



Ardea Resources Limited

ABN 30 614 289 342

Registered and Business Office
Suite 2, 45 Ord Street
West Perth WA 6005 Australia
Tel: +61 8 6244 5136

Email: ardea@ardearesources.com.au

21 October 2019

Ardea Resources Limited (ASX:ARL) (Company) advises that the Company has prepared the following Addendum to the Notice of Meeting for the General Meeting to be held on Monday, 4 November at 10.00am (WST) at the Quest, 54 Kings Park Road, West Perth, Western Australia (Notice).

Addendum

The Company provides the following Addendum in order to provide shareholders with additional disclosure regarding the Company's proposed spin-out of Godolphin Resources Limited (Godolphin) and an in-specie distribution (In-Specie Distribution) of fully paid ordinary shares in Godolphin (Godolphin Shares).

The Company notes that the Godolphin Shares will not be quoted on the ASX pursuant to the short-form prospectus lodged in conjunction with the Notice.

In order for the Godolphin Shares to commence trading on the ASX, Godolphin will be required to lodge a prospectus in accordance with section 710 of the Corporations Act (Prospectus). The Prospectus will contain an offer by Godolphin to raise at least \$4,500,000 and up to \$8,000,000 (before costs) through the issue of at least 22,500,000 and up to 40,000,000 Godolphin Shares (Public Offer), which will include an offer to the Company's shareholders.

The Public Offer under the Prospectus will be conditional upon the following events occurring:

- (a) the Company obtaining shareholder approval for the In-specie Distribution;
- (b) the conditions precedent to a demerger implementation deed between the Company and Godolphin (and others) being satisfied or waived;
- (c) Godolphin raising not less than \$4,500,000 (before costs) under the Public Offer; and
- (d) ASX granting in-principle approval to admit Godolphin to the Official List on conditions which the Directors are confident can be satisfied.

An application for admission of the Godolphin Shares to quotation on the ASX will be made to the operator of that market within 7 days after the date of the Prospectus, however, the Company's shareholders must note that the Godolphin Shares will not commence trading unless the above conditions are satisfied. Shareholders should note that there is no guarantee that the conditions will be satisfied, and even if the above conditions are satisfied, there is no guarantee that the Godolphin Shares will commence trading on the ASX.

Further information on Godolphin, and the Godolphin Shares, will be available in the Prospectus.

Robert (Sam) Middlemas
Company Secretary

Proxy Forms

The Company confirms that there have been no changes to the Proxy Form previously dispatched to Shareholders. Shareholders are advised that:

- If you have already completed and returned the Proxy Form which was provided with the original Notice of Meeting and you wish to change your vote, you must complete and return a new Proxy Form. Please contact the Company if you require a new Proxy Form.
- If you have already completed and returned the Proxy Form which was annexed to the original Notice of Meeting and you do not wish to change your vote, you do not need to take any action as the earlier submitted Proxy Form will be accepted by the Company unless you submit a new Proxy Form.
- If you have not yet completed and returned a Proxy Form and you wish to vote on the Resolutions in the Notice of Meeting, please complete and return the Proxy Form.

To vote in person, please attend the Meeting at the time, date and place set out above.

ARDEA RESOURCES LIMITED

ACN 614 289 342

ADDENDUM TO NOTICE OF GENERAL MEETING

Ardea Resources Limited (**Company**) hereby gives notice to Shareholders that, in relation to the Notice of Meeting and Explanatory Memorandum dated 3 October 2019 in respect of the General Meeting to be held on Monday, 4 November at 10.00am (WST) at the Quest, 54 Kings Park Road, West Perth, Western Australia (**Meeting**), the Directors have resolved to supplement the information contained in the Explanatory Memorandum as set out below.

The numbering used in this Addendum reflects the numbering used in the Notice and the Explanatory Memorandum. Capitalised terms used in this Addendum are as defined in the Notice and the Explanatory Memorandum, unless expressly defined otherwise.

Explanatory Memorandum

Section 1.6 is deleted and replaced as follows:

Event	Date
Godolphin lodges prospectus with ASIC	The week commencing 28 October 2019
Godolphin applies for admission to the Official List	The week commencing 4 November 2019
Extraordinary General Meeting to approve the In-specie Distribution of Godolphin Shares ASX informed of Shareholder approval	4 November 2019
ASX Conditional Admission Letter for Godolphin Application to Official List	25 November 2019
Godolphin closes Priority Offer	25 November 2019
Godolphin closes Public Offer	25 November 2019
Record Date	5 December 2019
Completion of acquisition of the NSW Assets	9 December 2019
In-specie Distribution to Shareholders of Godolphin Shares	12 December 2019
Dispatch of holding statements for In-Specie Distribution	17 December 2019
Godolphin Shares commence trading on ASX	20 December 2019

These dates are indicative only and may change without notice. Refer to Section 3.3 for further details.

Section 3.1 is deleted and replaced with the following:

3.1 Background and Overview of the Proposal

The Company is an ASX listed, Australian based resources company, with a focus on projects within the Kalgoorlie Nickel Project, Eastern Goldfields of WA and the Lachlan Fold Belt in central NSW.

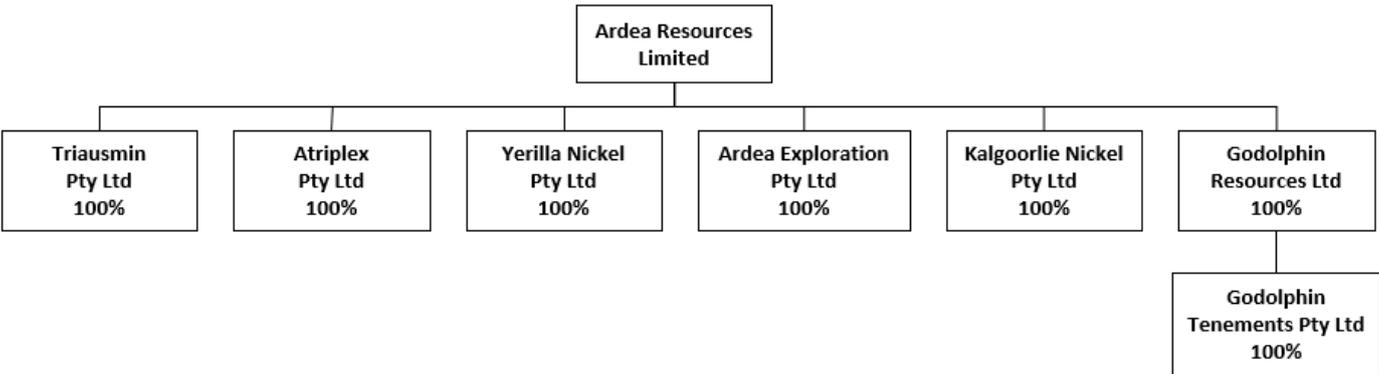
The Company has an 100% interest in the following projects:

- (a) Goongarrie Nickel Cobalt Project, WA (subset of the larger Kalgoorlie Nickel Project, WA);
- (b) Bardoc Tectonic Zone Gold Project, WA;
- (c) Mount Zephyr Gold Project, WA;
- (d) Perrinvale Nickel Sulphide Project, WA;
- (e) Bedonia Gold-Nickel Project, WA;
- (f) Mt Aubrey Epithermal Gold Project, NSW;
- (g) Lewis Ponds Gold-Base Metal Project, NSW;
- (h) Yeoval Porphyry Copper-Gold Project, NSW;
- (i) Wiseman's Creek Gold-Copper Project, NSW;
- (j) Calarie Gold Project, NSW; and
- (k) Gundagai Gold Project, NSW.

The Company currently owns the Lewis Ponds Freehold Land, being the land on which the Lewis Ponds Gold-Base Metal Project is located.

The current corporate structure of the Company is shown below in Figure 1.

Figure 1. Current structure



As announced to the ASX on 25 June 2019, the Company is proposing, subject to Shareholder approval, to transfer the NSW Assets to its new subsidiary company Godolphin (Spin-out), who will in-turn seek a listing on ASX.

IMPORTANT NOTE

The Company notes that the Godolphin Shares will not be quoted on the ASX pursuant to the short-form prospectus lodged on 3 October 2019 (as supplemented by way of a supplementary prospectus dated 21 October 2019 in conjunction with the Notice.

In order for the Godolphin Shares to commence trading on the ASX, Godolphin will be required to lodge the Prospectus in accordance with section 710 of the Corporations Act. The Prospectus will contain an offer by Godolphin to raise at least \$4,500,000 and up to \$8,000,000 (before costs) through the issue of at least 22,500,000 and up to 40,000,000 Godolphin Shares under the Public Offer, which includes the Priority Offer. The conditions of the Public Offer are set out below.

An application for admission of the Godolphin Shares to quotation on the ASX will be made to the operator of that market within 7 days after the date of the Prospectus, however, the Company's shareholders must note that the Godolphin Shares will not commence trading unless the conditions to the Public Offer are satisfied. Shareholders should note that there is no guarantee that the conditions will be satisfied, and even if the above conditions are satisfied, there is no guarantee that the Godolphin Shares will commence quotation on the ASX. For further information, see the risk in Schedule 4 of the Notice, entitled "failure of Godolphin to raise capital and / or list on a recognised securities exchange".

Further information on Godolphin, and the Godolphin Shares, will be available in the Prospectus.

The Public Offer is subject to the satisfaction of the following conditions:

- (a) the Company obtaining Shareholder approval for the In-specie Distribution;
- (b) the conditions precedent to the Demerger Implementation Deed being satisfied or waived;
- (c) the Company raising not less than \$4,500,000 (before costs) under the Public Offer; and
- (d) ASX granting in-principle approval to admit Godolphin to the Official List on conditions which the Directors are confident can be satisfied.

Following the Spin-Out but prior to the In-specie Distribution, Ardea will hold 30,000,000 Godolphin Shares.

Ardea intends to distribute and transfer all of its Godolphin Shares to Ardea Shareholders on a pro rata basis as an in-specie distribution (**In-specie Distribution**).

The In-specie Distribution will only proceed if the following conditions are met or waived (together, the **In-specie Conditions**):

- (a) Ardea obtaining shareholder approval under the Corporations Act for the proposed In-specie Distribution;
- (b) Godolphin receives valid applications for not less than \$4,500,000 under the Public Offer;

- (c) receipt of a private taxation ruling from the Australian Taxation Office confirming the Demerger Relief on terms that are acceptable to Ardea (acting reasonably); and
- (d) Godolphin obtaining a conditional admission letter from ASX on terms satisfactory to the Godolphin directors, acting reasonably.

Should the In-specie Conditions be satisfied, the In-specie Distribution will be effected by an equal reduction of Ardea capital on a pro rata basis. Ardea Shareholders will receive an in specie return of capital by way of the distribution of Godolphin Shares in proportion to the number of Ardea Shares held by them at the Record Date. Ardea Shareholders will thereby retain direct ownership of Ardea and will also receive direct ownership of Godolphin.

From a tax perspective, the Company will seek a private taxation ruling from the ATO seeking to confirm that Demerger Relief for income tax purposes (see Section 3.26 for further details).

The Company's primary purpose in undertaking the Spin-out and In-specie Distribution (together the **Proposal**) is to facilitate a greater focus on the Company's large and high-quality portfolio of Western Australian nickel-cobalt development and gold and nickel sulphide exploration assets in line with the Board's commitment to deliver value for Ardea Shareholders. Specifically, the Proposal is being undertaken to achieve the following objectives:

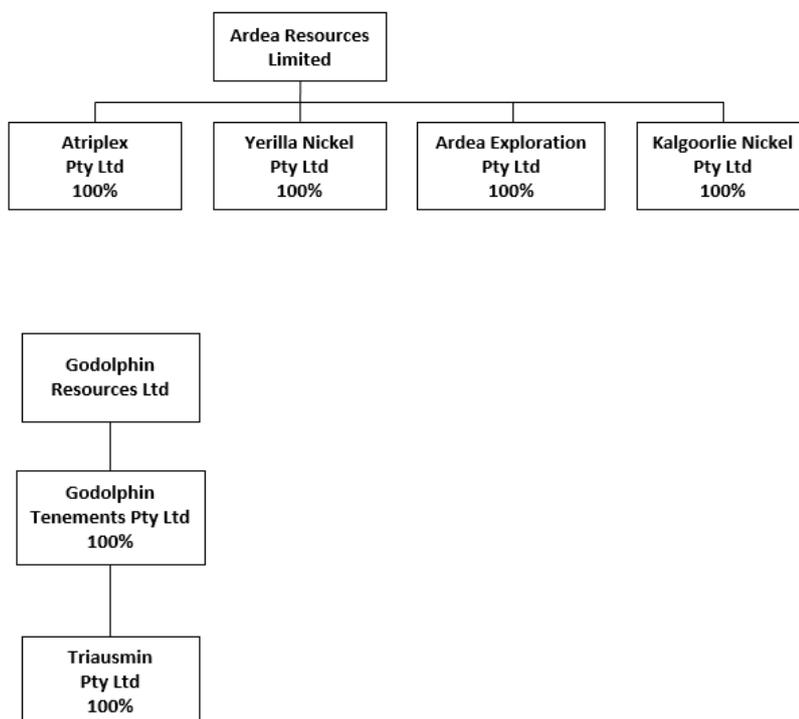
- (a) Secure sufficient funding to allow the exploration warranted by the high prospectivity of the NSW projects;
- (b) The Proposal will allow Ardea to dedicate its efforts to its Western Australian projects, in doing so remove the internal competition for valuable capital;
- (c) Provide Shareholders with the opportunity to participate in the development of the NSW Assets, whilst maintaining their investment exposure to the Western Australian projects;
- (d) Drive superior value for shareholders in both entities;
- (e) Enable both Godolphin and Ardea to undertake more targeted marketing to investors as both companies have a clear and more easily understood investment proposition; and
- (f) Allow for Ardea and Godolphin to have independent WA and NSW administrative staff, reducing the associated costs borne by Ardea in maintaining operations away from its WA base.

In the event:

- (a) Resolutions 1 and 2 are passed;
- (b) the Company proceeds with the Spin-out; and
- (c) the In-specie Conditions are satisfied,

the restructure of Ardea and Godolphin will result in the following structure:

Figure 2. Structure post Proposal



Should the In-specie Distribution not proceed as a result of the non-satisfaction of the In-specie Conditions, providing Resolution 1 is approved and the Conditions (other than the In-specie Conditions) are met, the Company's corporate structure will remain as it is currently (see Figure 1).

If the In-specie Distribution does not proceed, the Company will continue to focus its resources on developing all of its projects. The Company will need to raise further capital or source other funding to continue the development of the NSW Assets. Informal discussions have occurred in respect of many of the NSW Assets over the last year involving possible joint ventures, which would be an option open to Ardea to further advance the mineral properties should the Proposal not proceed. However, the Board considers that the NSW Assets are of more value if retained as a whole unit by a single entity, rather than being divested on a project by project basis. Accordingly, the Board intends for the NSW Assets to be owned 100% by Godolphin on an unencumbered basis.

Sections 3.2 is deleted and replaced with the following:

3.2 Plans for Ardea and Godolphin following completion of the Proposal

(a) Plans for Ardea

(i) Goongarrie Nickel Cobalt Project

Ardea intends to focus on securing a strategic partner to assist fast tracking the Goongarrie Nickel Cobalt Project towards production through a feasibility study and independently advancing its WA gold and nickel sulphide exploration.

(ii) Gold and Nickel Sulphide Exploration

Ardea will continue its geochemical and drilling exploration on these projects, with some now reaching the stage where joint venture to third parties may be considered.

(iii) **Board changes**

The Company's current Directors are Katina Law as executive chairman, Wayne Bramwell as a non-executive director and Ian Buchhorn as an executive director. There are no proposed changes to the Board and senior executive team as part of the Proposal.

(b) **Plans for Godolphin**

Godolphin's strategy has three well defined activities for application to the NSW Assets:

(i) **Work towards production**

- (A) **Mount Aubrey Gold** - complete the drill-out of the known gold-silver resource, then undertake feasibility programs ahead of financial studies to ascertain if it's economic to mine and if so, determine the optimum development strategy.
- (B) **Lewis Ponds** - complete core drilling of the defined mineralisation, focussing on interpreted gold-enriched zones, then undertake metallurgical studies ahead of feasibility programs.

(ii) **Exploration**

- (A) **Copper Hill East** - further refinement of the "Boda-Ridgeway potassic alteration" through the development of exploration models and drill testing.
- (B) **All other tenure** - complete the Company's standard multi-element soil geochemistry on defined targets to elucidate drill testing requirements.

(iii) **Corporate**

- (A) Evaluate mergers and acquisitions that potentially strengthen Godolphin's future production base.
- (B) Farm-out tenure that doesn't meet corporate objectives.
- (C) Continue to lodge tenement applications on vacant ground that supports Godolphin's mineralisation models.

Section 3.5 is deleted and replaced as follows:

Set out in Schedule 2 is the audited statement of financial position of the Company as at 30 June 2019 together with the pro forma statement of financial position of the Company following completion of the Proposal.

A pro forma statement of financial position for Godolphin, reflecting the indicative balance sheet of Godolphin following completion of the Proposal is set out in Schedule 3.

GTPL was incorporated in June 2019 and is a 100% owned subsidiary of Godolphin. It holds no assets or liabilities, aside from \$100 of paid up share capital.

TriAusMin is a 100% owned subsidiary of the Company and forms part of the Company's consolidated group, which comprises the Company and its controlled entities (**Ardea Group**). TriAusMin has been audited as part of the Ardea Group and does not have its own separate financial statements or bank accounts as it does not conduct any business. The financial statements for the Ardea Group were released to the market on 26 September 2019. TriAusMin holds tenements and freehold land, as set out in notes 1 and 2 to the pro-forma balance sheet in this Notice and will have no other assets or liabilities when it is transferred to Godolphin.

Section 3.29 is inserted as follows:

3.29 Godolphin Material Contracts

A summary of Godolphin's material contracts, other than the DID, which is set out in Section 3.13, is set out below:

(a) Lead Manager Mandate

Godolphin entered into a mandate agreement appointing Panthea Capital as Lead Manager to the Offers on 16 September 2019. Panthea Capital is not underwriting the Offers.

Under the mandate agreement, Panthea Capital will provide services and assistance customarily provided in connection with marketing and execution of an initial public offer.

Panthea will receive the following fees:

- (i) management fee of 1% (plus GST) of total funds raised in the Public Offer plus 2,000,000 Advisor Options;
- (ii) fees of 5% (plus GST) of funds raised from third party transactions on which Panthea Capital has introduced the client; and
- (iii) \$5,000 (plus GST) per month for the period of engagement, rebated against the fees in (i) at the end of the engagement.

The mandate agreement contains other terms and conditions customary for an agreement of this nature.

