

ASX & Media Release

26 February 2021

ASX Symbol

ARL

Ardea Resources LimitedSuite 2 / 45 Ord St
West Perth WA 6005PO Box 1433
West Perth WA 6872**Telephone**

+61 8 6244 5136

Email

ardea@ardearesources.com.au

Website

www.ardearesources.com.au

DirectorsMathew Longworth
*Non-Executive Chair*Andrew Penkethman
*Managing Director & CEO*Ian Buchhorn
*Technical Executive Director***Executive Management**Sam Middlemas
*Company Secretary & CFO*Matt Painter
*General Manager Exploration***Issued Capital**Fully Paid Ordinary Shares
127,670,582Directors/Employee
Performance Rights
4,236,000

ABN 30 614 289 342

Tenement Sale and Purchase Agreement signed with Larvotto Resources over Bedonia West

Ardea Resources Limited (ASX: ARL, **Ardea** or **the Company**) advises that as part of its strategy to prioritise exploration and development work on its Kalgoorlie Nickel Project (**KNP**) tenure, within 150km of the City of Kalgoorlie-Boulder, that the Company has executed a Tenement Sale and Purchase Agreement (**SPA**) with Larvotto Resources Limited (**Larvotto**) for the divestment of its non-core Bedonia West project.

In consideration for the 100% acquisition of Bedonia West, to be called the Eyre Project by Larvotto, Larvotto will meet tenement holding costs from execution of the SPA; Larvotto aims to list on the ASX and will issue Ardea \$200,000 worth of ordinary shares in the IPO (with a deemed value equal to Larvotto's IPO price); and Larvotto grants to Ardea a 1.5% NSR, with an option to extinguish the NSR for \$2,000,000 (in cash or Larvotto shares, at Ardea's election).

The divestment is subject to conditions precedent, including Larvotto being satisfied with its due diligence investigations and Larvotto completing a minimum \$4,000,000 (before costs) IPO and successfully seeking admission to the ASX Official List.

At present, Ardea does not intend to conduct an in-specie distribution of the Larvotto shares but notes that Ardea shareholders will retain exposure to Larvotto while Ardea holds the Larvotto Shares, which may be subject to ASX escrow upon the listing of Larvotto.

Ardea does not intend to seek shareholder approval for the divestment.¹

Ardea will continue to consolidate its large West Australian project portfolio and focus on the development of the KNP and its sub-set the Goongarrie Nickel Cobalt Project as well as targeted exploration of compelling nickel sulphide and gold targets within the KNP.

Authorised for lodgement by the Board of Ardea.

For further information regarding Ardea, please visit

<https://ardearesources.com.au/> or contact:

Andrew Penkethman
Managing Director and Chief Executive Officer,
Ardea Resources Limited

Tel +61 8 6244 5136

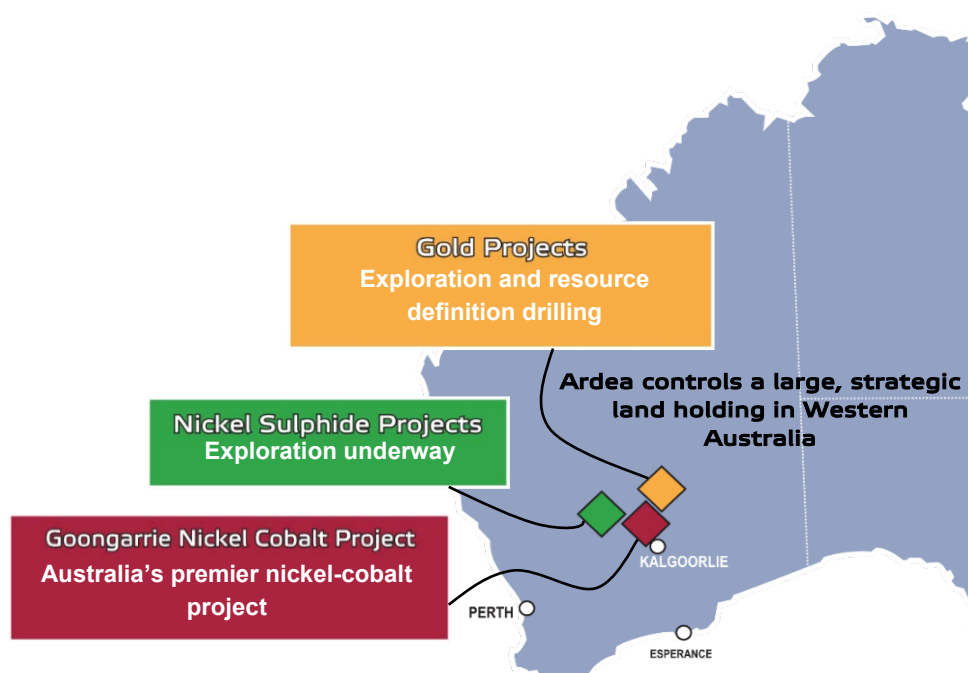
Email: ardea@ardearesources.com.au

¹ As at 30 June 2020, Ardea's net asset position was approximately \$32.7 million. Accordingly, the sale of the Bedonia West Project is not a major asset for the purposes of Listing Rule 11.4.

About Ardea Resources

Ardea Resources Limited (ASX:ARL) is an ASX-listed resources company, with a large portfolio of 100% controlled West Australian-based projects, focussed on:

- Development of the Kalgoorlie Nickel Project (KNP) and its sub-set the Goongarrie Nickel Cobalt Project (GNCP), a globally significant series of nickel-cobalt deposits which host the largest nickel-cobalt resource in the developed world;
- Systematic evaluation of gold targets within the GNCP to quantify joint gold and nickel-cobalt development opportunities and consequent joint infrastructure “dividends”; and
- Advanced-stage exploration at compelling WA nickel sulphide and gold targets within the KNP Eastern Goldfields world-class nickel-gold province.



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About Larvotto Resources Limited

Larvotto Resources is a Limited public unlisted company that is putting together a portfolio of early to advanced exploration projects in Australia and New Zealand with the aim of listing on the Australian Securities Exchange in 2021. Larvotto's board is a mix of experienced explorers and corporate managers. The company has a focus on gold, copper and cobalt and has previously announced a purchase of the Highlands Copper Gold Cobalt project near Mt Isa in Queensland from Minotaur Exploration (ASX:MEP).