



Ardea Resources Limited

DEVELOPING

the Goongarrie
Nickel Cobalt Project

EXPLORING

for Western Australian
Gold and Nickel Sulphides

11 December 2019 – New Metals Conference Presentation
Presented by Andrew Penkethman

Disclaimer

Important notice

This presentation contains general information only and is, or is based upon, information which has been released to ASX or is contained in the Ardea Resources Limited (Ardea or the Company) 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) the Goongarrie Expansion Study (24 July 2018), Goongarrie Pilot Plant trial produces battery grade crystals (31 October 2018), Lewis Ponds met testwork produces high grade concentrates (26 November 2018), Goongarrie Nickel Cobalt Project Update (8 April 2019), Drilling at Gale identifies large scale gold system (11 April 2019), Ardea advances NSW Gold and Base Metals IPO (29 April 2019), Ardea Quarterly Operations Report, for the quarter ended 31 March 2019 (30 April 2019), Ardea Quarterly Operations Report, for the quarter ended 30 June 2019 (22 July 2019), Nickel sulphide exploration commences at Perrinvale Project (24 July 2019), Ardea Quarterly Operations Report, for the quarter ended 30 September 2019 (31 October 2019), Godolphin Resources Prospectus (29 October 2019), Godolphin Resources IPO to close early (19 November 2019) and Mulga Plum Exploration Update (25 November 2019). 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 Expansion Study, which is 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.

Corporate Snapshot

Capital Structure, as at 6 December 2019

| | |
|------------------------------|------------------|
| Shares on Issue | 117,300,435 |
| Share Price | \$0.60 |
| 52 week high / low | \$0.80 / \$0.355 |
| Cash (as at 31 October 2019) | \$11 million |
| Market Capitalisation | \$70 million |
| Staff performance rights | 6,161,000 |

Major Shareholders

| | |
|----------------------------------|--------|
| Ian Buchhorn and associates | 10.67% |
| Brian O'Shannassy and associates | 7.89% |
| Institutional holdings | 6.20% |
| Top 20 shareholders | 54.58% |

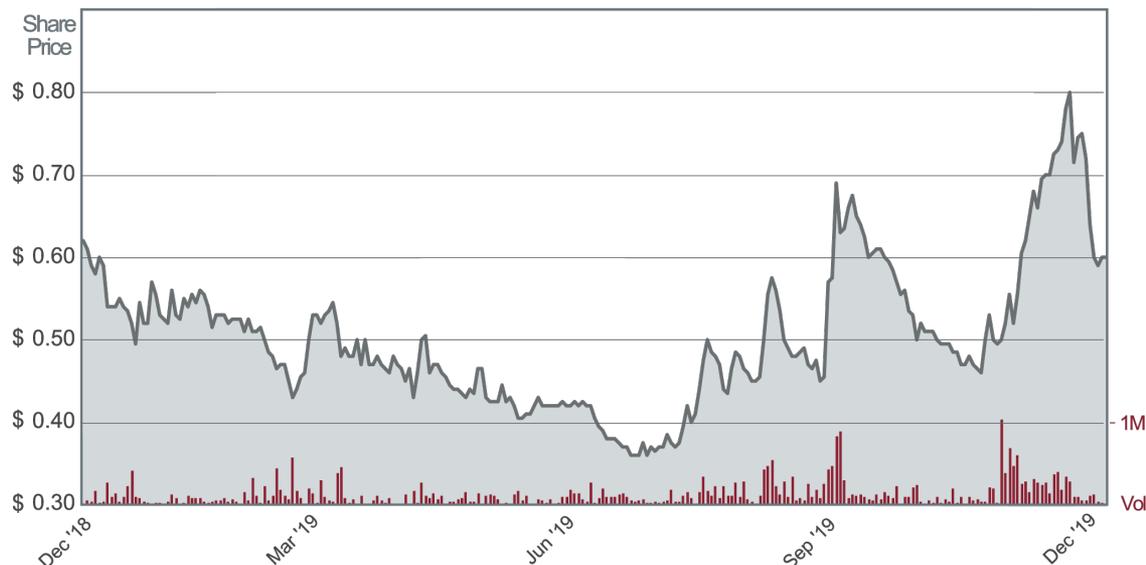
Board and Executive Management Team

| | |
|-------------------|---|
| Katina Law | Executive Chair |
| Ian Buchhorn | Executive Director |
| Wayne Bramwell | Non-Executive Director |
| Andrew Penkethman | Chief Executive Officer |
| Sam Middlemas | Company Secretary and Chief Financial Officer |
| Dr Matt Painter | GM - Exploration |

Experienced & dedicated management team with global experience in the resources sector, from corporate fundraising, exploration, discovery, feasibility studies, development and operations.
Ardea has a quality project portfolio and the team to make their projects succeed.



Share Price Performance



Share price performance and volume 6 December 2018 to 6 December 2019



❑ Ardea is a well funded West Australian -focused developer and explorer with a clear strategy

❑ Godolphin IPO executed as foreshadowed, >\$7M raised

❑ From 2020, the three pronged strategy reverts back to the core West Australian Kalgoorlie Nickel Project (KNP) tenements

1

DEVELOPING
the Goongarrie Nickel Cobalt Project,
Australia's premier battery Ni-Co project

2

EXPLORING
for Gold & Nickel Sulphides in
WA's prolific Eastern Goldfields

3

DIVESTING
our NSW Gold and Base Metal Projects
through the Godolphin Resources IPO

Nickel Sulphate crystals from
ARL pilot plant work

Gold nuggets recovered from
ARL WA tenements

Visible gold from
ARL Gundagai project

Ardea

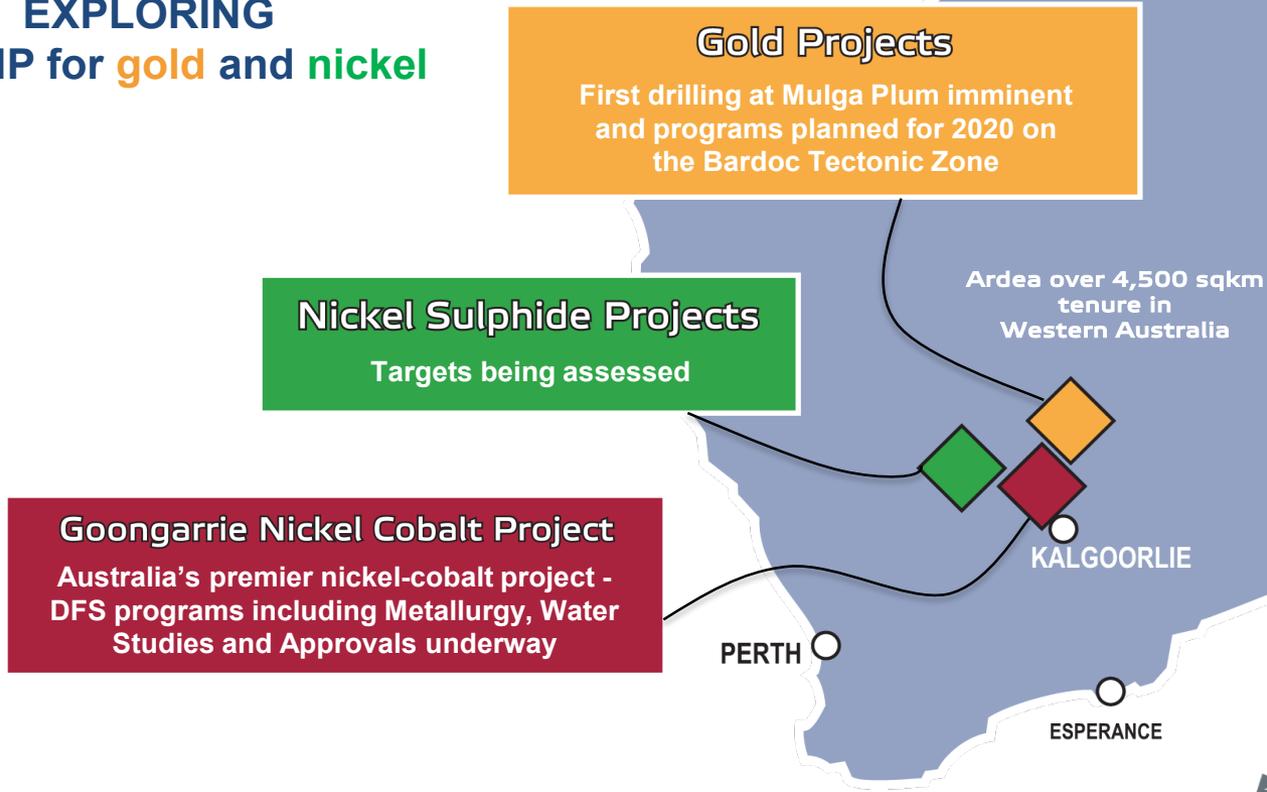
Company slide presentation from mid 2019.