(b) Finder's Fee Agreement

On 25 July 1991, Tri Origin Exploration Limited and Mr David Timms (a geologist and unrelated party) entered into a Finder's Fee Agreement, dated 25 July 1991, (**Finder's Fee Agreement**) pursuant to which Mr Timms is eligible to receive a finder's fee in relation to a mineral property in Australia, comprising 2.56 km², and designated as E.L 1049 in New South Wales, Australia (**Property**).

The mining tenement designated as EL 1049 was cancelled in a broader process of replacing a number of licences in the area with a single new licence, EL 5583. TriAusMin (an entity that will become a wholly owned subsidiary of the Company), is the registered holder of EL 5583.

The area referred to as the Property in the Finder's Fee Agreement is now located within the boundaries of EL 5583. On this basis, a portion of EL 5583

(being the 2.56km² Property) is subject to a finder's fee, payable to David Timms, following commencement of production, or sale of EL5583, capped at A\$2 million. The fee is payable in respect of:

- (i) 1/3 proceeds from the sale of EL 5583; or
- (ii) 1/3 of net profits from production from the Property; or
- (iii) 30% of any royalties received from production from the Property.

(c) Heron Indemnity

On 28 March 2017, companies in the Heron Group entered into a deed of release and indemnity, whereby the Heron Group jointly and severally release and indemnify entities in the Ardea Group, including TriAusMin, in respect of any potential claims in relation to the Woodlawn Project.

(d) Executive services agreement

Godolphin has entered into an executive services agreement with David Greenwood (**Greenwood Agreement**).

Under the Greenwood Agreement, David Greenwood is engaged by Godolphin to provide executive services to the Company as a chief executive officer on a full-time basis. Godolphin will remunerate Mr Greenwood for his services with an executive remuneration package comprising the following:

- (i) a base salary of \$275,000 per annum (exclusive of superannuation);
- (ii) a short-term incentive of up to \$50,000 based on meeting criteria set by the Board;
- (iii) 500,000 Godolphin Incentive Options; and
- (iv) reimbursement for reasonable expenses necessarily incurred by Mr Greenwood in the performance of his services as an executive officer.

In addition, Mr Greenwood is entitled to participate in Godolphin bonus and/or other incentive schemes that may be implemented in the future.

The Greenwood Agreement is for an indefinite term, and will continue until terminated by either Godolphin or Mr Greenwood by the giving of three months' written notice of termination (or shorter period in limited circumstances).

(e) Non-Executive Director Letters of Appointment

Godolphin has entered into letters of appointment with the non-executive Chairman, Mark Sykes and non-executive Directors Ian Buchhorn and Andrew Stewart.

Pursuant to these letter agreements, Godolphin has agreed to pay:

- (i) Mr Sykes a director's fee of \$60,000 (plus applicable GST; and
- (ii) Mr Buchhorn and Mr Stewart on and from admission each a director's fee of \$45,000 (plus applicable GST or superannuation) per year for services provided to the Company as Directors.

(f) Key Personnel

Godolphin has entered into employment agreements with Johan Lambrechts and Michael Ostrowski as follows:

- (i) Johan Lambrechts' role is defined as Geology Super-intendant, (NSW) is paid a fixed annual salary and superannuation commensurate with his level of experience; and
- (ii) Michael Ostrowski's role is defined as Senior Project Geologist and is paid a fixed annual salary and superannuation commensurate with his level of experience.

Messrs Lambrechts and Ostrowski are each entitled to receive 250,000 Employee Options (as set out at pages 23 and 24 of the Notice). The employment agreements may be terminated by the Company or the employees by 4 weeks written notice, and otherwise contain terms and conditions standard for an employment agreement.

(g) Loan Agreement

On 3 October 2019, Godolphin entered into a loan agreement with Ardea to fund the Company's expenses prior to Admission (**Loan Agreement**).

Under the Loan Agreement, Ardea will cover Godolphin Expenses from 1 June 2019 until Admission.

At Admission, the Company will repay the Godolphin Expenses, in accordance with the following formula set out in Section 3.13.

The Loan Agreement terminates upon repayment of the Godolphin Expenses as above unless otherwise agreed between the parties.

The Loan Agreement contains other terms and conditions customary for an agreement of this nature

(h) Consultancy Agreement

On 3 October 2019, Godolphin entered into a consultancy agreement with the Company for the engagement of certain Ardea senior employees and management including geologists, exploration and data managers to provide consultancy advice to Godolphin as it begins to progress its projects (**Consultancy Agreement**).

The Consultancy Agreement commences the Business Day after Godolphin's securities are admitted to quotation on ASX and continues indefinitely until terminated by 1 months' notice from Godolphin or Ardea.

The Consultancy Agreement contains other terms and conditions customary for an agreement of this nature

(i) Deeds of indemnity, insurance and access

Godolphin has entered into deeds of indemnity, insurance and access with each of its directors and its company secretary. Under these deeds, Godolphin agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of Godolphin or a related body corporate (subject to customary exceptions).

Godolphin is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Godolphin Board in certain circumstances.

The following is inserted into Schedule 1:

Ardea Group means Ardea, TriAusMin, Atriplex Pty Ltd (ACN 113 719 207), Yerilla Nickel Pty Ltd (ACN 123 249 810), Ardea Exploration and Kalgoorlie Nickel Pty Ltd (ACN 137 889 199).

Consulting Agreement has the meaning given in Section 3.29(g).

Finder's Fee Agreement has the meaning given in Section 3.29(b).

Greenwood Agreement has the meaning given in Section 3.29(d).

Heron Group means Heron Resources Limited (ACN 068 263 098), Ochre Resources Pty Ltd (ACN 122 833 351), Tri Origin Mining Pty Ltd (ACN 115 529 112), Hampton Nickel Pty Ltd (ACN 100 180 498), Woodlawn Mine Holdings Pty Ltd (ACN 612 657 164) and Tarago Operations Pty Ltd (ACN 112 833 351).

Loan Agreement has the meaning given in Section 3.29(f).

Panthea Capital means Panthea Capital Pty Ltd (ACN 620 836 722).

Property means a mineral property in Australia, comprising 2.56 km², and designated as E.L 1049 in New South Wales.

Tri Origin Exploration Limited means Tri Origin Exploration Limited ACN 050 630 950.

