



Important Notice and CP statement

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 Company's prospectus dated 9 November 2016 (including supplementary prospectuses dated 18 November 2016 and 6 January 2017). This presentation is not an invitation, offer or recommendation (express or implied) to apply for or purchase or take any other action in respect of securities 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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This presentation contains forward-looking statements regarding the Company's resources, intentions and future business. These statements reflect current information, expectations, intentions and strategies regarding the future, and are subject to certain risks and uncertainties. Should one or more of these risks or uncertainties materialise, or should any of underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this presentation. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made. Other than where required by law,

the Company is under no obligation to revise any forward looking statement to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events.

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.

Competent Person Statement

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

- Lewis Ponds on 27 August 2015, 2016 Heron Annual Report, Heron's announcement on 6 January 2017;
- Kalgoorlie Nickel Project on 21 October 2013 and 31 July 2014, 27 August 2015, 2016 Heron Annual Report;
- Big Four-Goongarrie on 13 March 2012, 26 June 2012 and 24 July 2012.
- KNP Cobalt Heron's announcement on 6 January 2017

The Company 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.

**Focus on high-grade zones within
Australia's largest cobalt resource**

**Kalgoorlie Nickel Project (KNP)
Cobalt Zone, WA**



Ardea – A new ASX-listed company

ASX listing

Listing date	9 February 2017
Share price at listing	\$0.20

Capital structure, 31 March 2017

Share price	\$0.52
Shares on issue	67,000,747
Market capitalisation	\$34.8 million
Cash at bank	\$4.1 million
Enterprise value	\$30.7 million
Options - \$0.25 (IPO)	12.31 million
- \$TBD (Loyalty)	22.33 million

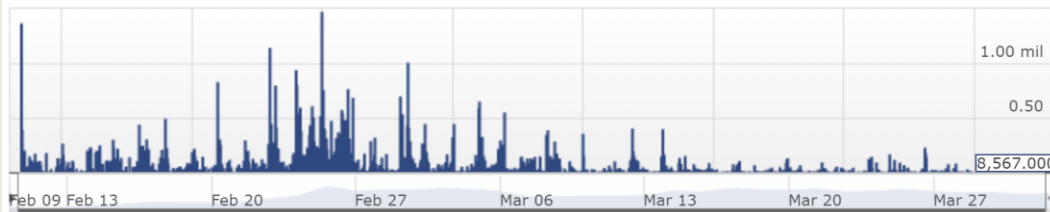
Major holders

Board and associates	10.6 million shares (14.8%) 5.9 million (subscribed) 4.7 million (in specie)
Greenstone Heron Holdings	5.4 million shares

Feb 09, 2017 - Mar 31, 2017 • ARL



• Volume



Ardea's cobalt focus

Standing on the shoulders of giants:
Over **\$50 million** spent historically

Cobalt and nickel mining
development project

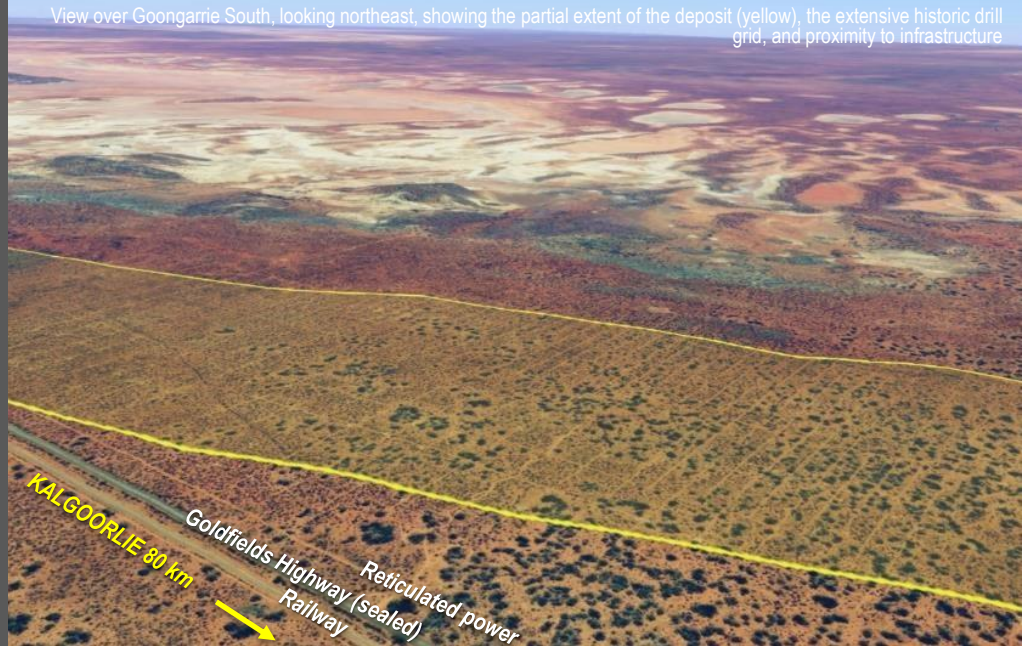
To supply the booming **battery industry**