Ardea Project Portfolio

Ardea is a West Australian-focused developer and explorer

DEVELOPING the GNCP

EXPLORING
the KNP for **gold** and **nickel**



DEVELOPING

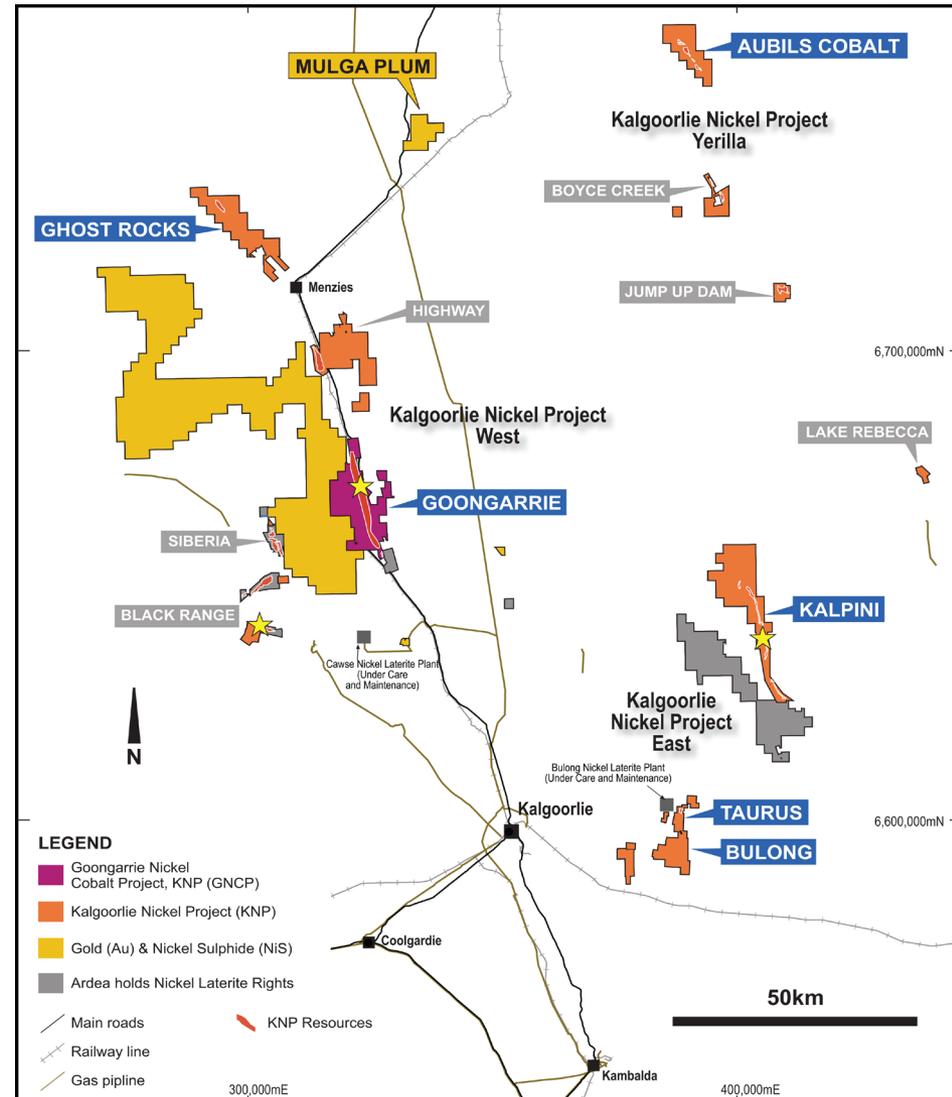
the Goongarrie Nickel Cobalt Project

Ardea's flagship is Australia's
premier Nickel Cobalt Project



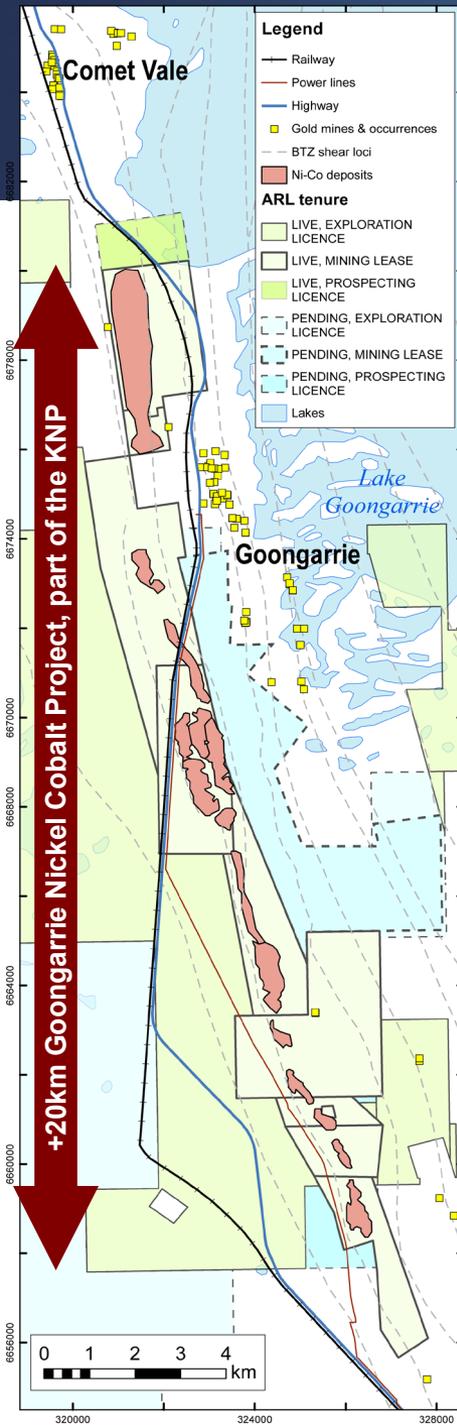
The Kalgoorlie Nickel Project

- **Kalgoorlie Nickel Project (KNP)** has a globally significant nickel and cobalt resource of 773Mt at 0.7% Ni and 0.05% Co*
 - 5.6 million tonnes contained Nickel
 - 405,000 tonnes contained Cobalt
- The **Goongarrie Nickel Cobalt Project (GNCP)** is part of the broader KNP, with a resource of 216Mt at 0.71% Ni and 0.06% Co*
 - 1.5 million tonnes contained Nickel.
 - 130,700 tonnes contained Cobalt
 - **Potential to produce Nickel and Cobalt Sulphate or Mixed Sulphide or Hydroxide Product**
- Ability to produce **ethical** supply from Australia's premier mining jurisdiction
- All project designs are focused on minimising footprint and operating to environmental best practice
- Potential for **multiple processing hubs** and **multi-decade mine life**
- Leverage off infrastructure rich location and skilled work force



1. * See Appendix for resource breakdown.
 2. Per Goongarrie Expansion Study ASX release, 24 July 2018. All the material assumptions underpinning the forecast financial information derived from a production target, in the initial public report referred to in rule 5.17 continue to apply and have not materially changed.

Goongarrie Nickel-Cobalt Project



The GNCP is part of the largest Nickel Cobalt Resource in the developed world[^]

- Potential multi-decade producer of high-quality nickel and cobalt
- 100% nickel and cobalt offtake available
- 1.0Mtpa base case PFS – low CAPEX start-up with robust project economics*
- 2.25Mtpa expanded case – compelling project economics*
- Low technical risk project to provide nickel and cobalt for the growing battery market
- DFS programs underway
- Strategic partner process current – Ardea won't be rushed, the Company has specific funding requirements to ensure the best outcome for shareholders
- Strong interest as concerns rise around **secure, ethical, long-term supply of battery grade nickel and cobalt**

Refer to ASX releases: [^]Ardea Resources Annual Report 2017. *Goongarrie Nickel Cobalt Project, PFS study, 28 March 2018 & Goongarrie Expansion Study, 24 July 2018. All the material assumptions underpinning the forecast financial information derived from a production target, in the initial public report referred to in rule 5.17 continue to apply and have not materially changed.

GCNP Advances in 2019 - Approvals



- Community consultation current with GNCPP embraced
- Reports finalised and ready for statutory approvals submission when the decision is made
- Water sampling completed, focussed on pit-dewater sources
 - moderate salinity borefields identified at Scotia Dam/Big Four along west contact of the ore zone, suitable for Reverse Osmosis feedstock
 - Bench-scale nanofiltration applicable for water softening
- Ecology for Lake Goongarrie pending, absence of suitable inundation event
- Evaluation of Papertalk West hydrology underway

Ardea Chair, Katina Law, inspecting a recently installed EV charging station outside the City of Kalgoorlie Boulder Council office during a 2019 stake holder update meeting.