Woodlawn Project means EL7257, EL7468, EL7469, EL7954, EL8325, EL8353, S(C&PL)0020 and EL8400 and any mining tenement or mining tenements which may be granted in lieu of or relating to the same ground as the tenements referred to in this definition, and includes all rights to mine and other privileges appurtenant to the tenements.

The definitions of "Demerger Implementation Deed" and "Notice or Notice of Meeting" are deleted from Schedule 1 and replaced as follows:

DID means the demerger implementation deed between Ardea, Godolphin, TriAusMin, Ardea Exploration and GTPL, dated 3 October 2019, as set out in Section 3.13 of the Notice.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Memorandum and the Proxy Form, as amended by this addendum, dated 21 October 2019.

Schedule 4, the rows titled "Mining Tax and Royalties" and "Native Title & Heritage Sites" are deleted and replaced with:

Mining Tax and Royalties	Tenement holders must pay royalties to the NSW government on minerals (including material containing minerals) obtained from a mining tenement. Royalties are payable quarterly and must be accompanied by a royalty return in the approved form. The holder of a mining tenement must provide a quarterly production report commencing at the expiration of the first quarter during which any mineral is produced or obtained from that mining tenement.
---------------------------------	--

	Royalty rates for Group 1 Minerals, comprising metallic minerals, are generally 4% of the value of the mineral recovered. There is a risk that the Commonwealth or New South Wales Governments may seek to introduce further, or increase existing, taxes and royalties.
Native Title & Heritage Sites	<p>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.</p> <p>Exploration licences are generally subject to a condition that requires the holder to obtain the Minister's consent before carrying out exploration activity on land where native title has not been extinguished. Ministerial consent will only be granted after the right to negotiate process has been followed, or the land on which native title has not been extinguished has been excised from the EL. The grant of a mining lease over land where native title has not been extinguished is also subject to the right to negotiate process.</p> <p>Title searches set out that two of Godolphin's exploration licences relating to Yeoval and Ophir, overlap with registered native title claims. Given that Ministerial consent will only be granted after the right to negotiate process has been followed, or the land on which native title has not been extinguished has been excised from the EL, Godolphin will be required to complete the right to negotiate process or excise the relevant the EL prior to being able to obtain Ministerial consent and commence exploration and/or mining activities on these tenements.</p> <p>Godolphin 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.</p>

Schedule 4, new rows are inserted titled "Competing Tenement Application" and "Exempted Areas" as follows:

Competing Tenement Application	The Yeoval South exploration licence application (ELA 5780) is the subject of a competing tenement application. There is a risk that the area granted by the NSW Department of Planning and Energy will be significantly less than the 253 units applied for.
Exempted Areas	Under section 30 of the Mining Act the holder of an EL must obtain the consent of the Minister before exploration activities may be conducted in an "exempted area", which includes State Forests, State Conservation Areas and Crown Land. This currently applies to selected

	<p>areas within Affects EL 8323 "Ophir", EL 8554 "Wiseman's Creek" and EL8586 "Gundagai North".</p> <p>Obtaining the consent of the Minister for Energy and Environment (Minister) for exploration activities to be conducted in an "exempted area" will require environmental assessment of any proposed ground-disturbing exploration activities. The assessment will be undertaken by the DPE in consultation with the relevant government department. It would also be expected that such consent would only be granted or denied in consultation with the relevant government department and, if granted, subject to the terms of an access agreement reached with that department in addition to any owner or occupier access agreement. For further information, please see the Solicitor's Report in Schedule 8.</p>
--	--

A new schedule, entitled "Schedule 8 - Solicitor's Report", is inserted as follows:



RESOURCES LEGAL PTY LTD
ABN 67 097 228 870

1A Rosemead Rd
Hornsby NSW 2077

Telephone: +612 9476 4480
Facsimile: +612 9476 4148

Liability limited by a scheme approved under
Professional Standards Legislation

20 October 2019

The Directors
Godolphin Resources Limited
Suite 2, 45 Ord Street
West Perth WA 6005
Australia

Dear Sirs

SOLICITOR'S REPORT ON NSW TENEMENTS

1. INTRODUCTION

This report is prepared for inclusion in a prospectus (**Prospectus**) to be dated on or about 28 October 2019 for issue by Godolphin Resources Limited (ACN 633 779 950) (**Godolphin Resources**) for an Offer of up to 40,000,000 Shares at a price of \$0.20 each to raise up to \$8,000,000. The minimum subscription is 22,500,000 Shares at an issue price of \$0.20 each to raise a total of \$4,500,000.

The report relates to the mining tenements (**Tenements**) in which Godolphin Resources' wholly owned subsidiary Godolphin Tenements Pty Ltd (ACN 634 219 999) (**Godolphin Tenements** or **Company**) is the transferee under transfers to be lodged with the NSW Department of Planning and Environment (**DPE**), or are held by TriAusMin Pty Ltd (**TriAusMin**), which will become a wholly owned subsidiary Godolphin Resources.

The above transfers will be lodged upon all conditions precedent of a Demerger Implementation Deed (**DID**) dated 3 October 2019 being met or waived, notably receipt of a conditional admission letter from ASX in relation to the proposed listing of Godolphin Resources. The DID was entered into between Godolphin Resources and Godolphin Tenements (together **Godolphin**), TriAusMin and Ardea Resources Limited (**Ardea Resources**) and Ardea Exploration Pty Ltd (**Ardea Exploration**, together **Ardea**).

All of the Tenements are located in New South Wales (**NSW**). The attached Tenement Schedule (**Schedule**) and notes to the Schedule contain an overview of the Tenements.

Ardea holds a 100% interest in all of the Tenements. There are encumbrances registered against a number of the Tenements, noted in the Schedule.

2. OPINION

Based on our searches and enquiries, and subject to the assumptions and qualifications set out below, we confirm at the date of the searches that:

- (a) the details of the Tenements referred to in the Schedule are accurate as to the status and registered holder of the Tenements;
- (b) unless otherwise specified in this report, the Tenements are in good standing, and all applicable rents and levies have been paid;
- (c) there are encumbrances or dealings registered against a number of the Tenements;
- (d) none of the Tenements are subject to any unusual conditions of a material nature other than as disclosed in the Schedule; and
- (e) subject to the comments below relating to standard administrative authorisations, which are normally applied for at the time of finalising the details of individual exploration programs, or as otherwise detailed in this Prospectus, there are no legal, regulatory or contractual impediments to the Company undertaking the proposed exploration on the Tenements as detailed elsewhere in the Prospectus.