100% ownership of project



The KNP is Australia's
and the developed world's*
largest cobalt resource

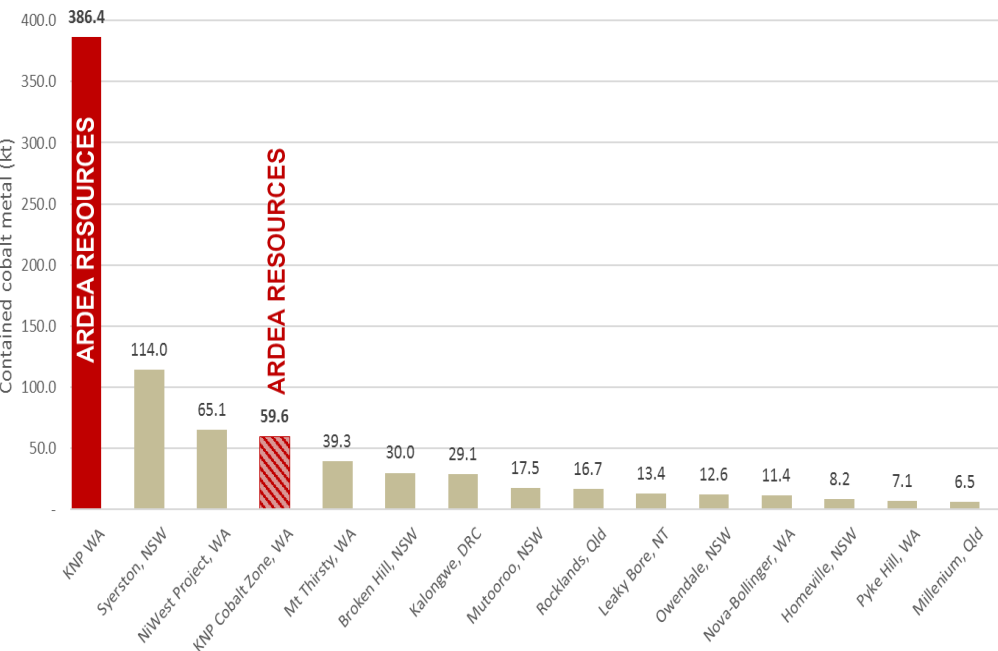
805 Mt at 0.05 % Co and 0.7 % Ni**
386,000 t contained Co metal,
5,600,000 t contained Ni metal.



Focus on the high-grade **Cobalt Zone**,
49.7 Mt at 0.12 % Co & 0.86 % Ni**
59,640 t contained cobalt metal

Australia's largest cobalt deposit...

... by some way.



	Company	Size (Mt)	Co (%)	Co metal (kt)	Project	Mineralisation style
1	Ardea Resources	805	0.05%	386.4	Kalgoorlie Nickel Project, WA	Laterite Ni-Co
2	CleanTeq Holdings	109	0.10%	114	Syerston, NSW	Laterite Ni-Co-Sc
3	GME Resources	108	0.06%	65.1	NiWest Project, WA	Laterite Ni-Co
4	Ardea Resources	50	0.12%	59.6	KNP Cobalt Zone, WA	Laterite Co-Ni-Mn
5	Conico Limited	32	0.12%	39.3	Mt Thirsty, WA	Laterite Ni-Co
6	Cobalt Blue Hlding	36	0.08%	30.0	Broken Hill, NSW	Co sulphide
7	Regal Resources	4	0.72%	29.1	Kalongwe, DRC	Cu-Co sulphide
8	Havilah Resources	18	0.10%	17.5	Mutooroo, NSW	Cu-Co sulphide
9	CuDeco Limited	57	0.03%	16.7	Rocklands, Qld	Cu-Au-Co sulphide
10	Mithril Resources	27	0.05%	13.4	Leaky Bore, NT	Cu-Co sulphide
11	Platina Resources	9	0.15%	12.6	Owendale, NSW	Laterite Ni-Co-Sc
12	Independence Gp	14	0.08%	11.4	Nova-Bollinger, WA	Ni-Cu-Co sulphide
13	Augur Resources	16	0.05%	8.2	Homeville, NSW	Laterite Ni-Co
14	Cougar Metals	10	0.07%	7.1	Pyke Hill, WA	Laterite Ni-Co
15	Hammer Metals	6	0.11%	6.5	Millenium, Qld	Cu-Au-Co sulphide

Australian cobalt from the KNP

An ideal source feeding lithium ion battery production



High-grade cobalt mineralisation, Goongarrie South (KNP Cobalt Zone)