GNCP Advances in 2019 - Approvals

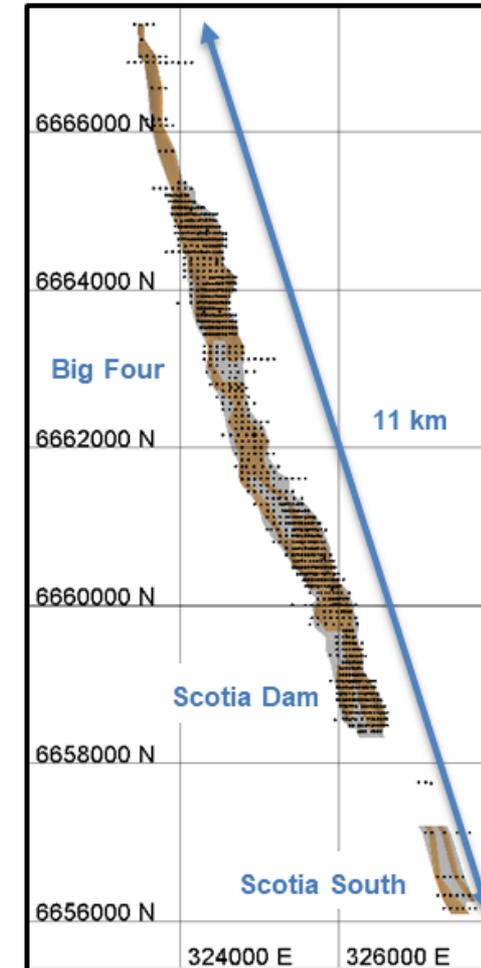
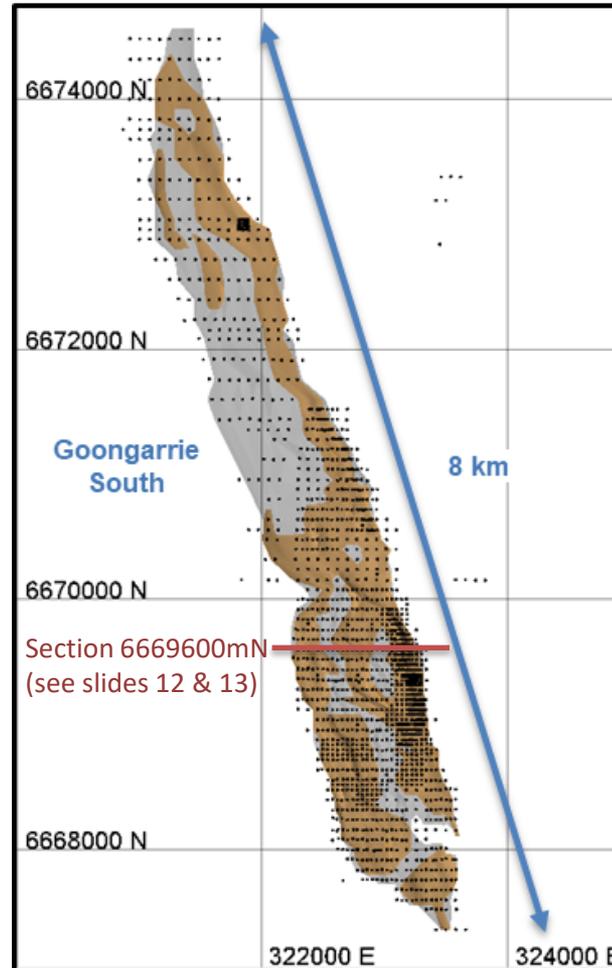
Activities undertaken to minimise project footprint:

- Back filling of open pits with slurry tailings
- Sourcing neutraliser from open pit mining
- Sourcing process water from pit dewatering
- Extensive Flora and Fauna surveys undertaken across the project area



GNCP Advances in 2019 - Materials

- Block modelling completed
 - 2018 resource estimates confirmed
 - Waste and Geomet material types further defined
 - Predominately free-dig with minor D&B in known hard zones (caprock and ferricrete)
 - Scandium estimated in new block models
- Mine scheduling completed
 - **Grades >1.1% Ni & 0.1% Co during Payback Period**
 - Backfill pit voids with tails rather than above ground TSF (minimises project footprint)
 - Void capacity accommodates tailings production
- High grade mill feed identified at Highway, Siberia and Black Range to maintain LOM GNCP leach feed grades >1% Ni
- Neutraliser to be surface calcrete recovered during overburden mining
 - Bench-scale neutralisation effective
 - Opex saving on neutraliser imports

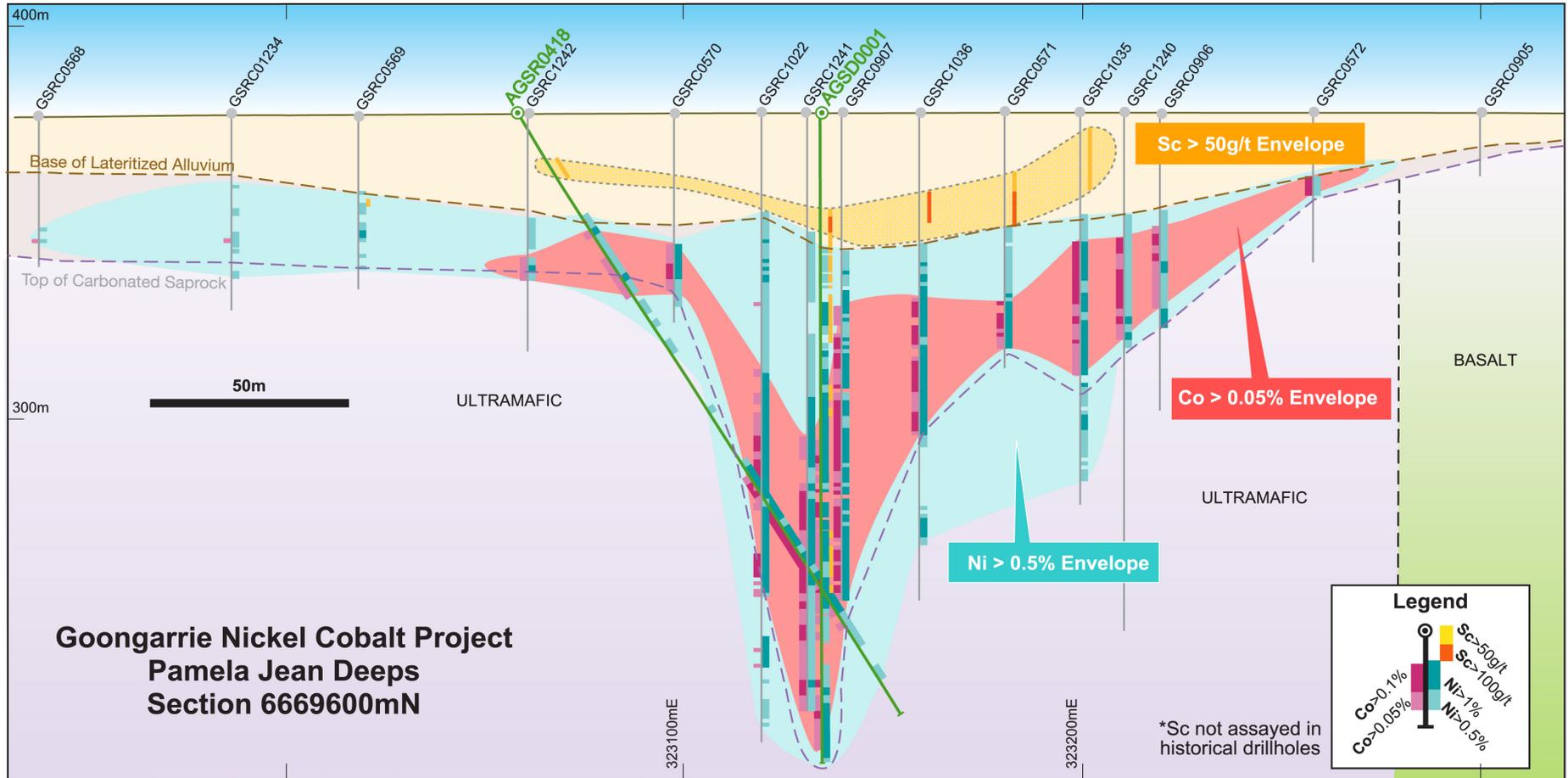


Ardea ASX releases, Quarterly Operations Report, for the quarter ended 30 June 2019 (22 July 2019), Quarterly Operations Report, for the quarter ended 30 September 2019 (31 October 2019).