3. SEARCHES

For the purpose of this report, we have obtained and reviewed:

- (a) searches of the Tenements in the mining tenement register (**Register**) maintained by the Division of Resources and Geoscience of the NSW Department of Planning and Environment (**DPE**) under the *Mining Act 1992* (NSW) (**Mining Act**) and *Mining Regulation 2016* (NSW) (**Mining Regulation**) conducted on 19 October 2019;
- (b) summary searches of the NSW Tenements on the 'MinView' online system maintained by the DPE conducted on 18 October 2019;
- (c) searches of the native title register maintained by the National Native Title Tribunal on 18 October 2019; and
- (d) searches of the Aboriginal Heritage Information Management System maintained by the Office of Environment and Heritage (NSW) on 17 June 2019.

4. ASSUMPTIONS AND QUALIFICATIONS

In preparing this report:

- (a) we have assumed the accuracy and completeness of results of the searches of the registers maintained by the various government agencies;
- (b) we have been advised that there are no contracts, agreements or arrangements entered into by Ardea relating to the Tenements, except for the finder's fee agreement for Lewis Ponds (see Note 6 of the Schedule);
- (c) where any agreement, dealing or act (including disturbing the land for exploration) affecting the Tenements requires an authorisation, approval, permission or consent (**Authorisation**) under the Mining Act, or any other relevant legislation, we have assumed that Authorisation has been or will be granted in due course;
- (d) where any dealing in the Tenements has been lodged for registration but is not yet registered, we express no opinion as to whether the registration will be effected, or the consequences of non-registration;
- (e) we have assumed and been advised by Ardea that the relevant title holder has complied with all applicable provisions of the Mining Act and all other legislation relating to the Tenements; and

- (f) we have not researched the underlying land tenure in respect of the Tenements to determine if:
 - (i) native title rights have or have not been extinguished, or the extent of any extinguishment; or
 - (ii) the Tenements encroach on any private land in which the rights to minerals have been reserved to the owner of the land.

5. TENEMENT SCHEDULE

The Tenements comprise 12 exploration licences (prefix **EL**) and one mining lease (prefix **ML**) granted under the Mining Act, and three applications for exploration licences (prefix **ELA**) to be granted under the Mining Act. The ELs are for Group 1 Minerals, comprising metallic minerals. ML 7039 "Calarie" is for gold, silver and platinum.

The Schedule sets out a brief description of the Tenements and a summary of any encumbrances.

In relation to the area of each Tenement specified in the Schedule:

- (a) the area is described by units, given by one minute of latitude by one minute of longitude on the earth's surface. In the general location of the Tenements each unit is approximately 2.9 square km. Areas given in square km are therefore approximate only. It is not possible to verify those areas without conducting a survey; and
- (b) the area might be reduced by a number of exclusions, including the existence of mining leases, National Parks or reserves situated within the boundaries of the relevant Tenement.

6. BACKGROUND ON EXPLORATION LICENCES AND APPLICATIONS IN NSW

(a) Rights of a holder of an EL

The rights of a holder of an EL are subject to compliance by that holder with the provisions of the Mining Act and the terms and conditions of the licence.

An EL gives the holder the exclusive right to explore for minerals over a specific area of land. The holder of an EL may, in accordance with the conditions of the EL and subject to the Mining Act, conduct exploration activities on the land specified in the EL for the group of minerals specified in the licence.

An EL does not permit mining, and an EL holder will not necessarily be permitted to mine in the future if a discovery is made.

(b) Rights of an applicant for an ELA

The DPE will not register a transfer of an ELA, but there is no restriction on an applicant selling an application and providing for the registration of the transfer upon grant.

(c) Term and transfer

An EL may be granted for up to six years, and may be extended by successive periods of up to six years, on application by the holder. However, ELs are generally granted and renewed for periods of three years, depending on the proposed work program and other factors. An EL may be transferred to another person upon approval by the Minister for Energy and Environment (**Minister**). In approving a transfer, the Minister may impose amended or additional conditions on the holder of the EL.

(d) Renewal

An EL will not usually be renewed over more than half the number of units comprising the original EL unless the Minister is satisfied that special circumstances exist, including that the conditions of the licence have been satisfactorily complied with, the full area of the EL has

been effectively explored, and the proposed work program satisfactorily covers the full area to be renewed.

Provided the conditions of the Tenements continue to be met, we do not see any reason why the Minister would not grant a renewal of all of the units comprising the Tenements for further periods of three years.

(e) Conditions

Each of the ELs are subject to standard conditions that must be complied with, including expenditure to meet the annual proposed work program, payment of government fees, and the requirement to lodge annual technical reports. Standard conditions also stipulate that a tenement holder obtain the consent of an officer of the DPE prior to conducting any ground disturbing work, and include basic environmental and rehabilitation conditions, such as the removal of all waste and capping of drill holes..

The Minister's approval is required for a change of effective control of a licence holder. There is an exemption if the change of control occurs as a result of the acquisition of shares on a registered stock exchange. To the best of Resources Legal's knowledge, there is no reason why the Minister's approval will not be granted in due course.

Holders must also comply with the Exploration Codes of Practice, including the Environmental Management Code, the Rehabilitation Code, which requires the holder to rehabilitate, level, re-grass, reforest or contour land that has been damaged or adversely affected by exploration activities, and the Community Consultation Code. A Review of Environmental Factors and an Agricultural Impact Statement may be required for surface-disturbing exploration activities such as drilling.

Failure by the holder of an EL to comply with these conditions may render the EL liable to cancellation.

(f) Access agreements

Prior to commencing exploration activities on private land, an access agreement must be entered into with the owner or occupier of the land¹. Compensation is payable for any loss or damage caused by the activities².

There are no current access agreements in place.

(g) Exempted areas

Under section 30 of the Mining Act the holder of an EL must obtain the consent of the Minister before exploration activities may be conducted in an "exempted area", which includes State Forests, State Conservation Areas and Crown Land. This currently applies to selected areas within Affects EL 8323 "Ophir", EL 8554 "Wiseman's Creek" and EL8586 "Gundagai North".

Obtaining the consent of the Minister for exploration activities to be conducted in an "exempted area" will require environmental assessment of any proposed ground-disturbing exploration activities. The assessment will be undertaken by the DPE in consultation with the relevant government department. It would also be expected that such consent would only be granted or denied in consultation with the relevant government department and, if granted, subject to the terms of an access agreement reached with that department in addition to any owner or occupier access agreement described in section 6(f) of this report.