Cobalt is a major component of **lithium ion batteries**

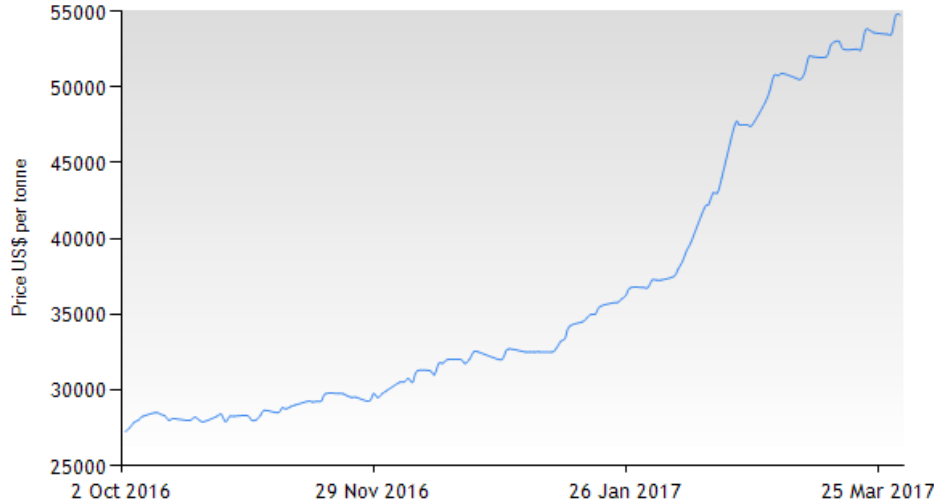
- Contain more cobalt than lithium
- Phones and computers
- Electric and hybrid vehicles
- Solar power storage systems

The most **energy-dense batteries** contain **cobalt**

- Cobalt-nickel cathodes are most efficient
- Provide greater range in cars
- Provide longer charge in computers and phones



Cobalt market



~75,000 tpa global production

Demand is outstripping supply

Presently **US\$54,600/t**, some way to go to repeat 2008 levels

World cobalt supply

Looming supply issues?

Around 60% of global supply is from the Democratic Republic of Congo

Worsening internal political climate

Rioting, protesting, political succession issues

Failure of UN missions

Murder of UN representatives

Human rights issues

Child labour – up to 45% of DRC cobalt mines

Unsafe work practices endemic

Amnesty International 2016*

Tech companies require reliable, ethically-sourced cobalt



*Source: "This is what we die for: Human rights abuses in the Democratic Republic of the Congo power the global trade in cobalt." Amnesty International, January 2016 (AFR 62/3183/2016)



The next automotive revolution is underway



Mercedes Benz

10 electric vehicles by 2022, investing €10 billion

Volkswagen Group

30 electrified vehicles by 2025

Every manufacturer is planning an electrified range

All electrified vehicles will use **Li-ion batteries**



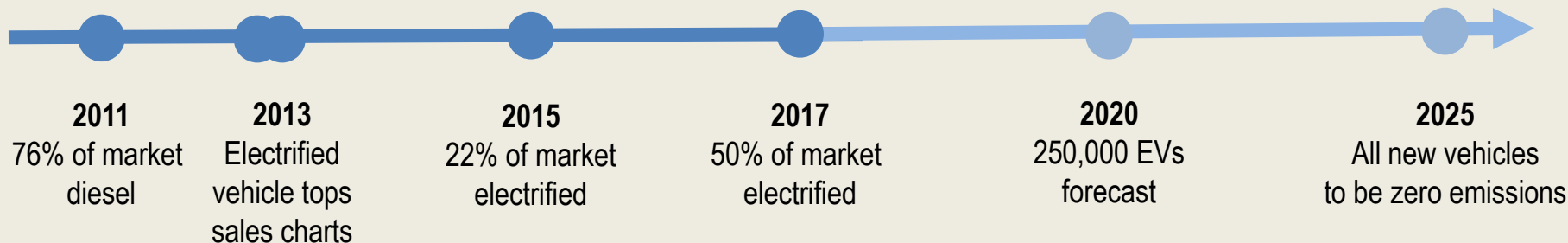
Norway – electrified vehicle market penetration

A sign of things to come?