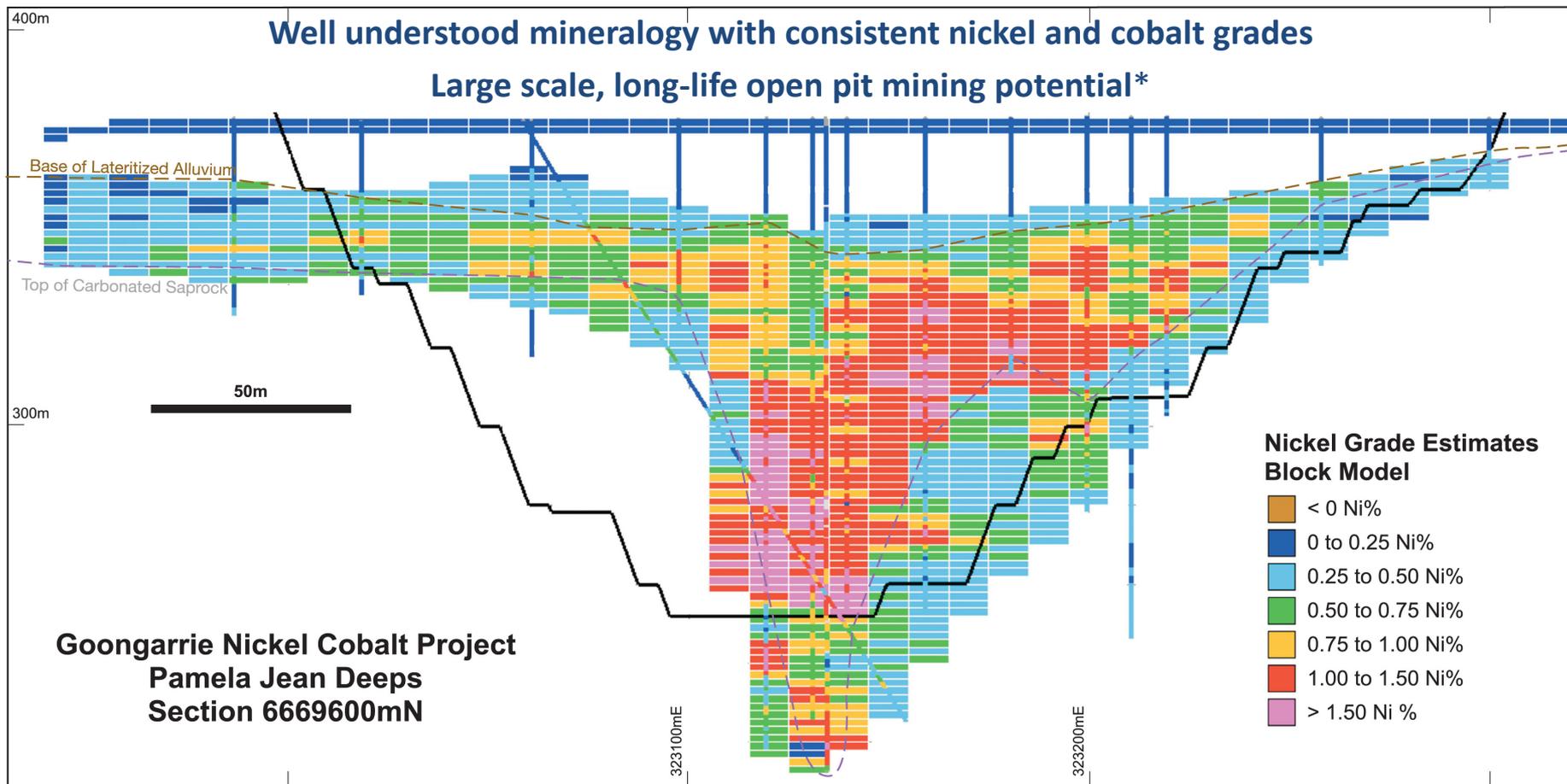
Goongarrie South, Big Four and Scotia Dam drillhole location plans overlaying modelled resource envelopes (Grey = 0.25% Ni cutoff, Brown = 0.05% Co cutoff). Projection GDA94 MGA94 Zone 51.



Thick, high-grade, single ore type, low strip ratio



Nickel Block Model – Cross Section 6669600mN



Refer to Ardea ASX releases: *Goongarrie Nickel Cobalt Project, PFS study, 28 March 2018, Goongarrie Expansion Study, 24 July 2018, and Quarterly Operations Report, for the quarter ended 30 June 2019 (22 July 2019). All the material assumptions underpinning the forecast financial information derived from a production target, in the initial public report referred to in rule 5.17 continue to apply and have not materially changed.

GNCP Material Source, Type and Quality

The high quality of Goongarrie ore is the key to project success:

- Controls on mineralisation are well understood by applying Ardea's quality geomet analysis
- Ardea piloting studies have confirmed on specification nickel & cobalt sulphate
- Scandium credit potential
- Ore mainly goethitic (>40% Fe & preferred plant feed)
- No smectite clays (unlike many other laterite deposits, so no drying required before ore processed)
- Highly soluble in PAL, low acid consumption, excellent rheology, pulp density (expected lower Capex and Opex compared to peers)
- No screen upgrade required, eliminates ore preparation risk (commonly a stumbling block for non-goethitic deposits)
- Neutraliser recovered during mining provides a cost-effective alternative to importing limestone

PAL plant, not an asset of Ardea's.



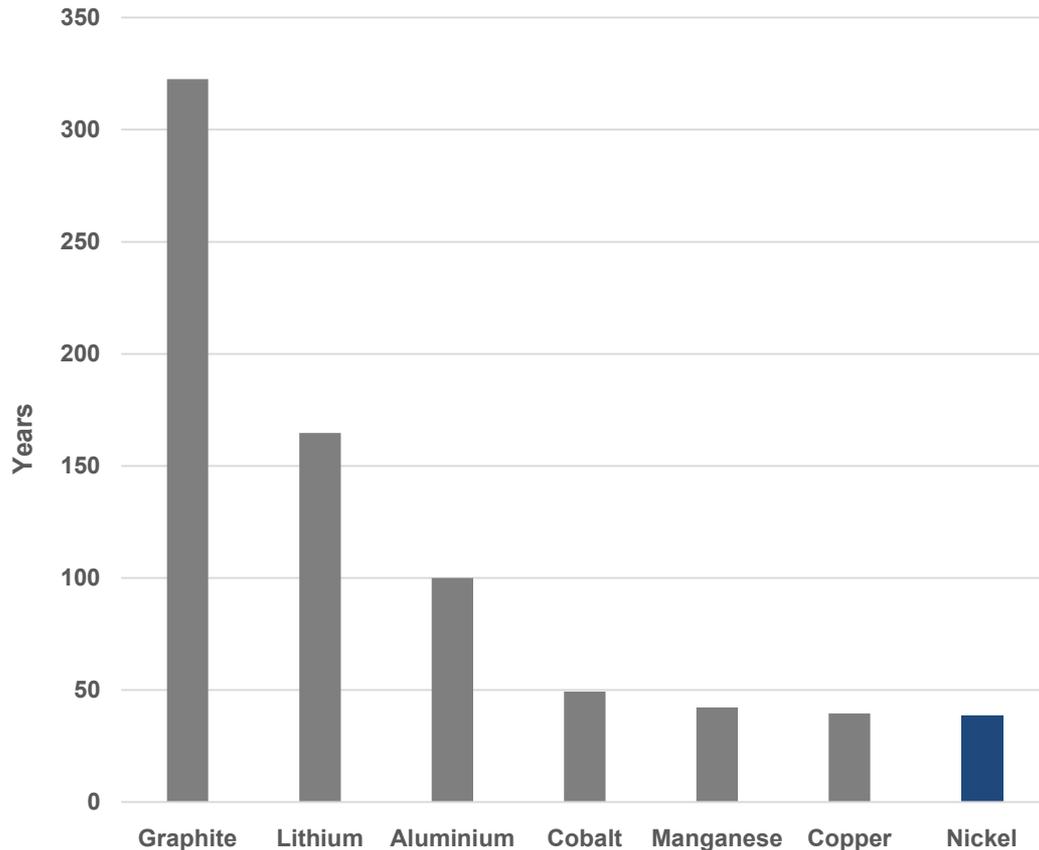
World-Class Mining Standards, Location & Infrastructure



Street views of the City of Kalgoorlie-Boulder celebrating the contributions the WA resources sector makes to the local and national economies & quality of life.