(h) Annual rents and levies

An annual rental and an administrative levy are payable, based on the size of the EL. ELs are also subject to expenditure requirements in accordance with work programs approved by the DPE. These rental, levy and expenditure requirements are set out in the Schedule. Payment

¹ Section 140 *Mining Act 1992* (NSW)

² Section 263 *Mining Act 1992* (NSW)

of rentals and levies are currently up to date. Failure to comply with expenditure requirements may render the EL liable to cancellation.

7. BACKGROUND ON MINING LEASES IN NSW

(a) Rights of a holder of a ML

The rights of a holder of a ML are subject to compliance by that holder with the provisions of the Mining Act and the terms and conditions of the lease.

A ML gives the holder the exclusive right to mine minerals from a specific area of land. The holder of a ML may, in accordance with the conditions of the ML and subject to the Mining Act, conduct mining operations on the land specified in the ML for the group of minerals specified in the lease.

Applicants must demonstrate that there is an economically mineable mineral deposit within the area of the proposed ML, and they have the financial and technical resources to carry out mining in a responsible manner. A development consent under the *Environmental Planning and Assessment Act 1979* must be in place before a mining lease can be granted. A work program must be submitted, which details the proposed mining operations, community consultation, environmental management and rehabilitation.

(b) Term and transfer

A ML remains in force for a maximum period of 21 years or such longer period as may be determined by the Minister. An ML may be transferred to another person upon approval by the Minister. In approving a transfer, the Minister may impose amended or additional conditions on the holder of the ML.

(c) Conditions

The Minister's approval is required for a change of effective control of a lease holder. There is an exemption if the change of control occurs as a result of the acquisition of shares on a registered stock exchange. To the best of Resources Legal's knowledge, there is no reason why the Minister's approval will not be granted in due course.

Failure by the holder of an ML to comply with these conditions may render the ML liable to cancellation.

(d) Annual rents and levies

An annual rental and an administrative levy are payable, based on the size of the ML. MLs are also subject to minimum annual expenditure/work requirements which are set out in the Schedule. A failure to comply with expenditure requirements may render the ML liable to cancellation.

8. ENVIRONMENTAL AND PLANNING LEGISLATION

Tenement holders may also be required to obtain approvals under and comply with environmental and planning and other legislation, including:

- (i) *Environmental and Planning Assessment Act 1979* (NSW);
- (ii) *Protection of the Environment Operations Act 1997* (NSW); and
- (iii) *Water Act 1912* and *Water Management Act 2000* (NSW).

9. ROYALTIES

Tenement holders must pay royalties to the NSW government on minerals (including material containing minerals) obtained from a mining tenement. Royalties are payable quarterly and must be accompanied by a royalty return in the approved form. The holder of a mining

tenement must provide a quarterly production report commencing at the expiration of the first quarter during which any mineral is produced or obtained from that mining tenement.

Royalty rates for Group 1 Minerals, comprising metallic minerals, are generally 4% of the value of the mineral recovered³.

10. REHABILITATION SECURITIES

The holder of a Tenement is required to lodge with the DPE a security by way of a cash deposit or banker's undertaking for the performance of its rehabilitation and other obligations arising under the Tenement. The security for each of the Tenements is \$10,000, with the exception of EL 5583 "Lewis Ponds", which is \$40,000, and ML 739 "Calarie", which is \$22,000.

11. NATIVE TITLE

(a) Background

Native title or claims for native title exist over parts of NSW.

The existence of a lodged claim does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists in an area. The existence of native title will be established under the determination of claims by the Federal Court.

The grant of a mining tenement is a 'Future Act' for the purposes of the *Native Title Act 1993* (Cth) (**NTA**)⁴. A Future Act is an activity or development on land or waters that affects native title. Native title claimants gain the "right to negotiate" in relation to the grant of certain mining tenements if their native title claim is registered at the time the government issues a notice, known as a section 29 notice, stating it intends to do the act, in this case grant the mining tenement, or if their claim becomes registered within four months after that notice.

(b) Right to negotiate

The right to negotiate applies in the main to the grant of a mining lease and describes a process whereby the tenement applicant and native title claimant must negotiate in good faith to attempt to resolve any potential concerns the native title claimants may have arising from the mining lease application or its grant. If the parties cannot reach agreement as to the terms of grant, a negotiation party may apply to the National Native Title Tribunal (**NNTT**) to make a determination as to whether the grant may proceed (and if so, on what conditions).

The right to negotiate process does not necessarily have to be followed in locations where an Indigenous Land Use Agreement (**ILUA**) has been negotiated with the relevant Aboriginal people and registered with the NNTT. In such cases the procedures set out in the ILUA must be followed for the ML to be granted.

(c) Searches

Searches conducted in the register maintained by the NNTT on 18 October 2019 showed that two Tenements, ELs 8323 "Ophir" and 8538 "Yeoval" overlap with a registered native title claim. The right to negotiate process has commenced in respect of EL 8323 "Ophir".

(d) Effect of native title on the Tenements

ELs are generally subject to a condition that requires the holder to obtain the Minister's consent before carrying out exploration activity on land where native title has not been extinguished. Ministerial consent will only be granted after the right to negotiate process has been followed, or the land on which native title has not been extinguished has been excised

³ Section 73, *Mining Regulation 2016* (NSW)

⁴ Section 233, *Native Title Act 1993* (Cth)

from the EL. The grant of a mining lease over land where native title has not been extinguished is also subject to the right to negotiate process.

The DPE has published guidelines on the evidence required to demonstrate extinguishment of native title. Native title has been wholly extinguished over much of NSW, including through the grant of freehold estates, leases in perpetuity for grazing purposes under the *Western Lands Act 1901*, and the establishment of public works.

(e) **Compensation**

The Mining Act makes mining tenement holders liable for any native title compensation that may be payable as a result of the grant of the mining tenement⁵. If the existence of native title is proven over any of the land subject to the Tenements, and the native title holders make an application to the Federal Court for compensation, the Tenement holder may be liable to pay any compensation awarded.

12. ABORIGINAL HERITAGE

(a) **Commonwealth**

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which can affect exploration activities. Compensation is payable by the Minister to a person who is, or is likely to be, affected by a permanent declaration of preservation.