2013

Tax reductions

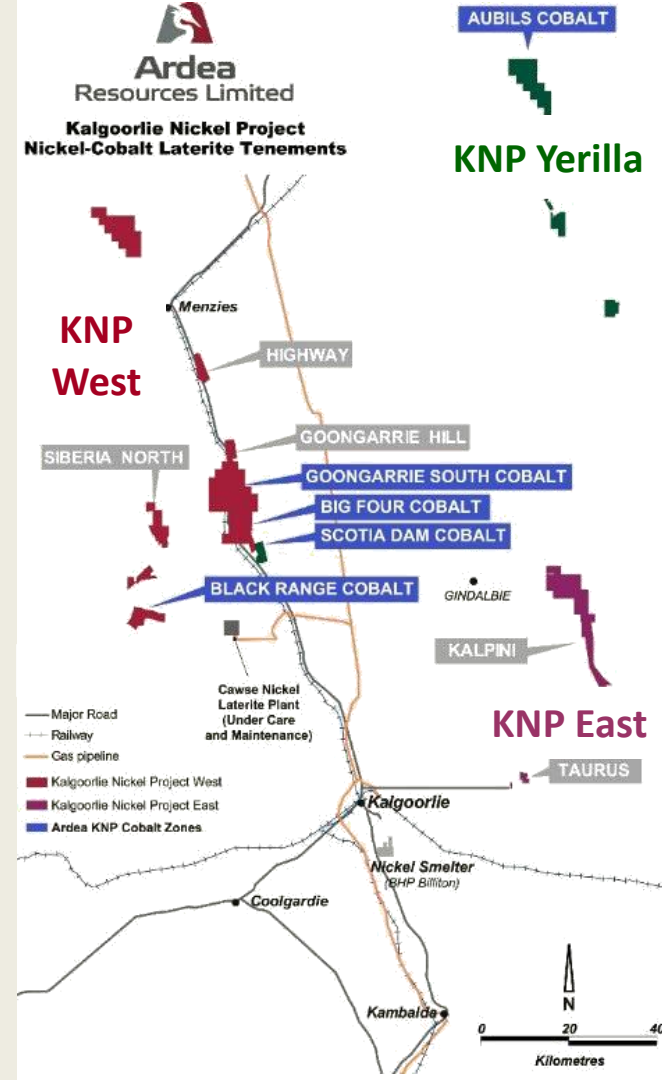


KNP Cobalt Zone

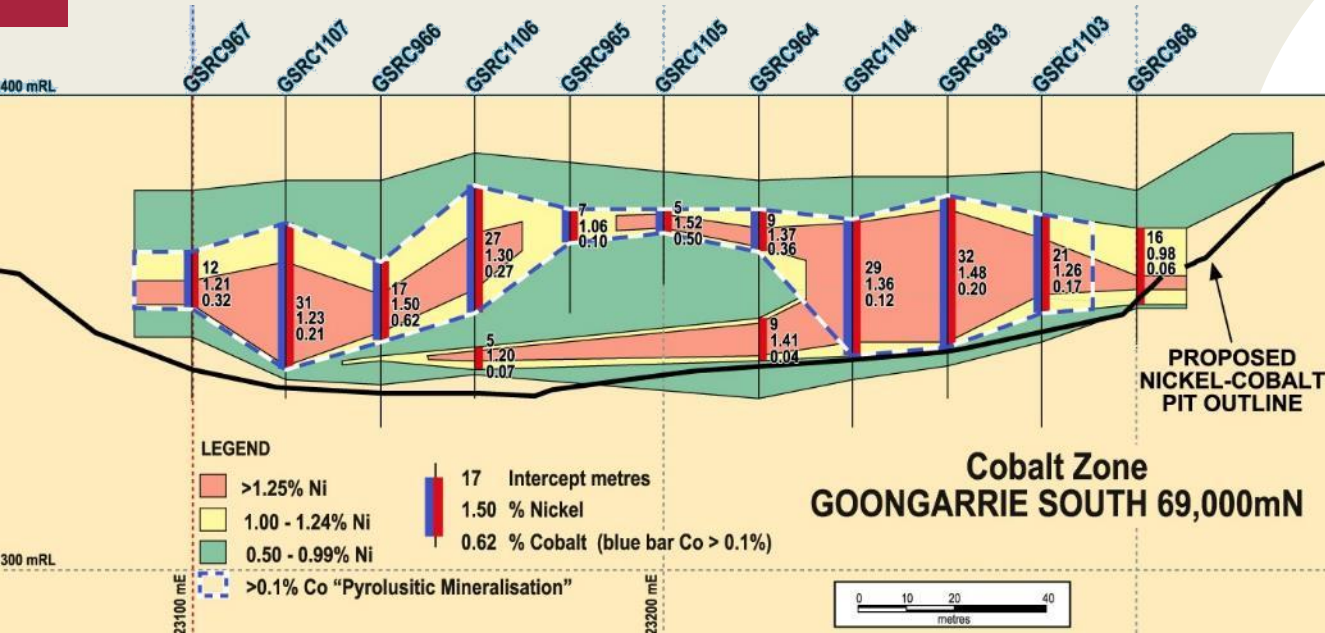
World-significant resource in a stable jurisdiction

Within 150 km of Kalgoorlie, WA
All required infrastructure
Active granted mining leases

\$50 million previous expenditure
Vale Inco and Heron
400,000 m drilling
Detailed metallurgy
Nickel and cobalt focus