- Kalgoorlie, Western Australia offers **world-class infrastructure in an established mining district**
 - Over 125 years of mining in the region
 - Nil sovereign risk, very strong Local Government support
 - Goongarrie only 80 km north on the main Goldfields Highway
 - Railway line, power line, optic fibre cross Goongarrie tenements, mobile phone coverage
 - Gas pipeline adjacent to east
 - Rail access to ports of Kwinana and Esperance
- Western Australia's **safety, health and environmental standards are world's best practice**
- An **Australian source for battery metals** removes supply line concerns
- **Goongarrie offers an ethical, secure, long-life source of nickel and cobalt**

The Nickel Market – Reserve Life of Major Battery Minerals

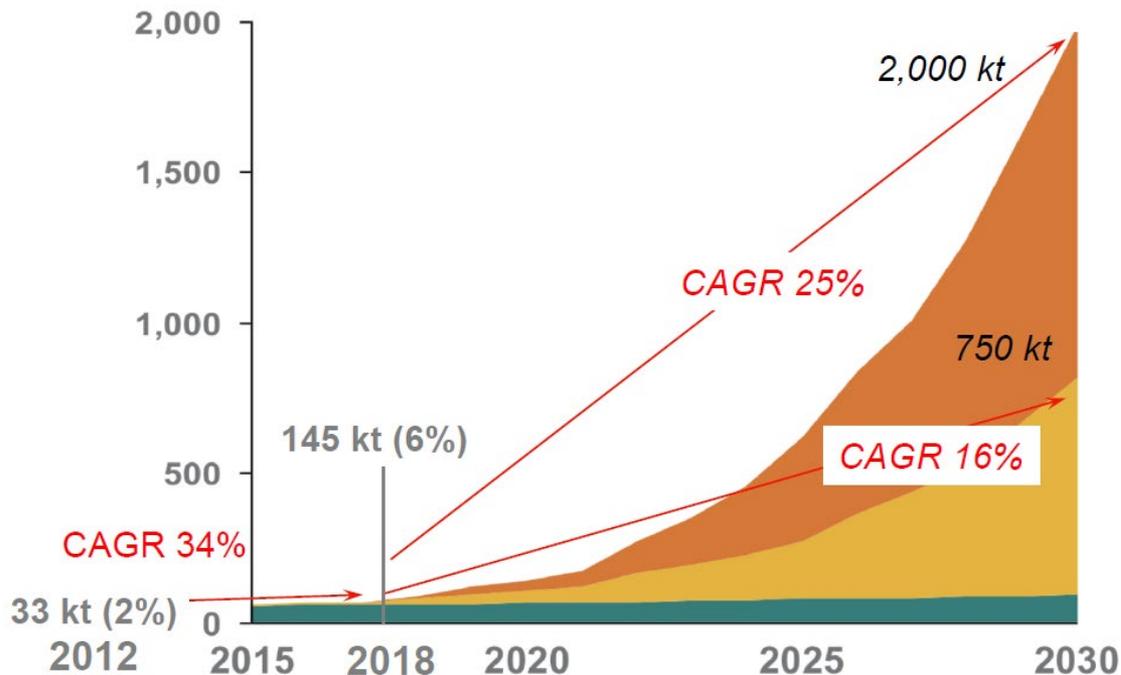


- High levels of most battery minerals but **not nickel**
- **Declining nickel reserves**
- **Future nickel production not expected to keep up with growing demand, driven mainly by the battery sector.**
- **Not a matter of if, but when!**
- **Nickel supplies most critical of all battery minerals**
- Particularly in light of most recent 811 battery chemistry (8 parts Ni : 1 part Mn : 1 part Co)

Source: USGS after JF Bertincourt, Terra Studio, What is the investment thesis for Nickel presentation, June 2019.

Projected Nickel Demand from Energy Revolution

- Nickel in non-EV batteries
- Nickel in EV's conservative scenario
- Nickel in EV's upside considering "market news"



Source: After Vale/JF Bertincourt, Terra Studio, What is the investment thesis for Nickel presentation, November 2019.

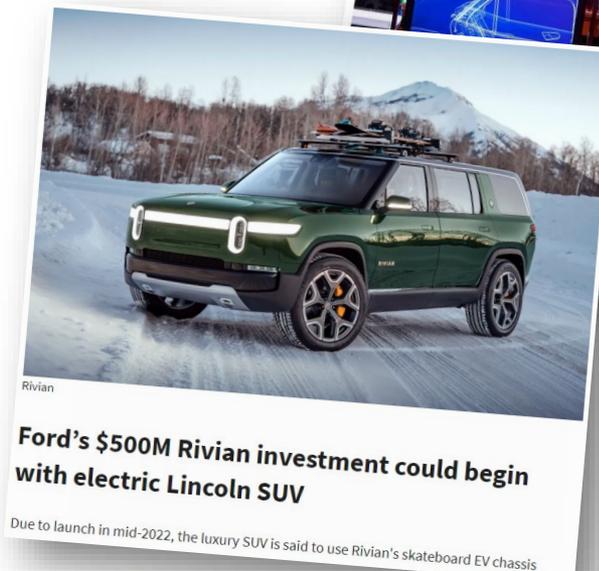
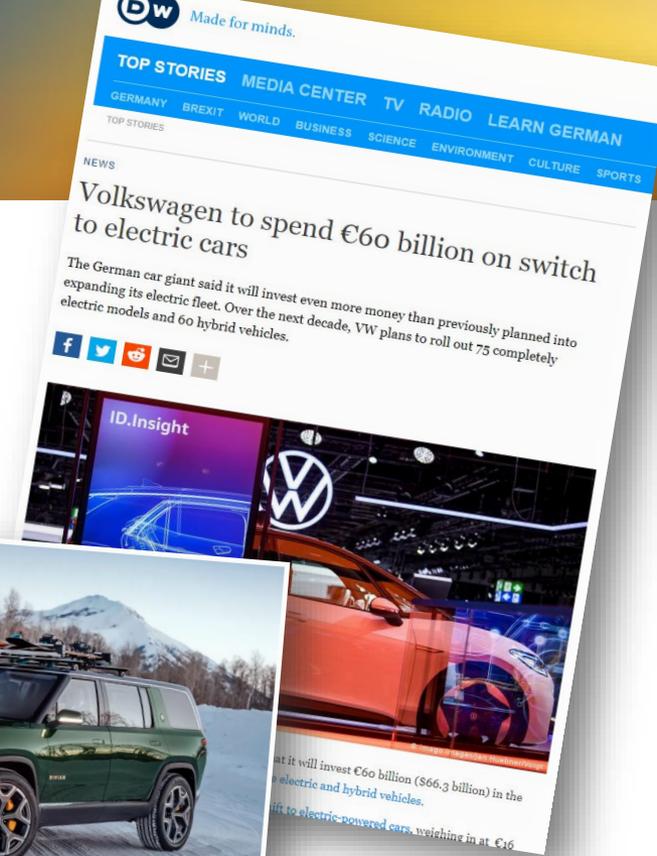
- Current nickel market size ~2.5 million tonnes pa
- Depending on the scenario for the EV/SSB rate of adoption, nickel volumes to meet additional demand vary between 750,000 tonnes and 2 million tonnes pa
- Nickel demand from EV/SSB is expected to far exceed nickel production from existing operations in any scenario of EV/SSB adoption**

EVs and electrification now



Industry-wide EV investment

- All auto manufacturers have EV plans in place.
- New EV companies rising to challenge existing manufacturers.
 - Tesla (US)
 - Rivian (US)
 - BYD (China)
- Mergers of auto companies to compete for EV dominance.
- China removes EV subsidies, industry sustainable.
- EV manufacturers **must secure critical supplies of nickel and cobalt**



