

ASX & Media Release

24 July 2017

ASX Symbol

ARL

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Issued Capital

Shares
67,000,747

Unlisted options
12,310,022

Loyalty options
26,436,923

ABN 30 614 289 342

QUARTERLY OPERATIONS REPORT

Second Quarter, 2017

Outstanding drill results from Goongarrie South

- Thick cobalt-nickel mineralised zones from near surface.
 - AGSD0001, 131 m at 0.10% cobalt and 1.06% nickel from 34 m including 7.2 m at 0.92% cobalt and 2.19% nickel from 95.6 m
- Soft goethite-hosted clay-rich mineralisation shows extraordinary consistency of mineralisation distributions – highly beneficial in a hydro-metallurgical flow sheet.
- Mineralisation is amenable to free-digging, open pit mining.

KNP Cobalt Zone Feasibility Study

- Upgraded KNP Cobalt Zone global resource of **65.7 Mt at 0.13 % cobalt and 0.79 % nickel**^{1 2} (up from 49.7 Mt at 0.12 % cobalt and 0.86 % nickel³)
- Scandium mineralisation discovered at several deposits.
- Acid leach test work underway.
- Successful metal recovery techniques, focused on battery feedstock production of cobalt and nickel sulphates, are expected from the current program based on test work to date.

Lewis Ponds Feasibility Study

- Broad mineralised zones identified from assay results.
- Flotation and Dense Media Separation (DMS) test work underway, DMS encouraging in terms of bulk tonnage development model.

¹ Breakdown for the KNP Cobalt Zone resource is as follows. See remainder of document for details.

Area	Prospect	Resource category	Cut-off (% Co)	Size (Mt)	Co (%)	Ni (%)
Goongarrie	Goongarrie South	Total	0.08	25.3	0.14	0.83
	Big Four	Total	0.08	11.4	0.13	0.71
	Scotia	Inferred	0.08	2.9	0.14	0.88
	<i>Subtotal</i>			39.6	0.14	0.80
Siberia	Black Range	Inferred	0.50(Ni)	20.1	0.10	0.75
Yerilla	Aubils	Inferred	0.08	6.0	0.15	0.90
KNP TOTAL				65.7	0.13	0.79

² Reported using a 0.08 % cobalt cut-off for direct comparison to historic resources.

³ See Ardea Resources Second Supplementary Prospectus, January 2017.

Pre-Feasibility Studies advancing

The results of drilling during the quarter have been used to upgrade resources and collect samples for use in Pre-Feasibility Studies (PFS) at the KNP Cobalt Zone, WA, and at the Lewis Ponds polymetallic deposit, NSW.

At the KNP Cobalt Zone, initial acid leach tests are currently underway. These are part of the bench-scale test work phase of the program. The PFS comprises:

- May to September 2017, bench-scale metallurgical test-work and process technology evaluations for the flowsheet.
- September 2017 to January 2018, PFS engineering, cost estimation and reporting, using previous Vale Inco and Heron Resources data where appropriate. Ardea's focus will be on the process flow-sheet and project financials.

The aim of the KNP Cobalt Zone PFS is to define a mechanism to mine and recover cobalt, nickel, and other accessory materials and move the KNP Cobalt Zone towards production.

At the Lewis Ponds zinc-gold-silver project in NSW, a higher-level PFS aims to define whether bulk-scale mining of near-surface stringer style mineralisation is feasible. The program consists of:

- Initial variability samples to quantify preferred grind size and flotation reagents.
- A bulk sample for flow-sheet optimisation.
- Pre-concentration options for sub-grade stringer mineralisation including DMS.

