

10 August 2017

Dear Shareholder,

Offer by Ardea Resources Limited to Participate in Share Purchase Plan

The Directors of Ardea Resources Limited ("the Company" or "Ardea") are pleased to invite you, as an eligible shareholder of the Company at 5pm WST on the record date of 3 August 2017 ("the Record Date") ("Eligible Shareholder") to subscribe for additional fully paid ordinary shares in the Company ("New Shares"), free of all brokerage and commission costs, under the terms and conditions of the Company's Share Purchase Plan ("SPP") enclosed with this offer.

As announced to the ASX on 4 August 2017, the Company is offering to Eligible Shareholders New Shares at a 15% discount to the volume weighted average price of Ardea shares traded on the Australian Securities Exchange over the 5 days up to, and including, the day on which the SPP offer closes, rounded down to the nearest half cent. Funds raised will be primarily directed towards accelerating exploration and development on the Company's projects, and for working capital.

Eligible Shareholders will each be entitled to apply for up to \$15,000 worth of New Shares, without any brokerage or transaction costs ("The Offer").

The market price of the Company's shares may rise or fall between now and the date when the New Shares are issued in accordance with the SPP.

The Directors see the following advantages for Eligible Shareholders in subscribing for New Shares under the SPP:

1. Shareholders may 'top up' their holdings to a marketable parcel;
2. No brokerage or transaction costs are payable on New Shares; and
3. The issue price will be at a 15% discount to the VWAP calculated over the 5 days up to, and including, the day on which the SPP offer closes.

The Offer is non-renounceable, in that you cannot transfer your right to buy shares under the SPP to another person. However, your participation under the SPP is optional and you may elect not to participate at all, by doing nothing.

Each Eligible Shareholder may participate by completing an Application Form and subscribing for one of the following offers of New Shares:

	Subscription Amount
Offer A:	\$2,000.00
Offer B:	\$5,000.00
Offer C:	\$10,000.00
Offer D:	\$15,000.00

The Directors reserve the right to reject or scale back any applications in whole or in part. The Company will return any application monies paid in relation to unsuccessful applications without interest.

To take up this Offer:

1. please read the enclosed Terms and Conditions of the SPP;
2. complete the enclosed the personalised Share Purchase Plan Application Form ("Application Form") specifying the total subscription price for those New Shares; and
3. send the completed Application Form by 5pm (WST) on 30 August 2017 ("the Closing Date"), with your cheque made payable to **Ardea Resources Limited**, and crossed Not Negotiable to the Company's share registry at:

Security Transfer Australia Pty Ltd
PO Box 52
Colins Street West VIC 8007

Alternatively, you can use the BPay[®] facility as set out on the Application Form. If you make a BPay[®] payment, you do not need to return the Application Form. Please note that New Zealand Shareholders having an Australian bank account can also use BPay[®].

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPay[®]. It is your responsibility to check that the amount you wish to pay via BPay[®] does not exceed your limit.

Shareholders are responsible for making sure that any BPay[®] payments are made in time to become cleared funds in the account before close of business on the Closing Date. Delays may be experienced such that a BPay[®] transfer on the Closing Date is unlikely to be cleared funds by close of business on the Closing Date.

You should note that the Company may elect to close the offer at any time, or extend the Closing Date.

Key Dates

Date	Details
3 August 2017	Record Date 5.00pm (WST) The date on which the Company determined shareholders eligible to participate in the SPP, being shareholders registered on that date with an address in Australia or New Zealand.
4 August 2017	SPP Announced to ASX
10 August 2017	Opening Date The date the SPP offer is made – SPP opens.
30 August 2017	Closing Date The date on which the SPP offer closes. Applications and payments (including BPAY) must be received by 5.00pm (WST).
6 September 2017	Issue Date The date New Shares are issued.
7 September 2017	Dispatch Date The date on which holding statements are sent to shareholders who subscribed for New Shares under the SPP.
7 September 2017	Share Trading Date The date on which it is expected that the New Shares will commence trading on the ASX.

The timetable is indicative only and the Company may, at its discretion, vary any of the above dates except for the Record Date and the Opening Date.

Please contact the Company on (08) 6500 9200 or via e-mail at ardea@ardearesources.com.au if you have any queries in relation to this Offer or how to accept it.

I also encourage you to visit our website at www.ardearesources.com.au and sign up for our email news to keep up to date with our exploration and development progress.

Yours faithfully



Katina Law
Chair

ARDEA RESOURCES LIMITED
ABN 30 614 289 342

SHARE PURCHASE PLAN TERMS AND CONDITIONS

These terms and conditions are the terms and conditions of the Ardea Resources Limited (“**Company**”) 2017 Share Purchase Plan (“**SPP**”) (as contemplated by Regulatory Guide 125 of the Australian Securities & Investments Commission and Class Order 09/425) and are binding on any shareholder completing a Share Purchase Plan Application Form attached hereto.