KNP Cobalt Zone



Sub-horizontal bodies of cobalt mineralisation at each location

Near surface open-pit mining

- low strip ratio
- easy digging

Pre-feasibility study timeline

Optimise the Cobalt Zone before seeking a funding partner



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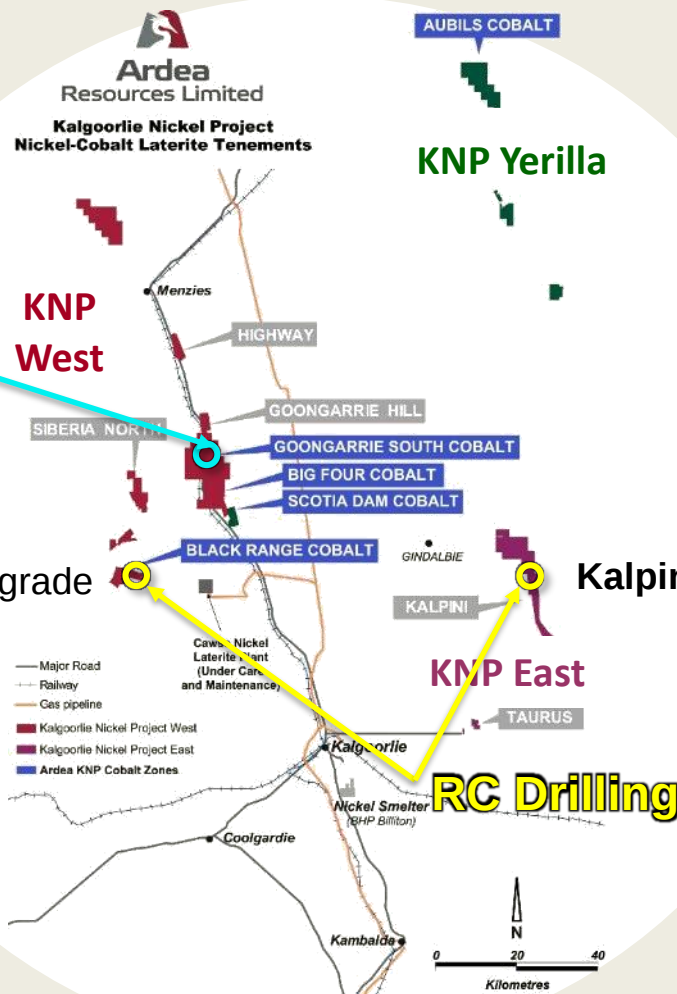
February-April	Geometallurgy of KNP cobalt mineralisation, define metallurgical testing requirements
March	Appoint study manager, award PFS contract
March-April	Black Range and Kalpini RC infill drilling
April	Core drilling, Goongarrie
July	New KNP resource estimate using cobalt cutoff grades
May-September	Bench-scale metallurgical test work and process technology evaluations for the flowsheet
September-January 2018	PFS engineering, cost estimation and reporting, with focus on process flow-sheet and project financials

KNP Drilling

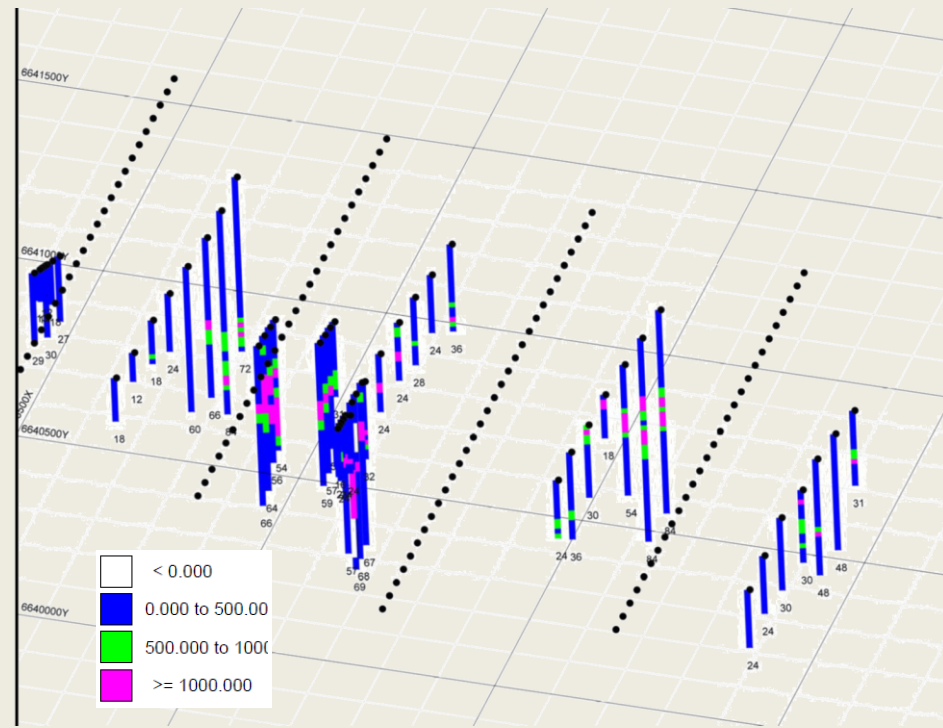
Core Drilling
Goongarrie – metallurgical sampling

Black Range – resource upgrade

Kalpini – addition to KNP Cobalt Zone



Black Range



Drillhole	Easting (mE)	Northing (mN)	From (m)	To (m)	Length (m)	Cobalt (%)	Nickel (%)
BRR0071	304136	6640394	24	48	24	0.216	0.538
BRR0073	304136	6640452	12	24	12	0.162	1.643
BRR0074	304034	6640540	24	36	12	0.241	1.011
BRR0079	303934	6640548	16	40	24	0.121	0.777
BRR0080	303934	6640580	16	40	24	0.138	0.571
BRR0081	303934	6640608	16	52	36	0.108	0.354
BKRC0096	305733	6640459	8	32	24	0.142	0.848
BKRC0097	305735	6640357	12	28	16	0.258	0.844
BKRC0121	302936	6640342	6	18	12	0.148	1.443
BKRC0135	304536	6640755	24	50	26	0.160	0.720
BKRC0136	304538	6640853	32	48	16	0.121	1.101
SIRC1402	303878	6651921	24	30	6	0.306	1.447