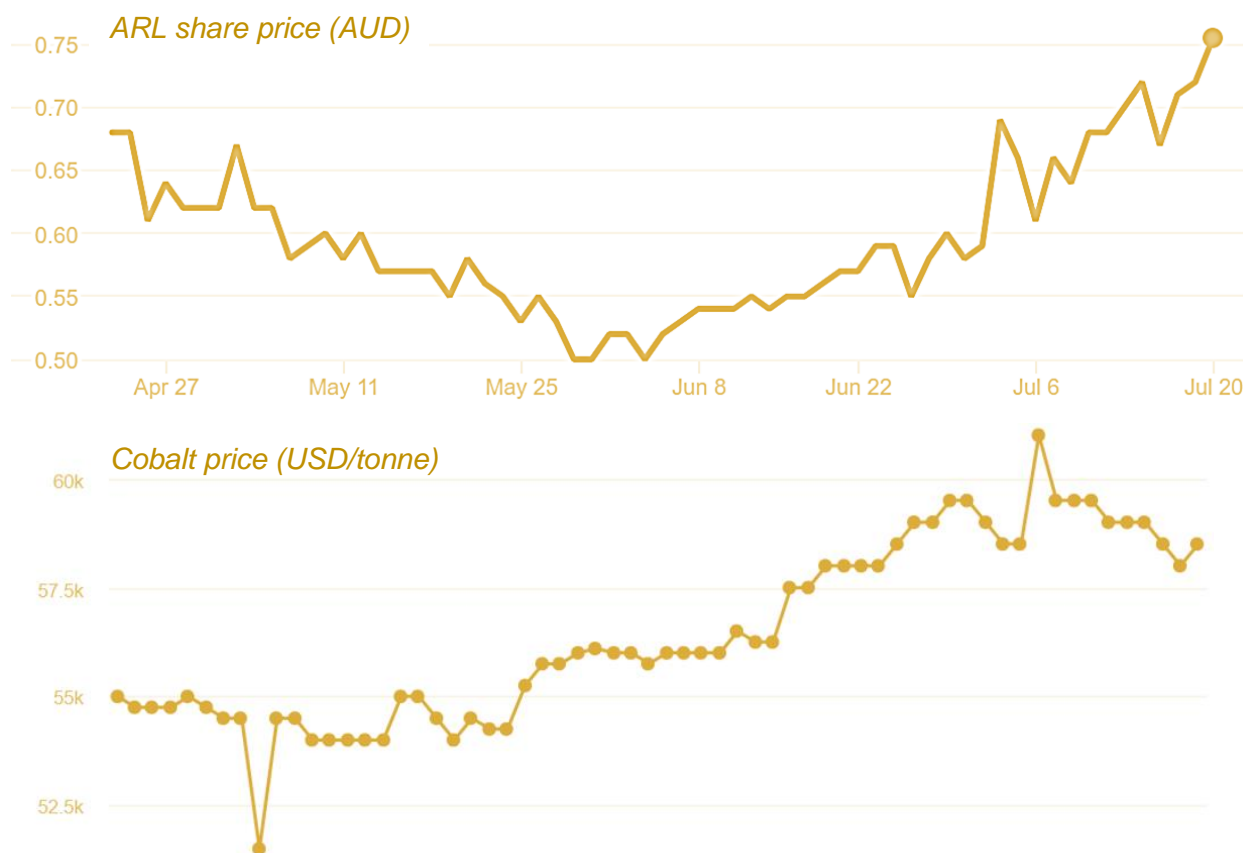


Figure 1 – Ardea's share price (top) and the cobalt price (bottom) over the course of the quarter. Same horizontal scale. Cobalt price data sourced from the London Metals Exchange (www.lme.com/metals/minor-metals/cobalt).

Ardea's KNP Cobalt Zone developmental plans and hydro-metallurgical test programs come at a time of increasingly positive sentiment towards cobalt mining and the cobalt market. During the quarter, the cobalt

spot price has continued to climb, exceeding US\$60,000 per tonne. Over that time, the Ardea share price has varied between \$0.50 and \$0.76.

Sentiment in the battery sector, and in the automobile industry in particular, is increasingly positive with numerous car manufacturers defining their future plans for electrification of their ranges (electric and hybrid vehicles). This is referred to as the Electrification Revolution in the automobile industry. In contrast, the political situation in the Democratic Republic of Congo (DRC), which supplies around two thirds of the world's cobalt, is worsening with several commentators concerned recently of a descent into civil war. These factors are providing an upward pressure on the cobalt spot price.

In addition to the cobalt, the discovery of scandium during the quarter at several deposits opens the possibility of payable accessory metals. Scandium-aluminium alloys are used as low weight / high strength metals in the aerospace sector and are increasingly touted for use in electrified vehicles. This further aligns Ardea with the automotive Electrification Revolution.

Ardea views the KNP Cobalt Zone as a world class multi-commodity deposit in a stable and mature mining location that is well-placed to deliver materials of accepted provenance into a rapidly expanding battery and electrified vehicle sector.