1. The Offer

The Offer is an invitation to offer to subscribe for fully paid ordinary shares in the Company (“**Shares**”) up to a maximum subscription of \$15,000 at an issue price equal to a 15% discount to the VWAP calculated over the 5 days up to, and including, the day on which the SPP offer closes.

You may refuse the Offer.

The Offer to each eligible shareholder is made on the same terms and conditions. The Offer is non-renounceable (i.e. you may not transfer your right to acquire a Share to anyone else).

2. Opening and Closing Date of the Offer

The Offer opens at 9.00am WST on 10 August 2017. The Offer closes at 5.00pm WST on 30 August 2017. The Directors of the Company reserve the right to change the closing date of the Offer.

No late applications will be accepted.

3. Eligibility

You are eligible to apply for the New Shares if:

- (a) your registered address in the Company’s register of members is in Australia or New Zealand or otherwise to any shareholder to whom an offer of securities under this SPP is not in breach of the securities laws of the country in which they reside; and
- (b) you were registered as a holder of fully paid shares in the Company as at 5.00pm WST on 3 August 2017.

4. Issue Price

The issue price for each New Share under the Offer is equal to a 15% discount to the VWAP calculated over the 5 days up to, and including, the day on which the SPP offer closes. As required by ASIC Regulatory Guide 125, it is confirmed that the issue price is less than the market price for the Company’s fully paid ordinary shares on 4 September 2017.

In accordance with the requirements of ASIC Class Order [CO/425], the Company confirms that the issue price will be less than the market price of the Company’s shares during ‘a specified period’ in the 30 days before the date of the issue (such specified period being the 5 days in which trading in the Company’s shares occurs before the SPP offer closes).

As required by ASX Listing Rule 7.2 Exception 15, the issue price will represent at least 80% of the volume weighted average price for the 5 days in which trading in the Company’s shares occur before the date the issue is made.

5. Rights Attaching

The rights and obligations of the New Shares are contained in the Constitution of the Company (which is available for inspection at the registered office of the Company during the period of the Offer). The New Shares will be issued on the same terms as all other ordinary shares in the Company and the Company will apply for the New Shares to be quoted on ASX.

If the New Shares are not quoted on ASX, the New Shares will not be issued and funds will be refunded.

6. Number of Shares

If you are an eligible shareholder, you can purchase up to a maximum of \$15,000 worth of shares. Shareholders can select one of the following four alternatives:

Offer A	\$2,000
Offer B	\$5,000
Offer C	\$10,000
Offer D	\$15,000

The total costs of New Shares purchased by each eligible shareholder (including through joint holding(s), multiple share accounts or any holding in which they have a beneficial interest/s) must not exceed \$15,000. The Directors reserve the right to issue to an eligible shareholder less New Shares than the number specified in an Application Form (including only that number of shares per accepted Application Form that permits the Company to comply with ASX Listing Rule 7.1) for whatever reason, including to avoid the possible subscription of over \$15,000 worth of New Shares by a shareholder through multiple applications or joint holdings. No fractions of New Shares will be issued.

7. Maximum Number of New Shares to be Issued

The total number of New Shares under the SPP must not exceed 30% of the number of Shares currently on issue. The Directors reserve the right to reject or scale back any applications in whole or in part.

8. Participation Costs

You must pay the issue price per New Share and any fees or charges incurred by you in completing the Application Form, for example, bank fees or fees of professional advisors. No commission is payable by the Company on the issue of the New Shares and no brokerage applies.

9. Allotment of Shares

Subject to point 7 above, the New Shares will be allotted as soon as possible after the closing date.

The Company will send or cause to be sent to you a holding statement in due course.

10. Payment for The New Shares

All amounts in this Offer are expressed in Australian dollars. You must pay for the New Shares by BPay® following the instructions on the Application Form, or by cheque in Australian dollars made payable to "Ardea Resources Limited". Please provide a cheque for the exact amount. If you do not provide the exact amount, the Company reserves the right to return your Application Form and cheque (in which case you will receive no New Shares) or issue you a lesser number of New Shares and (if necessary) return a portion of your funds. No interest will be paid on money returned.

11. Offers Under the SPP

The Company may make more than 1 invitation to acquire New Shares under the SPP in any 12 month period. Shareholders will not be able to acquire New Shares to a value exceeding \$15,000 pursuant to the SPP in any 12 month period. The Company may amend the terms of the SPP to provide for different terms to apply to different invitations. The Company may terminate the SPP at any time. Notice of invitations, the terms of invitations and termination of the SPP will be provided to ASX. (Although, failure to give notice will not invalidate the event.)

