1.13 billion</td>
<td>US$ 1.52 billion</td>
<td>US$ 2.4 billion</td>
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<td><strong>Pre Tax IRR</strong></td>
<td>29 %</td>
<td>29 %</td>
<td>31 %</td>
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<td><strong>CAPEX</strong></td>
<td>US$ 472 million</td>
<td>US$ 588 million</td>
<td>US$918 million</td>
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<tr>
<td><strong>C1 cash cost</strong></td>
<td>US$ 0.42 / lb</td>
<td>US$ 0.45 / lb</td>
<td>US$ (0.34) / lb</td>
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<td><strong>Payback</strong></td>
<td>5.3 years</td>
<td>5.6 years</td>
<td>5.1 years</td>
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<tr>
<td><strong>Cobalt sulphate</strong></td>
<td>5,500tpa</td>
<td>6,900tpa</td>
<td>10,000tpa</td>
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<tr>
<td><strong>Nickel sulphate</strong></td>
<td>41,500tpa</td>
<td>55,300tpa</td>
<td>81,000tpa</td>
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</tbody>
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* Goongarrie Nickel Cobalt Project, PFS study, 28 March 2018, ** PAL = Pressure Acid Leach
+ Goongarrie Expansion Study, 24 July 2018
Building on the $50 Million already spent by Vale and Heron on 2005-2009 PFS

Rheology and Variability

- A number of successful leach tests already completed
- Extensive variability program planned to extend the geometallurgy database to reflect the ore LOM
- Water exploration and water treatment test work currently ongoing

Pilot Plant Run

- Continuous beneficiation, leaching through to mixed sulphide product pilot plant completed
- Nickel and cobalt sulphate crystals generated – assays pending
Advancing Goongarrie Towards Production

Key Milestones

✓ Resource drilling at Goongarrie **completed**
  – 26,528m of RC drilling completed by Ardea, 115,384m by Vale and Heron

✓ Pilot Plant and production of nickel and cobalt sulphate **completed**

• Strategic Partner Process – **Q4 2018**
• Goongarrie Resource Upgrade – **Q4 2018**
• Approvals
  – Hydrology testing onsite **underway**
  – Spring Flora and Fauna studies **underway**
  – EPA Lodgement – **Q4 2018**
Investment Summary

- Advanced Australian nickel and cobalt project at Goongarrie
  - 141,912 m of RC drilling completed, plus diamond and sonic drilling for bulk metallurgy samples
  - The Goongarrie Mineral Resource contains 1.5 million tonnes of nickel and 130,700 tonnes of cobalt
- Prefeasibility Study completed
  - 1Mtpa and 1.5Mtpa case studies offer significant economic opportunity
  - Scoping Study completed on 2.25Mtpa case shows excellent upside
- DFS Programs underway
- Positive metallurgical factors and test-work
- Leveraged to increasing nickel and cobalt demand from the rapidly growing EV and Static Storage Battery markets