Company objectives

Ardea's aim is to advance its key development projects, the KNP Cobalt Zone in WA and the Lewis Ponds zinc-gold-silver deposit in NSW, towards production for the benefit of shareholders. In addition, it will leverage its broad, high-quality exploration portfolio to drive value. This may mean exploration, development, spinning out or other divestment of projects as appropriate to the project's prospectivity and the Company's strategic requirements.

Ardea is seeking to become a significant producer of cobalt and nickel sulphate from the KNP Cobalt Project, and zinc, gold and silver in concentrates from Lewis Ponds, for global commodity markets.

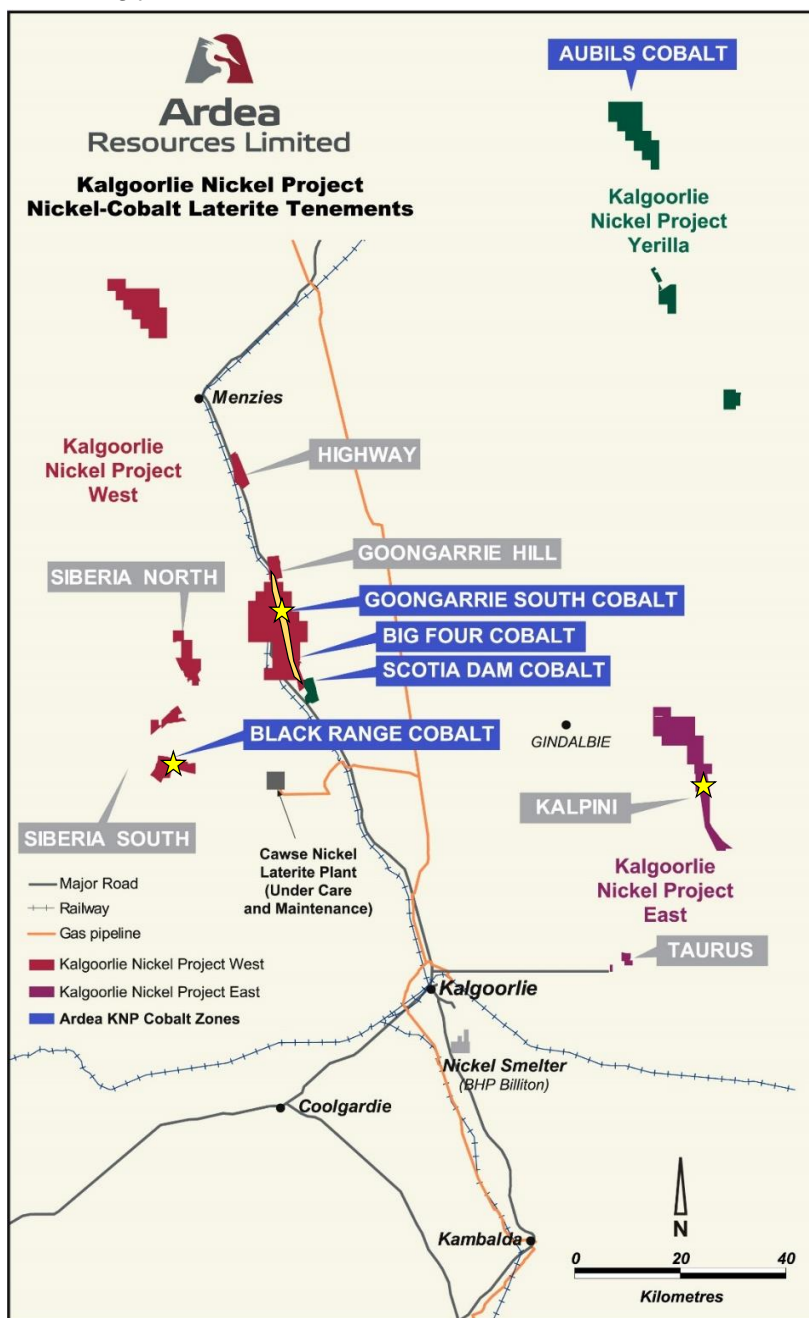


Figure 2 – Location of drill programs (yellow stars) and resource remodels (yellow polygons) throughout the KNP Cobalt Zone during the second quarter of 2017.

