Ardea Resources Limited

For personal use only

ASX & Media Release

1 June 2017

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

Katina Law
Chair

Matt Painter
Managing Director

Ian Buchhorn
Non-Executive Director

Issued Capital

Shares
67,000,747

Unlisted options
12,310,022

ABN 30 614 289 342

Exploration and development update

An update on the Company's activities while awaiting receipt of assay results following completion of initial PFS programs

Ardea Resources Limited (ASX: ARL, "Ardea" or "the Company") is pleased to provide a brief exploration and development update for Shareholders.

The KNP Cobalt Zone, WA

Assay results for Black Range and Kalpini are pending, with the commercial laboratory still completing assays. Several events beyond the Company's control, including failure of one of the laboratory' instruments, have caused a backlog in receiving assay results.

- Assay results for the diamond drilling at Goongarrie South have been prioritised to facilitate progress on the Pre-Feasibility Study (PFS). Material recovered from this program has been delivered to the metallurgical laboratory for the initial testwork of the PFS.
- Interpretation of historic and new drilling at Kalpini shows nickel and cobalt anomalism associated with ultramafic (komatiitic) rock types in outlying areas, confirming the exploration model for the area.
- At the Black Range layered mafic complex, assays for platinum, palladium, and scandium are designed to complement cobalt and nickel assays. Historical drilling around Mt Carnage in the Black Range shows significant platinum and palladium in fresh rock. Our focus will be to define their distribution in the near-surface laterite profile where the nickel and cobalt are concentrated. Also, Ardea has identified the Black Range layered mafic complex as a likely host for scandium despite a lack of historic analyses.
- Results and detailed analysis for each of these programs will be released once all data is received and interrogated for quality control.

There have been significant advances on the cobalt resource upgrade for the KNP Cobalt Zone:

- Comprising a strike length of over 15 km, all historic data from the contiguous Goongarrie South and Big Four areas has been remodelled to provide robust resource models and grade shells based on cobalt cut-offs, as opposed to the nickel cut-offs defined historically. An upgraded resource will be released in June.

For personal use only

- Work has commenced on remodelling historic data from the Goongarrie Hill (north of Goongarrie South) and Scotia Dam (south of Big Four) areas. Together these will comprise an extensive strike-continuous zone of cobalt and nickel mineralisation that will be the focus of PFS development studies.
- Remodelling of the Black Range resource will be undertaken on completion of other areas listed above, and following incorporation of all new assay results from recent drilling.
- A core processing facility was established in Kalgoorlie for the recent Goongarrie South drilling and ongoing KNP programs.

The KNP Cobalt Zone remains our main development focus.

Lewis Ponds Zn-Au-Ag, NSW

Detailed analysis of recently drilled drill core has shed light on geometallurgical and structural controls on various styles of mineralisation at Lewis Ponds. Results will delimit the scope of the required programs for the PFS at Lewis Ponds.

Samples are in transit to Perth for commencement of the metallurgical stage of the Lewis Ponds PFS.

Taurus Au, WA

In March, a rock chip and mapping program at Taurus, near Bulong some 20 km east of Kalgoorlie, collected over 250 samples. The aim is to document the distribution of gold mineralisation and anomalism throughout historic workings and drill programs. This program is expected to form the basis for forthcoming exploration programs at Taurus.

As with our other samples, these have been caught up in the backlog of pending assays at the laboratory. Results are expected soon and will be reported once all are received and interrogated for quality control.

Recruitment

The Company recently advertised two Senior Geologist positions based both in Kalgoorlie and in Orange. Several excellent candidates have applied, and the Company is very confident of employing highly skilled and motivated individuals who will be able to build the development teams and accelerate our programs in each area.

It is envisaged that the successful applicants will progress the main development projects (the KNP Cobalt Zone and Lewis Ponds respectively) as well as undertake earlier stage exploration on the Company's extensive exploration portfolios throughout each region.

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

Ardea Resources:
Dr Matt Painter
Managing Director, Ardea Resources Limited
Tel +61 8 6500 9200
ardea@ardearesources.com.au

Media or Investor Inquiries:
Jon Snowball
FTI Consulting
Tel +61 2 8298 6100 or +61 477 946 068
jon.snowball@fticonsulting.com

For personal use only

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. *Lewis Ponds Project on 6 January 2017, Ardea Second Supplementary Prospectus*
2. *Kalgoorlie Nickel Project on 21 October 2013 and 31 June 2014, October 2016, 2016 Heron Resources Annual Report*
3. *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 Lewis Ponds and KNP Exploration Results is based on information originally compiled by previous and current full time employees of Heron Resources 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.