Potential Peugeot and Fiat merger heralds stronger electric vehicle future



Opel: Eight electrified models on sale by 2021



Ford: Half of European sales will be electrified by 2022



Volkswagen ID.3 unveiled: Up to 550km range, in Australia from 2022



Land Rover readying Range Rover EV



EXPLORING

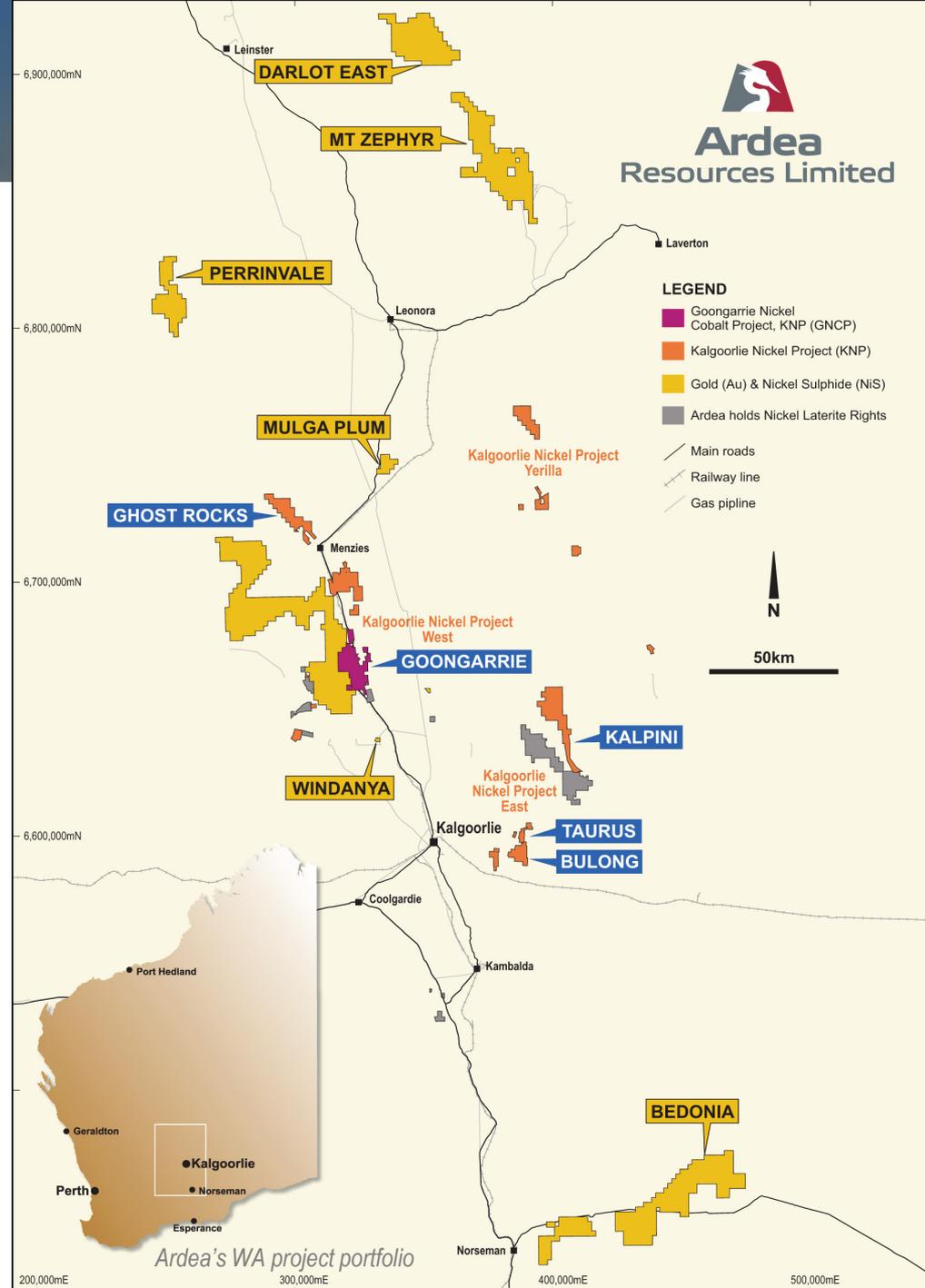
for Western Australian Gold and Nickel Sulphides

**Exceptional greenfields opportunities
in well established host structures within
the Eastern Goldfields**



Exploration Upside

- ✓ >4,500km² of 100% controlled tenure in one of Australia's premier gold and nickel sulphide provinces
- ✓ Extensive tenure position provides multiple strategic options
- ✓ 2020 focus on core KNP projects centred on Kalgoorlie operations base
- ✓ Priority on flagship GNCP
- ✓ Undertake gold & nickel sulphide exploration with multiple targets defined

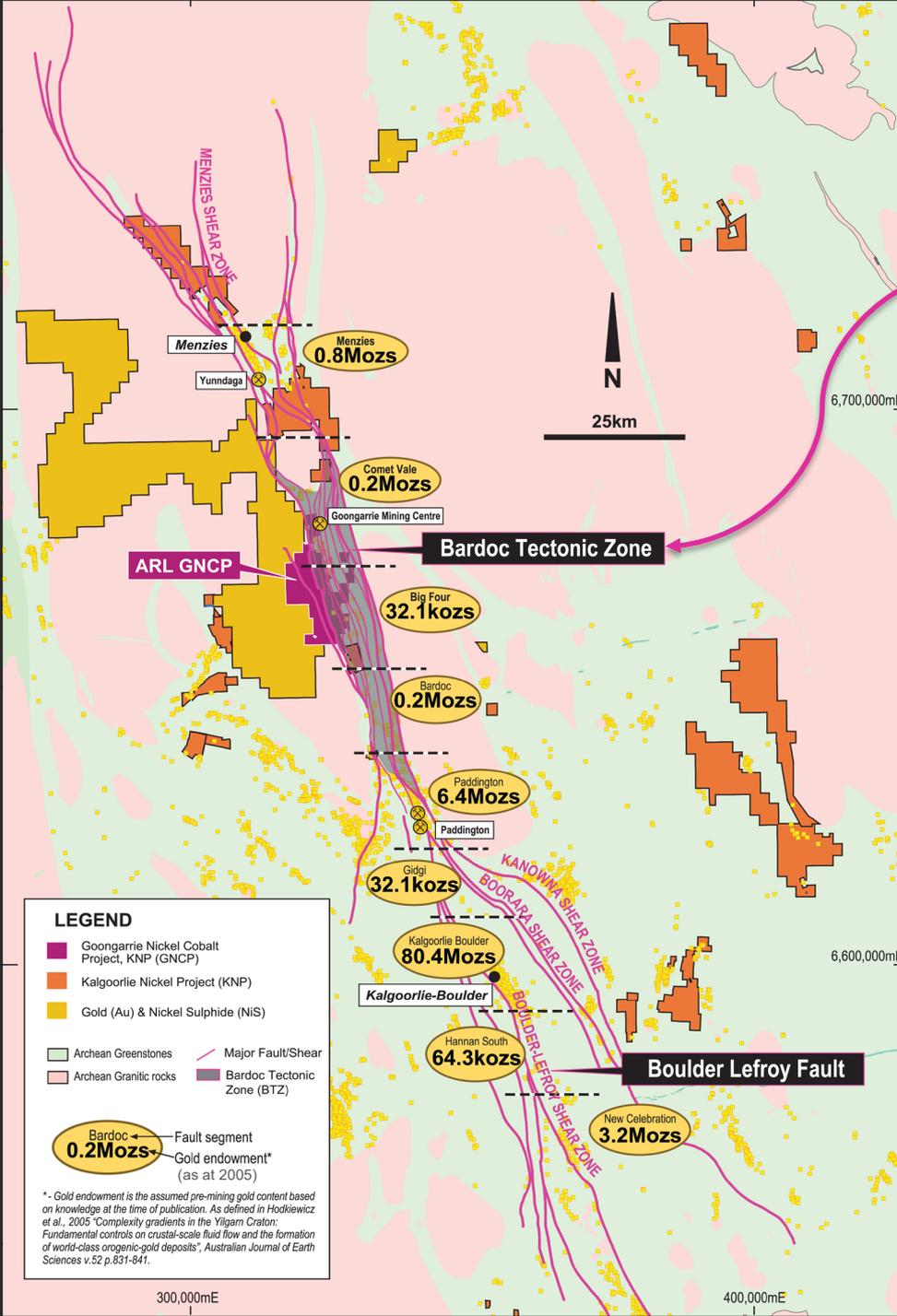


Bardoc Tectonic Zone (BTZ)

- ✓ One of the major gold-bearing structures of the WA Goldfields runs through the GNCP
- ✓ ~350 km long gold-producing regional shear / fault system (~65km controlled by Ardea)
- ✓ Hosts multiple historic gold mining centres
- ✓ Contiguous with **Boulder-Lefroy Fault** (hosts Kalgoorlie & St Ives mining centres).

Alluvial & laterite cover has obscured the BTZ's true potential at Goongarrie

- ✓ Exploration drilling tied in with GNCP site layout sterilisation drilling
- ✓ Multiple gold targets defined from first phase sterilisation drilling
- ✓ Future drilling must penetrate laterite to fresh rock to test for gold
- ✓ Project data refined to optimally drill Ardea BTZ gold targets
- ✓ 2020 drilling to further test gold potential of BTZ and to tie in with site layout programs