The KNP Cobalt Zone, WA

The KNP Cobalt Zone advanced during the quarter as results came in for the drilling and resource remodelling programs. These included:

- Goongarrie South and Big Four resource remodel and upgrade
- Goongarrie diamond drill program
- Black Range RC drill program
- Kalpini RC drill program

A new resource model for the KNP Cobalt Zone

The new resource for the KNP Cobalt Zone is a result of the complete remodelling of the Goongarrie South and Big Four deposits using cobalt cut-off grades

- Significant upgrade to **65.7 Mt at 0.13 % cobalt and 0.79 % nickel**
 - Over 30 % increase in tonnes
 - 6 % increase in cobalt grade
 - 40 % increase in contained cobalt metal
- New cobalt grade shells more accurately represent the specific supergene distributions of cobalt mineralisation.

Further upgrades to the resource are expected to result in further improvements as the resources for the remaining constituent deposits of the KNP Cobalt Zone are remodelled.

Table 1 – KNP Cobalt Zone, Resource Statement from RMRC and HGMC consulting groups. All figures are appropriately rounded to reflect the degree of certainty.

Area	Prospect	Resource category	Cut-off (% Co)	Size (Mt)	Co (%)	Ni (%)	Contained cobalt (t)	Contained nickel (t)	Remodel status
Goongarrie	Goongarrie South	Measured	0.08	4.6	0.16	1.12	7,200	51,600	
		Indicated	0.08	12.9	0.13	0.79	17,300	101,300	
		Inferred	0.08	7.8	0.14	0.72	10,500	56,100	
		Subtotal	0.08	25.3	0.14	0.83	35,000	209,000	Upgraded
	Big Four	Measured	0.08	–	–	–	0	0	
		Indicated	0.08	9.2	0.13	0.75	12,100	68,500	
		Inferred	0.08	2.2	0.13	0.57	2,800	12,500	
		Subtotal	0.08	11.4	0.13	0.71	14,900	81,000	Upgraded
	Scotia	Inferred	0.08	2.9	0.14	0.88	4,300	22,000	Underway
	Goongarrie subtotal			39.6	0.14	0.80	54,200	312,000	
Siberia	Black Range	Inferred	0.50(Ni)	20.1	0.10	0.75	20,100	150,800	Underway
Yerilla	Aubils	Inferred	0.08	6.0	0.15	0.90	9,000	54,000	Scheduled
KNP TOTAL				65.7	0.13	0.79	83,300	516,800	

For full details of the resource upgrade, including details of the Goongarrie South and Big Four resource upgrades, see the announcement “[Substantial increase in KNP Cobalt Zone resource](#)”, 28 June 2017.

Goongarrie South, KNP Cobalt Zone

The four diamond drill holes completed during the quarter at Goongarrie South targeted “run-of-mine” thick, high-grade mineralisation for use in metallurgical test work. This test work is presently underway to

provide details on the most appropriate methods for extraction of cobalt and nickel from the mineralised laterite.

Extensive mineralisation was intercepted in every hole. Results included the following intercepts:

- AGSD0001** 131.0 m at 0.10 % cobalt and 1.06 % nickel from 34.0 m[§],
including 7.2 m at 0.92 % cobalt and 2.19 % nickel from 95.6 m,
- AGSD0002** 54.0 m at 0.11 % cobalt and 1.52 % nickel from 10.0 m,
including 38.7 m at 0.13 % cobalt and 1.52 % nickel from 18.0 m
- AGSD0003** 49.3 m at 0.11 % cobalt and 1.31 % nickel from 16.6 m,
including 21.0 m at 0.13 % cobalt and 1.49 % nickel from 24.0 m,
- AGSD0004** 39.0 m at 0.20 % cobalt and 1.35 % nickel from 18.7 m,
including 28.0 m at 0.27 % cobalt and 1.57 % nickel from 22 m

The mineralisation intersected is remarkably consistent and lacks the problematic “sticky” nontronite clays that have resulted in sub-optimal recoveries at other lateritic nickel and cobalt deposits. For full details of the drill program, see the announcement “[Thick, high-grade cobalt-nickel intersections at Goongarrie South](#)”, 4 July 2017.

Black Range, KNP Cobalt Zone

At the Black Range deposit, RC drilling intercepted significant, shallow cobalt, nickel and scandium mineralisation in the lateritic environment. **High-grade and extensive cobalt and nickel mineralisation is associated with newly discovered scandium mineralisation throughout the project area.** Additionally, platinum and palladium as well as chromium show highly anomalous distributions.