12. Application of SPP

The Company may act or omit to act in relation to the SPP (including applying the terms of the SPP) in its absolute discretion. The Company may settle any difficulty of question of fact or interpretation in relation to the SPP in any matter it thinks fit, whether generally or in relation to any participant, application or Share. The Company's decision will be conclusive and binding. The Company reserves the right to waive strict compliance with the terms of the SPP. The Directors of the Company or any delegate of them may exercise the powers of the Company under the terms of the SPP.

13. Risk

The SPP is a speculative investment and the market price may change between the dates you apply for Shares and the issue of New Shares to you. Accordingly, the value of New Shares applied for may rise or fall.

This Offer is not a prospectus and does not require the types of disclosures required under the Corporations Act. You must rely on your own knowledge of the Company, previous disclosures made by the Company to ASX, and, if necessary, consult your professional advisor when deciding whether or not to accept the Offer and participate in the SPP.

14. Privacy

By receiving completed Application Forms, the Company collects personal information about shareholders. The Company will use this information for the purposes of processing the Application Form and updating the records of the Company. Unless required by the law, the Company will not disclose the personal information for another purpose without the consent of the shareholder. Except as stated by the law, shareholders are able to access, upon request, their personal information held by the Company. For further information about how we manage your personal information or if you wish to obtain a copy of the Company's Privacy policy, please contact us.

15. Use of Funds

The application of funds raised pursuant to the SPP is described in the letter to shareholders dated 10 August 2017 inviting them to participate in the SPP.

16. Important Dates

The important dates in relation to this Offer are summarised below. These dates are indicative only and subject to change at the discretion of the Directors.

3 August 2017	SPP record date (to determine who Eligible Shareholders are)
4 August 2017	SPP announced to market
10 August 2017	SPP offer is made – SPP opens
30 August 2017	SPP offer closing date
6 September 2017	New Shares issue date
6 September 2017	Holding statements dispatch date
7 September 2017	Expected commencement date of trading New Shares on ASX

17. Joint Holders

If you are a joint holder of existing Shares, you are taken to be a single registered holder of existing Shares for the purposes of determining whether you are an Eligible Shareholder and joint holders are entitled to participate in the SPP in respect of that single holding only.

18. Custodians

Eligible shareholders who hold Shares as a "custodian" (as defined in ASIC Class Order 09/425) ("**Custodian**") may participate in the SPP on behalf of one or more persons whom the Custodian holds Shares on behalf of ("**Custodian Beneficiaries**"). If a Custodian applies for New Shares on behalf of a Custodian Beneficiary, the Company may not issue New Shares to the Custodian under the SPP unless the Custodian gives the following (or substantially the following) ("**Custodian Certificate**") in writing to the Company. The Company will supply an appropriate Custodian Certificate upon request to the Company Secretary,

- (a) either or both of the following:
 - (i) that the Custodian holds the Shares on behalf of one or more persons that are not custodians ("**Participating Beneficiaries**"); or

- (ii) that another custodian (“**Downstream Custodian**”) holds beneficial interests in Shares on behalf of a Participating Beneficiary, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another custodian,

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

- (iii) where sub-paragraph (a)(i) applies – the Custodian; and
- (iv) where sub-paragraph (a)(ii) applies – the Downstream Custodian,

to apply for New Shares under the SPP on their behalf;

- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary, and that each Participating Beneficiary’s address is located in Australia or New Zealand;
- (d) that each Custodian Beneficiary is not in the United States and that the Custodian has not sent any materials relating to the SPP to any person in the United States;
- (e) in respect of each Participating Beneficiary:
 - (i) where sub-paragraph (a)(i) applies – the number of Shares that the Custodian holds on their behalf; and
 - (ii) where sub-paragraph (a)(ii) applies – the number of Shares to which the beneficial interests relate;
- (f) in respect of each Participating Beneficiary:
 - (i) where sub-paragraph (a)(i) applies – the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
 - (ii) where sub-paragraph (a)(ii) applies – the number or the dollar amount of New Shares they instructed the Downstream Custodian to apply for on their behalf;
- (g) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds A\$15,000:
 - (i) the New Shares applied for by the Custodian under the SPP in accordance with the instructions referred to in sub-paragraph (f); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP;
- (h) that a copy of this offer was given to each Participating Beneficiary; and
- (i) where sub-paragraph (a)(ii) applies – the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

SHARE PURCHASE PLAN APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:
SUITE 2, 45 ORD STREET
WEST PERTH WA 6005
AUSTRALIA

ARDEA RESOURCES LIMITED

ABN: 30 614 289 342

SHARE REGISTRY:
Security Transfer Australia Pty Ltd

All Correspondence to:
PO Box 52
Collins Street West VIC 8007



«Post_zone»
«Company_code» «Sequence_number»

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

«Holder_name»

«Address_line_1»

«Address_line_2»

«Address_line_3»

«Address_line_4»

«Address_line_5»

Code: ARL

Holder Number:

Record Date: 3 AUGUST 2017

NON-RENOUCEABLE SHARE OFFER CLOSING AT 5.00PM WST ON 30 AUGUST 2017

THE NUMBER OF NEW SHARES TO BE ISSUED BY THE COMPANY ON THE ISSUE DATE WILL BE DETERMINED ON A SUBSCRIPTION PRICE FOR EACH NEW SHARE EQUAL TO 15% DISCOUNT TO THE VOLUME WEIGHTED AVERAGE PRICE (AS DEFINED IN THE LISTING RULES OF THE AUSTRALIAN SECURITIES EXCHANGE LIMITED) OF EXISTING FULLY PAID ORDINARY SHARES IN THE COMPANY QUOTED ON THE ASX DURING THE PERIOD OF 5 DAYS ON WHICH SALES WERE RECORDED IMMEDIATELY PRIOR TO THE OFFER CLOSING ON 30 AUGUST 2017.

(1) I/We, the above mentioned, wish to apply for the number of Fully Paid Ordinary Shares which will be issued in accordance with the Share Purchase Plan (SPP) and the Constitution of the Company as stated below: **(please mark "X" to indicate one choice only)**

		TOTAL SUBSCRIPTION AMOUNT APPLIED FOR
OFFER A	☐	\$ 2,000
OFFER B	☐	\$ 5,000
OFFER C	☐	\$ 10,000
OFFER D – Maximum amount	☐	\$ 15,000

(2) I/We have enclosed/made payment for the amount shown above (following the payment instructions as detailed overleaf).

(3) I/We agree to be bound by the terms of the SPP.

(4) I/We hereby agree to accept any lesser number of new Shares applied for.

(5) I/We hereby certify that the amount of Shares subscribed for by me/us pursuant to the SPP (being a maximum of \$15,000 worth of Shares) does not exceed \$15,000 taking into account the Shares the subject of this application and any other Shares applied for by me/us under the SPP or any other similar arrangement within the 12 months prior to this application including other beneficial interests. **Limit on Participation and Custodian Certification - see overleaf for details.**

(6) My/Our contact details in case of enquiries are:

NAME **TELEPHONE NUMBER**

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EMAIL ADDRESS

PAYMENT INFORMATION - Please also refer to payment instructions overleaf.

Biller code: 159483
Ref: <<EFT_REFERENCE_NUMBER

Telephone & Internet Banking – BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit, or transaction account.
More info: www.bpay.com.au

CHEQUE / MONEY ORDER

All cheques (expressed in Australian currency) are to be made payable to **ARDEA RESOURCES LIMITED** and crossed "Not Negotiable".

REGISTRY DATE STAMP

E & O.E.

Your BPAY reference number is unique to this offer and is not to be used for any other offer.

BPAY PAYMENT OR THE RETURN OF THIS FORM WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.

You do not need to return this form if you have made payment via BPAY.

ARLSPPW5300817

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LODGEMENT INSTRUCTIONS

PAYMENT INFORMATION



Bill code: 159483

® Registered to BPAY Pty Ltd ABN 69 079 137 518

Contact your bank or financial institution to make this payment from your cheque, savings, debit, or transaction account.
More info: www.bpay.com.au

Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY® applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

LIMITATION ON PARTICIPATION

The maximum subscription limitation of \$15,000 will apply even if an eligible Holder has received more than one form (whether in respect of a joint holding or because the eligible Holder has more than one holding under separate Security accounts).

CUSTODIAN CERTIFICATION

If you are a Custodian (as defined in ASIC Class Order 09/425), you must submit a custodian certificate to ARDEA RESOURCES LIMITED. If you did not receive a custodian certificate, contact Security Transfer Australia Pty Limited. If you need further information to determine whether you are a Custodian, refer to the terms and conditions of the Plan which accompany this Share Purchase Plan Application Form or contact Security Transfer Australia Pty Limited.

CHEQUE / MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West VIC 8007

Applications must be received by Security Transfer Australia Pty Ltd no later than 5.00pm WST on the closing date.

CERTIFICATION

By making payment for the application monies, I/we hereby:

1. Acknowledge that I/we have read and understood the Terms of the SPP;
2. Agree to be bound by the Terms of the Constitution of the Company and the SPP;
3. Agree to accept any lesser number of new Securities than the number of Securities applied for; and
4. (If not a Custodian as defined in ASIC Class Order 09/425) Certify that the amount of Securities subscribed for by me/us pursuant to the SPP does not exceed the maximum amount taking into account the Securities the subject of this application and any other Securities applied for by me/us under the SPP or any other similar arrangement within the 12 months prior to this application including joint and other beneficial interests.

ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Australia Pty Ltd
PO Box 52, Collins Street West, VIC, 8007
Telephone 1300 992 916
Facsimile +61 8 9315 2233
Email: registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.