LEGEND

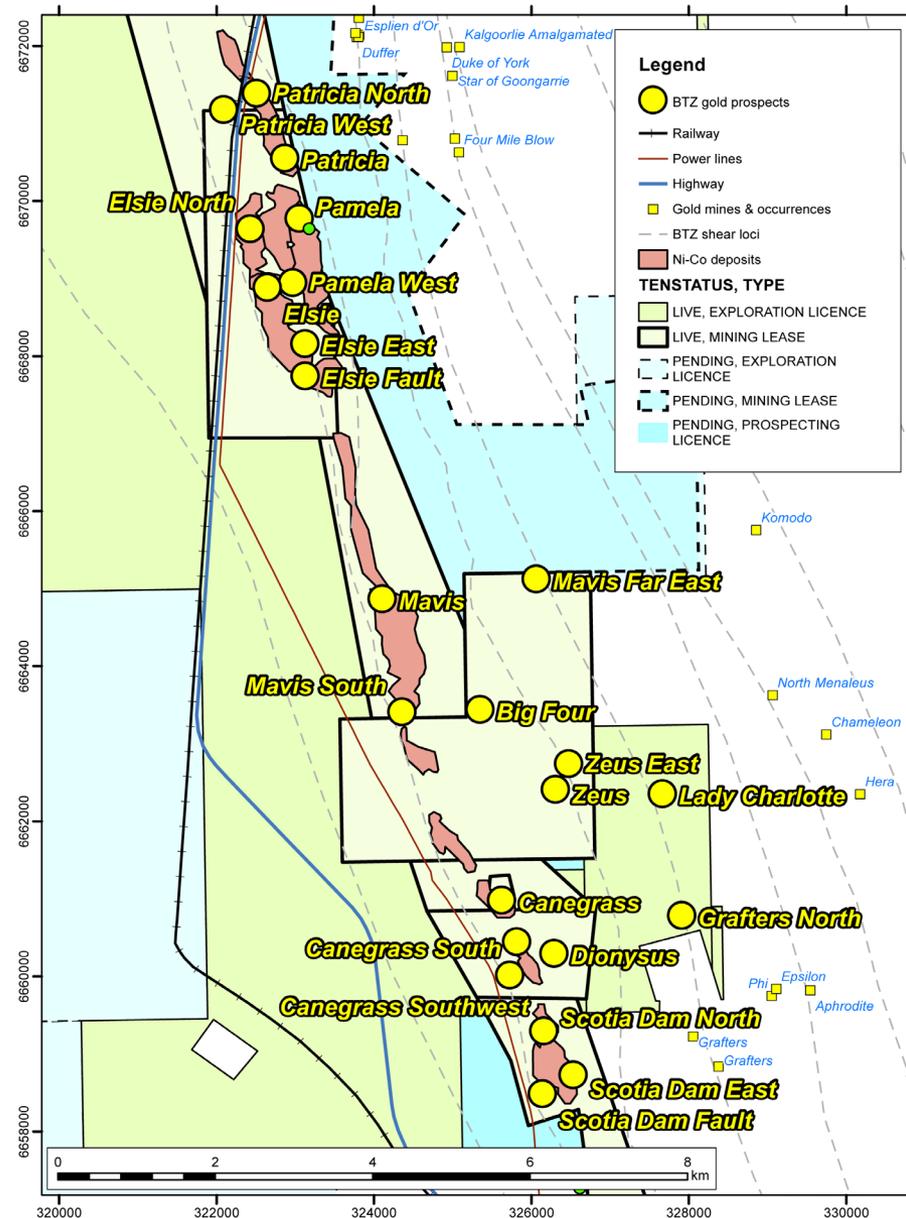
- Goongarrie Nickel Cobalt Project, KNP (GNCP)
- Kalgoorlie Nickel Project (KNP)
- Gold (Au) & Nickel Sulphide (NIS)
- Archean Greenstones
- Archean Granitic rocks
- Major Fault/Shear
- Bardoc Tectonic Zone (BTZ)
- Bardoc ← Fault segment
- 0.2Mozs ← Gold endowment* (as at 2005)

* - Gold endowment is the assumed pre-mining gold content based on knowledge at the time of publication. As defined in Hodkiewicz et al., 2005 "Complexity gradients in the Yilgarn Craton: Fundamental controls on crustal-scale fluid flow and the formation of world-class orogenic-gold deposits", Australian Journal of Earth Sciences v.52 p.831-841.

Gold endowment along the Bardoc Tectonic Zone and the contiguous Boulder-Lefroy Fault after Hodkiewicz et al. 2005.

BTZ - GNCP Site layout and gold studies

- East side of the GNCP nickel deposit is proposed area for mine waste landforms and infrastructure
- It is also a zone of extensive historic gold workings associated with the BTZ
 - Initial gold targeting completed, based on 40 years of historic hard copy data compiled into the digital data base
 - Detailed airborne magnetics acquired for structural interpretation
 - Interpretation of digital data has defined discrete structures within the BTZ that control the distribution of gold mineralisation within the GNCP
 - Follow up RC drilling targets finalised, drilling to commence Q1, 2020
- Big Four stands out as priority gold target, resource modelling current
 - BFR021 – 10 metres at 8.94g/t gold from 102 metres*
 - BRFC030 – 24 metres at 4.58g/t gold from 61 metres*



Investment Summary



Goongarrie is **Australia's premier nickel-cobalt project**



Globally significant mineral resource in an **infrastructure rich and stable jurisdiction** provides ability to increase production from multiple processing hubs within the KNP



Up to **100% off-take is available**, subject to financing support from Strategic Partner



Leveraged to increasing nickel and cobalt demand from the rapidly growing Electric Vehicle and Static Storage Battery markets



Ardea has an extensive (4,500km²), highly prospective landholding in the Eastern Goldfields of WA with active work programs for gold and nickel sulphides



Godolphin IPO closed early with >\$7M subscribed. Team in place in Orange and raring to go!



Ardea achieves its stated objectives



Ardea Resources Limited

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

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Nickel Cobalt Project

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APPENDICES

A High Quality Nickel and Cobalt Project

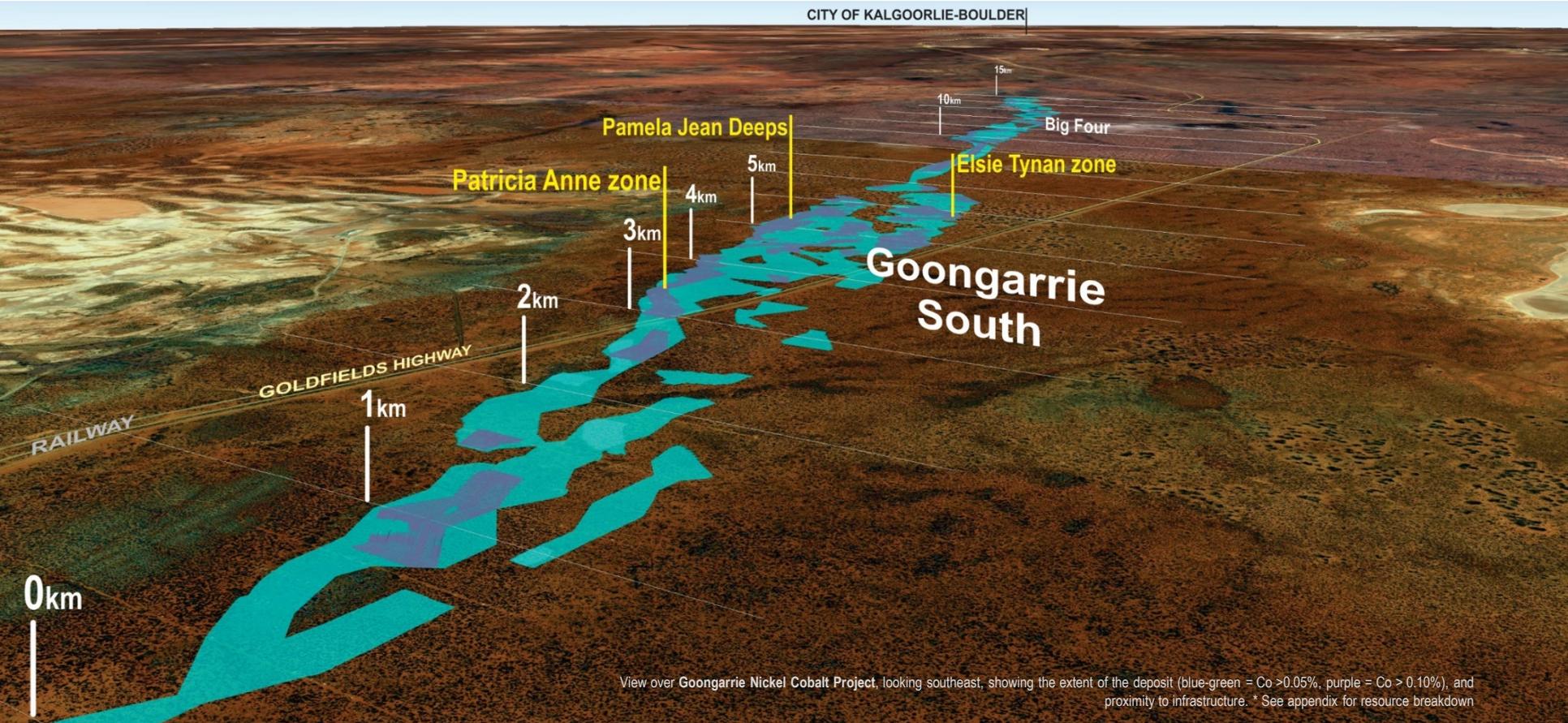
Outstanding results delivered from PFS* and Expansion Studies completed in 2018:

| | 1.0Mtpa | 1.5Mtpa | 2.25Mtpa |
|--------------------------------|-------------------|-------------------|-------------------------|
| <i>Status</i> | PFS | PFS | ES |
| <i>No. Trains</i> | 1 | 1 | 1 |
| <i>Pre Tax NPV₉</i> | US\$ 1.13 billion | US\$ 1.52 billion | US\$ 2.4 billion |
| <i>Pre Tax IRR</i> | 29 % | 29 % | 31% |
| <i>CAPEX</i> | US\$ 472 million | US\$ 588 million | US\$918 million |
| <i>C1 cash cost</i> | US\$ 0.42 / lb | US\$ 0.45 / lb | US\$ (0.34) / lb |
| <i>Payback</i> | 5.3 years | 5.6 years | 5.1 years |
| <i>Cobalt sulphate</i> | 5,500tpa | 6,900tpa | 10,000tpa |
| <i>Nickel sulphate</i> | 41,500tpa | 55,300tpa | 81,000tpa |