The current resource at Black Range is 20.1 Mt at 0.10 % cobalt and 0.75 % nickel and, unlike other deposits of the KNP Cobalt Zone, is based on a 0.5 % nickel cut-off. Work has commenced on a thorough remodel of the Black Range deposit using cobalt cut-offs and incorporating the new scandium and platinum+palladium results. Their propensity to contribute supplementary payable metals to the economics of a large, bulk-tonnage cobalt-nickel open pit operation will be assessed.

For full details of the results of the Black Range drill program, see the announcement “[Cobalt at Black Range exceeds expectations](#)”, 13 June 2017.

Kalpini

The Kalpini deposits are not presently part of the KNP Cobalt Zone. With known historic cobalt mineralisation, assessment was commenced to define higher-grade portions of Kalpini that could be incorporated. **RC drilling completed at Kalpini during the quarter successfully identified significant cobalt-nickel mineralisation and discovered previously unknown, near-surface scandium mineralisation.**

Ongoing work aims to define high-grade cobalt-rich zones. With a historic Inferred Mineral Resource at Kalpini of **75.0 Mt at 0.044 % cobalt and 0.73 % nickel** and mineralisation identified over an approximate

[§] Calculated using a 0.50 % nickel cut-off, 2 m minimum intercept, and 4 m maximum internal waste, zones of core loss are taken as an average of the assays above and below (where core loss thickness is less than the maximum internal waste).

30 km strike length Kalpini is a nickel-dominated province with local high-grade cobalt mineralisation that may become a contributor to the KNP Cobalt Zone.

For full details of the results of the Kalpini drill program, see the announcement “ [Kalpini drill results highlight cobalt-nickel mineralisation, and scandium discovery](#) ”, 22 June 2017.

Lewis Ponds zinc-gold-silver deposit, NSW

Lewis Ponds is presently the subject of hydrometallurgical flotation test work which is being undertaken in Perth. This is part of broader metallurgical test work that includes:

- Quantification of preferred grind size and flotation reagents.
- Flow-sheet optimisation.
- Pre-concentration options including DMS for sub-grade stringer mineralisation.

During the quarter, the final results of the Lewis Ponds diamond drilling campaign were returned. The program identified thick zones of moderate-grade zinc, gold and silver mineralisation in shallow positions that had not been adequately drilled in the past. The successful identification of this mineralisation confirms the Company’s development model that the Lewis Ponds deposit has affinities with the major deposits of the Lachlan Fold Belt region and therefore has bulk tonnage, open pit potential. In summary, results at Lewis Ponds were as follows:

ALD0001	51.37 m at 2.45 % Zn equiv. ** or 1.48 g/t Au equiv.†† from 41.60 m (1.28 % Zn, 0.18 g/t Au, 22.0 g/t Ag, 0.51 % Pb, and 0.11 % Cu)
and	20.91 m at 2.74 % Zn equiv. or 1.63 g/t Au equiv. from 110.76 m (1.39 % Zn, 0.17 g/t Au, 32.7 g/t Ag, 0.56 % Pb, and 0.10 % Cu)
ALD0002	16.40 m at 8.53 % Zn equiv. or 5.07 g/t Au equiv. from 43.60 m (4.73 % Zn, 0.86 g/t Au, 75.9 g/t Ag, 1.44 % Pb, and 0.19 % Cu)
ALD0003	5.88 m at 2.84 % Zn equiv. or 1.88 g/t Au equiv. from 46.62 m (0.73 % Zn, 1.06 g/t Au, 17.8 g/t Ag, 0.45 % Pb, and 0.02 % Cu)
and	60.88 m at 3.00 % Zn equiv. or 1.80 g/t Au equiv. from 110.35 m (1.54 % Zn, 0.33 g/t Au, 26.7 g/t Ag, 0.54 % Pb, and 0.10 % Cu)

The initial Ardea core holes at Lewis Ponds have validated the bulk tonnage development model, looking at a potential open pit to a depth of some 200 metres. Within this conceptual Lewis Ponds pit design, the Stringer Zone measures 25-50 m horizontal width, dipping 70-90° east. The western ore contact largely follows the western pit batter, which has a favourable impact on strip ratio. There is around 30 m vertical of surface depletion.