24 drill holes planned

Strong **cobalt** mineralisation

Anomalous chromium + platinum

Comparing peers – CleanTeQ and Ardea

Same style of deposit

	Syerston	KNP
Commodities	Co, Ni, Sc	Co, Ni
Ownership	CleanTeQ 100%	Ardea 100 %
Location	NSW	WA
Drilling	>1300 holes	> 9000 holes
Deposit style	Laterite	Laterite
Substrate bedrock	Ultramafic rocks	Ultramafic rocks
Depth	5 to 40 m	0 to 120 m (30-40 m average)
Proposed products	Cobalt + nickel sulphate, scandium oxide	Cobalt + nickel sulphate, chrysoprase?, platinoids?
Contained cobalt	114,000 t	386,000 t (60,000 t in Cobalt Zone)



Comparing peers – CleanTeQ and Ardea

Different valuations

	CleanTeQ	Ardea Resources
PFS (Co, Ni)	Oct 2016	Due Jan 2018
DFS	Due Q4, 2017	?2018-19

~16 months difference

Market Cap (30 Mar)

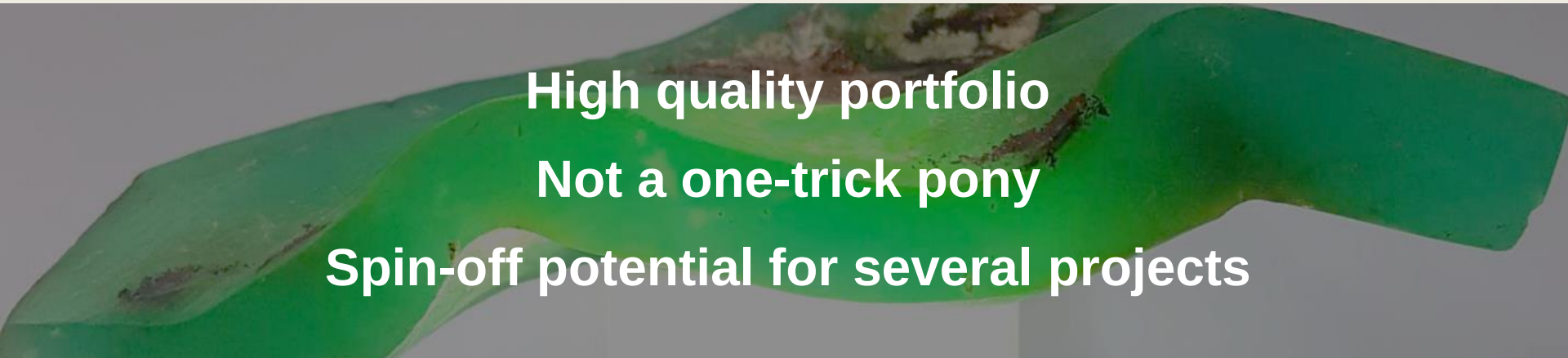
\$470 million

a

\$34.8 million

Ardea's other projects

Also exploring zinc, gold, silver, chrysoprase, nickel, platinum



High quality portfolio

Not a one-trick pony

Spin-off potential for several projects



Thank you

Appendix 1: Resource breakdowns

KNP nickel-cobalt mineral resource (JORC 2012)

Resource Category	Quantity (Mt)	Co (%)	Ni (%)
Measured	9.6	0.081	1.02
Indicated	244.0	0.052	0.75
KNP Total Measured and Indicated	253.6	0.052	0.76
Inferred	551.7	0.046	0.68
KNP Total Resources	805.3	0.048	0.70

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 validated the Snowden Mining Siberia North estimate in 2013. Note that Mineral Resources that are not Ore Reserves do not have demonstrated viability.

App 1: Resource breakdowns (continued)

KNP Cobalt Zone nickel-cobalt mineral resource (JORC 2012)

Area	Prospect	Resource category	Cutoff (% Co)	Size (Mt)	Co (%)	Ni %	MgO* %	FeO* %	Al ₂ O ₃ * %	SiO ₂ * %	CaO* %	Mn* %	Cr* %
Goongarrie	Goongarrie South	Measured	0.08	3.4	0.14	1.19	1.6	47	6.3	17	0.16	1.02	1.27
		Indicated	0.08	11.2	0.11	0.92	1.8	43	6.2	23	0.78	0.71	1.20
		Inferred	0.08	1.4	0.11	0.76	1.8	39	5.9	30	0.32	0.74	1.20
	Big Four	Indicated	0.08	4.5	0.11	0.89	1.6	40	5.3	32	0.68	0.76	1.07
		Inferred	0.08	0.2	0.11	0.95	1.6	38	4.2	36	0.25	0.73	1.09
	Scotia Dam	Inferred	0.08	2.9	0.14	0.88	3.2	34	4.4				
	Goongarrie subtotal			23.6	0.12	0.94							
Siberia	Black Range	Inferred	0.50(Ni)	20.1	0.10	0.75	7.9	28	6.7				
Yerilla	Aubils	Inferred	0.08	6.0	0.15	0.90	6.4	33	4.7	31	4.57	0.91	
KNP Cobalt Zone TOTAL				49.7	0.12	0.86							

*Estimates for MgO, FeO, Al₂O₃, SiO₂, CaO, Mn and Cr are provided for reference only and do not constitute Mineral Resources
Goongarrie South, Big Four and Scotia Dam are effectively a contiguous mineralized belt

See overleaf (slide 39) for JORC 2012 and NI43-101 compliance statement.