- ✓ PFS of 1Mtpa and 1.5Mtpa base case over a 25-year mine life completed
- ✓ Expansion study of 2.25Mtpa with a 25-year mine life completed
- ✓ 94.5% nickel and 95.5% cobalt recovery – life of mine
- ✓ Pre-cobalt credit C1 costs in line with current worldwide operators
- ✓ Pressure Acid Leach (PAL) 5th generation plant is a proven design, successfully operated in other laterite projects globally
- ✓ 2.25Mtpa case based on only 26% of Goongarrie Resource

The information shown on this slide has been previously released on the ASX platform by Ardea in ASX releases, *Goongarrie Nickel Cobalt Project, PFS study, 28 March 2018 & +Goongarrie Expansion Study, 24 July 2018. All the material assumptions underpinning the forecast financial information derived from a production target, in the initial public report referred to in rule 5.17 continue to apply and have not materially changed.

Our Flagship Goongarrie Nickel - Cobalt Project



Goongarrie JORC Resource

215.6 Mt at 0.71% nickel and 0.06% cobalt*

Reserves optimised for 25 year mine life only, less than
20% of Goongarrie resource utilised at this scale
(40.1 Mt at 0.82% Nickel & 0.09% Cobalt*)

APPENDIX – Goongarrie Nickel Cobalt Project Resources

Summary of total mineral Nickel Cobalt Project area, comprising resources at Goongarrie Hill, Goongarrie South, resources within the Goongarrie Big Four, and Scotia Dam (14 March 2018).

| Camp | Domains | Cut-off % | Resource category | Size (Mt) | Cobalt (%) | Nickel (%) | Contained metal | |
|-----------------------------------|---------|-------------------------|----------------------|--------------|---------------|---------------|-----------------|------------------|
| | | | | | | | Co (t) | Ni (t) |
| Goongarrie Hill | Ni & Co | ≥ 0.5% Ni or > 0.08% Co | Inferred | 52.5 | 0.04 | 0.65 | 21,600 | 340,400 |
| | | | <i>Subtotal</i> | <i>52.5</i> | <i>0.04</i> | <i>0.65</i> | <i>21,600</i> | <i>340,400</i> |
| Goongarrie South | Ni & Co | ≥ 0.5%Ni or > 0.08% Co | Measured | 10.3 | 0.10 | 0.98 | 10,200 | 101,200 |
| | | | Indicated | 56.2 | 0.07 | 0.72 | 37,200 | 407,000 |
| | | | Inferred | 32.2 | 0.06 | 0.69 | 20,300 | 221,200 |
| | | | <i>Subtotal</i> | <i>98.7</i> | <i>0.07</i> | <i>0.74</i> | <i>67,700</i> | <i>729,300</i> |
| Big Four | Ni & Co | ≥ 0.5%Ni or > 0.08% Co | Indicated | 45.5 | 0.06 | 0.71 | 28,200 | 320,700 |
| | | | Inferred | 9.9 | 0.06 | 0.63 | 6,100 | 61,900 |
| | | | <i>Subtotal</i> | <i>55.4</i> | <i>0.06</i> | <i>0.69</i> | <i>34,300</i> | <i>382,700</i> |
| Scotia Dam | Ni & Co | ≥ 0.5% Ni or > 0.08% Co | Indicated | 3.3 | 0.09 | 0.81 | 3,000 | 26,900 |
| | | | Inferred | 5.7 | 0.07 | 0.76 | 4,100 | 43,300 |
| | | | <i>Subtotal</i> | <i>9.0</i> | <i>0.08</i> | <i>0.78</i> | <i>7,100</i> | <i>70,200</i> |
| Total | All | ≥ 0.5% Ni or > 0.08% Co | Measured | 10.3 | 0.10 | 0.98 | 10,200 | 101,200 |
| | | | Indicated | 105.0 | 0.07 | 0.72 | 68,400 | 754,600 |
| | | | Inferred | 100.3 | 0.05 | 0.67 | 52,100 | 666,900 |
| Goongarrie Resource Global | | | TOTAL | 215.6 | 0.06 | 0.71 | 130,700 | 1,522,700 |

Note: All nickel and cobalt domains are included, and are encapsulated by an envelope defined by nickel grades equal to or greater than 0.5%. Note that figures are rounded to reflect degree of certainty and may not tally.

APPENDIX – Reserves Defined for Goongarrie Nickel Cobalt Project

Goongarrie Nickel Cobalt Project, Ore Reserves based on 25 year mine life at 1.5 Mtpa.

| Deposits | Class | Size (Mt) | Cobalt (%) | Nickel (%) |
|-------------------------|-----------------|--------------|---------------|---------------|
| Goongarrie South | Proven | 8.95 | 0.10% | 0.96% |
| | Probable | 17.26 | 0.09% | 0.79% |
| | <i>Total</i> | 26.22 | 0.10% | 0.85% |
| Big Four | Proven | — | — | — |
| | Probable | 13.92 | 0.09% | 0.77% |
| | <i>Total</i> | 13.92 | 0.09% | 0.77% |
| TOTAL | Proven | 8.95 | 0.10% | 0.96% |
| | Probable | 31.18 | 0.09% | 0.78% |
| | Total | 40.13 | 0.09% | 0.82% |

Using a nickel equivalent cut of >0.81 %, which used inputs of A\$18,900/t nickel and A\$120,750/t cobalt. (US\$15,120/t Ni and US\$96,600/t Co, 0.8 exchange rate). Nickel equivalent (Nieq %) = $Ni\ grade + \frac{Co\ grade \times Co\ price}{Ni\ price}$. Prices used are US\$15,120/t for nickel and US\$96,600/t for cobalt. No assumption about recovery is included here. Recoveries are addressed elsewhere throughout the mining schedule and financial model.

The information shown on this slide has been previously released on the ASX platform by Ardea in ASX release, Goongarrie Nickel Cobalt Project, PFS study, 28 March 2018. The information in this report that relates to Ore Reserves for the Goongarrie South and Big deposits of the Goongarrie Nickel Cobalt Project is based on information compiled by Mr Steve Lampron who is a Member of the Australasian Institute of Mining and Metallurgy and who has provided expert guidance on mine planning and Ore Reserve estimation. Mr Lampron is a director of Auralia Mining Consulting and has sufficient experience 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, Mineral Resources and Ore Reserves. Mr Lampron consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

APPENDIX – KNP Resource Breakdown

KNP nickel-cobalt mineral resource (JORC 2012), Ardea Annual Report 2017

| Resource Category | Quantity (Mt) | Cobalt (%) | Nickel (%) | Contained cobalt (t) | Contained nickel (t) |
|----------------------------|---------------|-------------|-------------|----------------------|----------------------|
| Measured | 9.6 | 0.10 | 1.02 | 9,700 | 98,800 |
| Indicated | 232.9 | 0.06 | 0.75 | 141,200 | 1,759,700 |
| Inferred | 530.5 | 0.05 | 0.68 | 254,400 | 3,600,000 |
| KNP Total Resources | 773.0 | 0.05 | 0.70 | 405,400 | 5,458,400 |

Note: 0.5% nickel cutoff grade used to report resources. Not figures are rounded to reflect degree of certainty and may not tally.

In accordance with the Australian Securities Exchange Limited Listing Rules Appendix 5A:

The information in this report that relates to Mineral Resources for the Highway, Goongarrie Hill, Goongarrie South, Big Four, Aubils and Boyce Creek Prospects is based on information originally compiled in-house and validated by Steve Jones in 2013. Steve Jones is a member of the Australasian Institute of Mining and Metallurgy. Steve Jones is a full time employee of Heron Resources Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the resource estimation activity that he is undertaking 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'. Steve Jones consents to the inclusion in this report of the matters based on his information in the form and context that it appears. Note that Mineral Resources that are not Ore Reserves do not have demonstrated viability.

The information in this report that relates to Mineral Resources for the Siberia North, Bulong East, Siberia, Black Range, Taurus and Jump Up Dam Prospects is based on information compiled by Snowden Mining Industry Consultants by members of the Australian Institute of Mining and Metallurgy. Snowden Mining Industry Consultants had sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the resource estimation activity. All resources were internally audited by Snowden and signed off by a person of sufficient experience 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'. Steve Jones has validated the original resource estimates during 2013. Steve Jones consents to the inclusion in this report of the matters based on his information in the form and context that it appears. Note that Mineral Resources that are not Ore Reserves do not have demonstrated viability.