Mineralisation is bi-modal, with the higher-grade lenses drilled by Ardea suited to selective mining averaging 3.5 % Zn equiv. These are diluted by sub-grade stringer mineralisation grading 0.5-1.5 % Zn

** Zn equivalents defined using the following values (11/4/2017 US\$ price, expected recovery proportion): Zn (\$2658/t, 100%), Au (\$1258/oz, 90%), Ag (\$17.92, 80%), Pb (\$2259/t, 80%), Cu (\$5730.5/t, 80%). Zn equiv. = Zn(%) + 1.369Au(g/t) + 0.017Ag(g/t) + 0.680Pb(%) + 1.725Cu(%). These values used for zinc equivalent calculations throughout this announcement (except for the previously announced Exploration Target). Zinc equivalents are used because zinc contributes most to the metal equivalent calculations.

†† Au equivalents defined using the following values (11/4/2017 US\$ price, recovery): Zn (\$2658/t, 80%), Au (\$1258/oz, 100%), Ag (\$17.92, 80%), Pb (\$2259/t, 80%), Cu (\$5730.5/t, 80%). Au equiv. = 0.526Zn(%) + Au(g/t) + 0.011Ag(g/t) + 0.447Pb(%) + 1.133Cu(%). These values used for gold equivalent calculations throughout this announcement (except for the previously announced Exploration Target). Gold equivalents are used because gold is a significant proportion of the deposit by value, and they allow for direct comparison to major deposits of the region.

equiv., for a bulk grade of 2.8 % Zn equiv. The mineralisation style is entirely suited to selective open pit mining.

For full details of the results of the Lewis Ponds drill program, see the announcements "[Large mineralised system confirmed by initial Lewis Ponds drill results](#)" 26 April 2017, and "[Feasibility commences on large mineralised system at Lewis Ponds](#)" 5 May 2017.

Operations

Offices were established in both Kalgoorlie and Orange during the quarter. In Orange, a Senior Geologist has commenced work, with initial focus on forwarding the Lewis Ponds PFS and regional exploration. In Kalgoorlie, a Senior Geologist is expected to be appointed in the coming weeks. That person will focus on forwarding the KNP Cobalt Zone PFS and exploration at Taurus and Mt Zephyr.

Exploration

Taurus gold project, Western Australia

At the Taurus gold project around 30 km east of Kalgoorlie, assay results from rock chip sampling show significant gold values from outcrop and drill spoil. Gold values vary between below detection and 3.56 g/t gold. The full significance of these results is presently being ascertained and will be used to target future drill programs.

Mt Zephyr gold and base metals project, Western Australia

At Mt Zephyr, the Company is awaiting grant of four exploration licences: E37/1271, E37/1274, E39/1706, and E39/1854. Targeting over the area has identified numerous gold and base metal targets that will require prompt attention. The Company intends commencing exploration at Mt Zephyr upon granting of the tenements.

Ophir gold project, New South Wales

The historic Ophir gold field is Australia's first payable gold mining area, predating the Victorian goldfields. Ophir is around 11 km north of Lewis Ponds. Historic production figures generally have not been recorded.

The Company is presently progressing through the application process for access to the area. Publicly accessible areas have been visited and a number of suitable low-impact sampling techniques shortlisted to provide a fingerprint and define the distribution of the hydrothermal system at Ophir. Once full access is granted, these techniques will be tested.

Wiseman's Creek gold and silver project, New South Wales

Reconnaissance has identified historic workings and drill collar sites in thickly vegetated country at the Wiseman's Creek gold and silver project. Veining and alteration consistent with epithermal style mineralisation were observed. Several samples have been collected and submitted for assay.

Other NSW and WA projects

Project targeting is actively underway on the remaining project areas in Ardea's portfolio. It is expected that, with the appointment of the Senior Geologists in Kalgoorlie and Orange, progress will accelerate on these projects.

Forthcoming work

Work on the PFS studies for the KNP Cobalt Zone and for Lewis Ponds is continuing. Most work for the forthcoming quarter will comprise the outlined test work of each PFS project. Results will be reported as they come to hand.

The Company is confident that the test work presently underway for the KNP Cobalt Zone will be definitive and positive. The deposits of the KNP Cobalt Zone are lateritic cobalt and nickel deposits associated with scandium mineralisation. This style of deposit has been successfully mined with a nickel focus (and a cobalt by-product) for decades in New Caledonia, Cuba and Australia. Each deposit has its own unique characteristics. Ardea must account for these characteristics for efficient hydro-metallurgical recovery of metals and intermediate products, and the Company's focus on cobalt requires full reappraisal of historically defined recovery techniques for optimisation of metal recoveries. With cobalt grades around double those of Western Australia's only other active lateritic cobalt producer, Glencore's Murrin Murrin mine, the Company expects that a suitable technique for efficient cobalt and nickel recovery will allow mining of the KNP Cobalt Zone.