App 1: Resource breakdowns (continued)

KNP Cobalt Zone nickel-cobalt mineral resource (JORC 2012) – Compliance Statement

COMPLIANCE STATEMENT (JORC 2012 and NI43-101)

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 July 2014, 27 August 2015, 2015 Heron Annual Report;
2. Big Four-Goongarrie on 13 March 2012, 26 June 2012 and 24 July 2012.

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 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 and verified by Mr Ian Buchhorn who is a Member of the Australasian Institute of Mining and Metallurgy and currently a full-time employee of Heron 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 information in this report that relates to Mineral Resources for the Goongarrie South, Big Four and Aubills Prospects is based on information originally compiled by Mr James Ridley in 2008 and 2009 when employed as a Senior Resource Geologist with Heron Resources Limited. The information in this report that relates to Mineral Resources for the Scotia and Black Range Prospects is based on information originally compiled by Snowden Mining Industry Consultants on behalf of Heron in 2004. The Mineral Resource estimates for all five prospect areas have been reviewed and validated by James Ridley who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ridley is now a full-time employee of Ridley Mineral Resource Consulting Pty 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'. Mr Ridley 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 exploration and industry benchmarking summaries are based on information reviewed by Mr Ian Buchhorn, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Buchhorn is a full-time employee of Heron 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'. Mr Buchhorn 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.

App 1: Resource breakdowns (continued)

Lewis Ponds mineral resource (JORC 2012)

Resource Category	Quantity (Mt)	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)
Indicated						
Main Zone	5.82	2.1	0.1	1.1	1.5	59
Tom's Zone	0.54	5.5	0.3	3.8	1.7	172
Total Indicated	6.35	2.4	0.2	1.4	1.5	68
Inferred						
Main Zone	0.17	1.7	0.1	0.8	0.9	47
Tom's Zone	0.10	5.0	0.2	3.6	1.4	174
Total Inferred	0.27	3.0	0.1	1.9	1.1	96
Total Mineral Resource	6.62	2.4	0.2	1.4	1.5	69

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

The information in this report that relates to Mineral Resources for the Lewis Ponds Project has been reviewed, and verified by Mr Robert Cotton who is a full time employee of Mineral Appraisals Pty Ltd. Mr Cotton who is a Fellow of the AusIMM, takes responsibility for the integrity of Data that have been used to prepare the resource estimates, and for the Geological Model. Mr Cotton 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 JORC Code: Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cotton consents to the inclusion in this report of the matters based on his information in the form and context that it appears.

Appendix 2: Key Risks

An investment in the Company is not risk free. Before deciding to trade in the Shares, Shareholders and interested investors should read the entire Prospectus, consider at least the following risk factors in light of their personal circumstances and investment objectives (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional adviser. The operating and financial performance and position of the Group, the value of Shares and the amount and timing of any dividends that the Company may pay will be influenced by a range of factors. Many of these factors will remain beyond the control of the Group and the Directors. Accordingly, these factors may have a material effect on the Group's performance and profitability which may cause the market price of Shares to rise or fall over any given period. This section identifies the areas the Directors regard as major risks associated with an investment in the Company. This list is not intended to be an exhaustive list of the risk factors to which the Group is exposed.

Specific Risks

Non-grant or non-renewal of title

- A number of Ardea's Tenements are subject to application or renewal, the details of which are set out in the Solicitors' Report. In particular, the Mt Zephyr project consists of 8 tenements, of which 6 are subject to grant. Of these, 3 are subject to objection, and require an access agreement with the holders of prior infrastructure tenements.
- There is a risk that Ardea may not acquire or retain title to these Tenements.
- Under both New South Wales and Western Australian law, exploration tenements are valid for set periods of time and renewal is subject to the approval of the respective State Minister. There is no guarantee that Ardea will be successful in the renewal of exploration tenements as they reach their expiry date, though statutory mechanisms exist to extend title.
- If in future Tenements are not extended, Ardea may suffer damage through loss of the opportunity to discover and/or develop any mineral resources on these Tenements.

Management

- Ardea's management presently consists of two non-executive Directors and a Managing Director. Prior to appointing the full-time management team, the Managing Director will manage Ardea's exploration programs.

App 2: Key Risks (continued)

Limited exploration	• Aside from Lewis Ponds and the KNP, Ardea's projects have been subjected to only limited drill testing. Whilst gold and/or nickel mineralisation as the case may be has been located in multiple previous drill intersections, there is a risk that the mineralisation in adjacent drill holes is not continuous between drill holes. There is also a risk that the presently completed drill holes may not be representative of the overall mineralisation present. Further drill tests are required to determine if mineralisation extends further beyond the geometry as defined in current drill patterns. There is no guarantee that if exploration extends the current resources that it will be capable of sustaining commercial development.
Resource estimates	• Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should Ardea encounter mineralisation different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could have either a positive or negative effect on Ardea's operations.
Exploration and Operating Risks	• The current and future operations of Ardea, including exploration, appraisal, development and possible production activities may be affected by a range of exploration and operating factors, including: (i) geological conditions; (ii) limitations on activities due to seasonal or adverse weather patterns; (iii) alterations to program and budgets; (iv) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling, metallurgical laboratory work and production activities; (v) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events; (vi) industrial action, disputation or disruptions;

App 2: Key Risks (continued)

Exploration and Operating Risks (cont.)