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

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Compliance Statement (JORC 2012)

A competent person's statement for the purposes of Listing Rule 5.22 has previously been announced by the Company for:

1. *Kalgoorlie Nickel Project on 21 October 2013 and 31 June 2014, October 2016, 2016 Heron Resources Annual Report and 6 January 2017;*
2. *KNP Cobalt Zone Study on 6 January 2017*

The Company confirms that it is not aware of any new information or data that materially affects information included in previous announcements, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially

changed. All projects will be subject to new work programs following the listing of Ardea, notably drilling, metallurgy and JORC Code 2012 resource estimation as applicable.

The information in this report that relates to KNP Exploration Results is based on information originally compiled by previous and current full time employees of Heron Resources Limited and of Ardea Resource Limited. The Exploration Results and data collection processes have been reviewed, verified and re-interpreted by Mr Ian Buchhorn who is a Member of the Australasian Institute of Mining and Metallurgy and currently a director of Ardea Resources Limited. Mr Buchhorn has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the exploration activities 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'. Mr Buchhorn consents to the inclusion in this report of the matters based on his information in the form and context that it appears.

The exploration and industry benchmarking summaries are based on information reviewed by Dr Matthew Painter, who is a Member of the Australian Institute of Geoscientists. Dr Painter is a full-time employee and a director of Ardea Resources Limited 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, Mineral Resources and Ore Reserves'. Dr Painter has reviewed this press release and consents to the inclusion in this report of the information in the form and context in which it appears.

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 ability to complete the Ardea spin-out, 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 complete the Ardea spin-out on the basis of the proposed terms and timing or at all, 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.

Ardea Resources Ltd Tenement Schedule as at 30th June 2017.

Ardea NSW Tenements									
Tenement	Location	Ardea Interest (%)	Status	Note	Tenement	Location	Ardea Interest (%)	Status	Note
EL5583	15km E of Orange	100	Live	5	EL8555	5km N of Forbes	100	Live	
EL8061	Gundagai	100	Live		EL8556	19km NE of Orange	100	Live	
EL8323	10km NE of Orange	100	Live		EL8557	62km W of West Wyalong	100	Live	
EL8532	30km NE of Parkes	100	Live		EL8580	10km N of Forbes	100	Live	
EL8538	22km SW of Wellington	100	Live		EL8586	5km N of Gundagai	100	Live	
EL8554	27km SE of Bathurst	100	Live		ML0739	10km N of Forbes	100	Live	

Ardea WA Tenements*									
Tenement	Location	Ardea Interest (%)	Status	Note	Tenement	Location	Ardea Interest (%)	Status	Note
E24/00203	78km NW of Kalgoorlie	100	Pending		M24/00757	63km NW of Kalgoorlie	100% non gold rights	Live	
E27/00524	67km NE of Kalgoorlie	100	Live		M24/00772	71km NW of Kalgoorlie	100% non gold rights	Live	
E28/01224	63km NE of Kalgoorlie	100	Live		M24/00778	70km NNW of Kalgoorlie	100	Live	3
E29/00889	78km NW of Kalgoorlie	100% non gold rights	Live		M24/00797	78km NW of Kalgoorlie	100% non gold rights	Live	
E29/00934	67km NNW of Kalgoorlie	100	Pending		M24/00915	78km NW of Kalgoorlie	100% non gold rights	Live	
E29/00941	140km NNW of Kalgoorlie	100	Live		M24/00916	78km NW of Kalgoorlie	100% non gold rights	Live	
E29/01006	83 km E of Leonora	100	Pending		M25/00151	38km E of Kalgoorlie	100	Live	
E31/01092	140km NNE of Kalgoorlie	100	Pending		M25/00187	40km E of Kalgoorlie	100	Live	
E37/01271	60km NW of Laverton	100	Pending		M27/00395	68km NE of Kalgoorlie	100	Live	
E37/01272	100km N of Leonora	100	Live		M28/00199	65km NE of Kalgoorlie	100	Live	
E37/01273	100km N of Leonora	100	Live		M28/00201	65km NE of Kalgoorlie	100	Live	
E37/01274	75km NW of Laverton	100	Pending		M28/00205	66km NE of Kalgoorlie	100	Live	
E39/01706	70km NW of Leonora	100	Live		M29/00167	87km NNW of Kalgoorlie	100	Live	
E39/01757	70km NW of Leonora	100	Live		M29/00202	86km NNW of Kalgoorlie	100	Live	
E39/01854	70km NW of Leonora	100	Pending		M29/00214	100km NNW of Kalgoorlie	100	Live	
E39/01954	170km NE of Kalgoorlie	100	Pending		M29/00272	77km NNW of Kalgoorlie	100	Live	
E39/01985	60km NW of Laverton	100	Pending		M29/00278	74km NNW of Kalgoorlie	100	Live	
E63/01827	10km W of Norseman	100	Pending		M29/00423	76km NNW of Kalgoorlie	100	Live	
E63/01828	60km ENE of Norseman	100	Pending		M31/00475	129km NE of Kalgoorlie	100	Live	4
E63/01856	75km ENE of Norseman	100	Pending		M31/00477	129km NE of Kalgoorlie	100	Live	4
E63/01857	75km ENE of Norseman	100	Pending		M31/00479	129km NE of Kalgoorlie	100	Live	4
E70/04804	18km W of Manjimup	100	Pending		M31/00483	146km NNE of Kalgoorlie	100	Live	4
M24/00541	67km NNW of Kalgoorlie	100	Live		P24/04395	70km NW of Kalgoorlie	100% non gold rights	Live	
M24/00634	78km NW of Kalgoorlie	100% non gold rights	Live	1	P24/04396	70km NW of Kalgoorlie	100% non gold rights	Live	
M24/00660	75km NW of Kalgoorlie	100% non gold rights	Live		P24/04400	70km NW of Kalgoorlie	100% non gold rights	Live	
M24/00663	75km NW of Kalgoorlie	100% non gold rights	Live		P24/04401	70km NW of Kalgoorlie	100% non gold rights	Live	
M24/00664	75km NW of Kalgoorlie	100% non gold rights	Live		P24/04402	70km NW of Kalgoorlie	100% non gold rights	Live	
M24/00665	75km NW of Kalgoorlie	100% non gold rights	Live	2	P24/04403	70km NW of Kalgoorlie	100% non gold rights	Live	
M24/00683	78km NW of Kalgoorlie	100% non gold rights	Live		P29/02265	90km NNW of Kalgoorlie	100	Pending	
M24/00686	75km NW of Kalgoorlie	100% non gold rights	Live		P31/02038	113km NE of Kalgoorlie	100	Live	
M24/00731	70km NNW of Kalgoorlie	100	Live	3	P31/02039	113km NE of Kalgoorlie	100	Live	
M24/00732	70km NNW of Kalgoorlie	100	Live	3	P31/02040	113km NE of Kalgoorlie	100	Live	
M24/00744	75km NNW of Kalgoorlie	100	Live						

Notes:

1. Britannia Gold Ltd retained precious metal rights.
2. Impress Ventures Ltd has a 10% equity free-carried interest to a decision to mine.
3. Placer Dome Australia Limited (Norton Goldfields) retains certain gold rights.
4. Heron previously entered a binding framework agreement with Ningbo Shanshan Co Ltd, Shanshan had the right to earn a 70% interest in the Yerilla Nickel-Cobalt Project. The JV ended in May 2011.
5. Finder's fee to David Timm's on EL5583 sale transaction or production commencement (\$2M cap)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Ardea Resources Limited

ABN

30 614 289 342

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(892)	(1,237)
(b) development	-	-
(c) production	-	-
(d) staff costs	(113)	(175)
(e) administration and corporate costs	(101)	(149)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – rental bond on office	(26)	(26)
1.9 Net cash from / (used in) operating activities	(1,127)	(1,577)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(84)	(110)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(84)	(110)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	5,105
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(356)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	4,749

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,273	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,127)	(1,577)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(84)	(110)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,749
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,062	3,062

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,062	4,273
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,062	4,273

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
103
-

Salaries, Directors fees and consulting fees paid to Directors

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(600)
9.2 Development	(250)
9.3 Production	-
9.4 Staff costs	(130)
9.5 Administration and corporate costs	(130)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(1,110)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	ELA5439 – 20km SW of Gundagai	Withdrawal	100%	Nil
	EL7023 – 10km N of Forbes	Withdrawal	100%	Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E63/01856 – 87km NE of Norseman	Application	0%	100%
	E63/01857 – 87km NE of Norseman	Application	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sam Middlemas
Company Secretary

24 July 2017

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.