- (vii) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations;
- (viii) unavailability of suitable laboratory facilities to complete metallurgical testwork investigations;
- (ix) failure of metallurgical testing to determine a commercially viable product;
- (x) shortages or unavailability of manpower or appropriately skilled manpower;
- (xi) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- (xii) prevention or restriction of access by reason of inability to obtain consents or approvals; and
- (xiii) Certain of Ardea's tenements are subject to agreements with third parties which limit the commodities that Ardea may exploit on these tenements; with third parties having certain rights. Whilst Ardea does not consider these limitations to be unduly onerous, there is a risk that these restrictions may not be in Ardea's best interests or that the third parties may, in asserting their rights over Ardea's tenements, not act in Ardea's best interests.

Commodity Prices

- Ardea may derive some of its future revenue from the sale of commodity products, or from the sale of either intermediate or fully-separated products. Consequently, any earnings will be closely related to the price of these commodities together with the terms of any off-take agreement(s) under which Ardea's products may be sold.
- Commodity prices fluctuate and are affected by numerous factors beyond the control of Ardea. These factors include worldwide and regional supply and demand for the specific commodity, prevailing commodity trading terms, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on Ardea's exploration, project development and production plans and activities, together with the ability to fund those plans and activities. Furthermore, some products are not traded upon terminal, liquid, commodity exchanges. There is a risk therefore that Ardea may not be able to secure an attractive price for its commodity products.

App 2: Key Risks (continued)

Environment	• The projects are subject to Western Australian, New South Wales and Federal laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, the projects would be expected to have a variety of environmental impacts should development proceed. In particular, the Donnelly River project application covers areas of private land and state forests. There is a risk that owners' rights and environmental requirements may restrict or prevent Ardea from carrying out its exploration activities. • Ardea intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by Ardea's activities are rehabilitated as required by applicable laws.
Mining Tax and Royalties	• There is a risk that the Commonwealth, New South Wales or Western Australian Governments may seek to introduce further, or increase existing, taxes and royalties.
Encumbrances on Title	• Ardea may at a future date be required to encumber part or all of its tenure to expedite future commercial transactions.
Funding	• Ardea may derive some of its future revenue from the sale of commodity products, or from the sale of either intermediate or fully-separated products. Consequently, any earnings will be closely related to the price of these commodities together with the terms of any off-take agreement(s) under which Ardea's products may be sold. • Commodity prices fluctuate and are affected by numerous factors beyond the control of Ardea. These factors include worldwide and regional supply and demand for the specific commodity, prevailing commodity trading terms, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on Ardea's exploration, project development and production plans and activities, together with the ability to fund those plans and activities. Furthermore, some products are not traded upon terminal, liquid, commodity exchanges. There is a risk therefore that Ardea may not be able to secure an attractive price for its commodity products.
Unforeseen Risks	• There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on Ardea and its operations, and on the valuation and performance of Ardea's Shares.

App 2: Key Risks (continued)

Other Risks

General Economic Risks and Business Climate Risks

- Share market conditions may affect the listed securities regardless of operating performance. Share market conditions are affected by many factors such as:
 - (a) general economic outlook;
 - (b) movements in or outlook on interest rates and inflation rates;
 - (c) currency fluctuations;
 - (d) commodity prices;
 - (e) changes in investor sentiment towards particular market sectors; and
 - (f) the demand and supply for capital.
- Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which Ardea may have an interest.

Native Title Risks

- The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on Ardea's operations and future plans.
- Native Title can be extinguished by valid grants of land or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native Title is not extinguished by the grant of mining leases, as they are not considered to be grants of exclusive possession. A valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.
- For tenements to be validly granted (or renewed) after 23 December 1996 the special 'right to negotiate' regime established by the Native Title Act must be followed.
- It is important to note that the existence of a Native Title claim is not an indication that Native Title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court.
- Ardea must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations.

App 2: Key Risks (continued)

Exploration, Development, Mining and Processing Risks

- The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuing success of these activities is dependent on many factors such as:
 - (a) the discovery and/or acquisition of economically recoverable ore reserves;
 - (b) successful conclusions to feasibility studies;
 - (c) access to adequate capital for project development;
 - (d) design and construction of efficient mining and processing facilities within capital expenditure budgets;
 - (e) securing and maintaining title to tenements and compliance with the terms of those tenements;
 - (f) obtaining consents and approvals necessary for the conduct of exploration and mining; and
 - (g) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.
- Adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues.
- Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, integrity of mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.
- Mining is an industry which has become subject to increasing legislative regulation including but not limited to environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. The introduction of new laws and regulations or changes to underlying policy may adversely impact on the operations of Ardea.