(b) **New South Wales**

Under the *National Parks and Wildlife Act 1974* (NSW) (**NSW Heritage Act**), land containing Aboriginal objects or sites may be reserved as an "Aboriginal area" for the purpose of identifying, protecting and conserving such objects or sites. It is unlawful to prospect or mine for minerals in an Aboriginal area unless expressly authorised by an Act of Parliament or, among other things, an authority issued under the Mining Act. Subject to this exception, the NSW Heritage Act excludes the application of the Mining Act to lands in an Aboriginal area.

The NSW Heritage Act also authorises the Minister to declare a place that is or was of special significance to Aboriginal culture to be an 'Aboriginal place' and makes it an offence knowingly to destroy, deface or damage, or knowingly to permit the destruction, defacement of or damage to, an Aboriginal object or "Aboriginal place" without the consent of the Director-General.

(c) **Heritage surveys**

To satisfy the obligations under the relevant Heritage Act, tenement holders commonly undertake Aboriginal heritage surveys, which involve the relevant traditional owners and as necessary, an archeologist or anthropologist walking the land, identifying sites and discussing the impact of proposed exploration activity. The costs of a heritage survey are met by the tenement holder.

(d) **Heritage searches**

We obtained and reviewed searches of the Aboriginal Heritage Information Management System maintained by the Office of Environment and Heritage (NSW) on 17 June 2019. The searches showed that the Tenements contain a number of known Aboriginal sites. The Company will review the location of each site when planning its exploration programs so as to

⁵ Section 281B *Mining Act 1992* (NSW)

ensure that activities near Aboriginal sites meet the requirements of the Commonwealth Heritage Act and the NSW Heritage Act.

There are currently no Aboriginal heritage agreements or arrangements in place affecting the Tenements, however terms have been agreed in respect of EL 8323 "Ophir", which provide for compensation payments and for heritage surveys to be conducted by the Native Title applicants prior to ground disturbing activities being conducted..

13. CONSENT

This report is made on 18 October 2019 and relates only to the laws in force on that date. Resources Legal Pty Ltd has consented to the inclusion of this report in the Prospectus in the form and context in which it is included and has not withdrawn that consent prior to the lodgment of the Prospectus with ASIC.

14. DISCLOSURE OF INTEREST

Resources Legal Pty Ltd will be paid normal and usual professional fees for the preparation of this report and related matters, as set out elsewhere in the Prospectus. In the past 24 months Resources Legal has performed legal work for Ardea Resources, the parent company of Godolphin Resources, and has been paid approximately \$4,000 for such work. Daven Timms, Director Principal of Resources Legal, is the son of David Timms, who holds a finder's fee set out in Note 6 of the Schedule. Daven Timms holds no interest in shares in Ardea Resources Limited or Godolphin Resources.

Yours faithfully



Daven Timms
Director Principal
Resources Legal Pty Ltd

SCHEDULE – TENEMENTS

Tenement	Holder ¹	No units/ approx. area sq km ²	Grant Date	Expiry Date	Rental and levy ³	Proposed expendit- ure ⁴	Encum- brances
Godolphin Fault Gold-Base Metals							
EL 5583 "Lewis Ponds"	TRI	51/148	25.06.1999	25.06.2022	\$3,460 pa	\$81,000	Note "Lewis Ponds"
EL 8323 "Ophir"	AEPL	60/174	27.11.2014	27.11.2022	\$3,520 pa	\$50,000	Note "Ophir"
EL 8556 "Copper Hill East"	AEPL	100/290	05.05.2017	05.05.2020	\$6,100 pa	\$50,000	Nil
EL 8890 "Cumnock"	AEPL	149/432	26.08.2019	26.08.2024	\$9,040 pa	\$20,000	Nil
ELA 5794 "Mt Bulga"	AEPL	4/12	N/A	N/A	\$340 pa	\$10,000	N/A
ELA 5812 "Caledonian"	AEPL	120/348	N/A	N/A	\$7,300 pa	\$20,000	N/A
Mount Aubrey Gold							
EL 8532 "Mt Aubrey"	AEPL	67/194	07.03.2017	07.03.2020	\$3,160 pa	\$80,000	Nil
Yeoval Copper-Gold							
EL 8538 "Yeoval"	AEPL	100/290	19.03.2017	19.03.2020	\$5,980 pa	\$85,000	Nil
ELA 5780 "Yeoval South"	AEPL	253/733	N/A	N/A	\$6,820 pa	\$60,000	Note "Yeoval Sth"
Lachlan Transverse Zone Gold							
EL 8554 "Wiseman's Creek"	AEPL	79/229	04.05.2017	04.05.2020	\$4,840 pa	\$80,000	Note "W. Creek"
Forbes Gold							
EL 8555 "Calarie"	AEPL	35/102	05.05.2017	05.05.2020	\$2,200 pa	\$50,000	Nil
EL 8580 "Calarie Central"	AEPL	12/35	26.05.2017	26.05.2023	\$880 pa	\$75,000	Nil
ML 739 "Calarie Lachlan Mine"	TRI	0.18/0.5	23.05.1979	22.05.2021	\$510	\$35,000	Note "Calarie"
Gundagai Gold							
EL 8061 "Gundagai South"	AEPL	49/142	13.03.2013	13.03.2023	\$2,980 pa	\$69,500	Nil
EL 8586 "Gundagai North"	AEPL	47/136	20.06.2017	20.06.2020	\$2,920 pa	\$50,000	Nil
EL 8889 "Gundagai Central"	AEPL	32/93	26.08.2019	26.08.2024	\$2,020 pa	\$30,000	Nil

Notes

1. *AEPL* = Ardea Exploration Pty Ltd. At the date of this report AEPL, Godolphin Resources and Godolphin Tenements are wholly owned subsidiaries of Ardea Resources Limited (ASX:ARL).
TRI = TriAusMin Pty Ltd, a wholly owned subsidiary of ARL.
2. One unit is the area bounded by one minute of latitude by one minute of longitude and, depending on the location in NSW, comprises an area of approximately 2.9 square kilometres. As shown on the tenement maps contained in the Prospectus, portions have been excised from some of the units in the licences.
3. Schedule 9 of the Mining Regulation sets out tenement rentals and levies. The annual rental is \$60 per unit for ELs and \$6.50 per hectare for MLs. The annual administrative levy is 1% of the security deposit (1% of \$10,000 = \$100 for most tenements). The EL renewal application fee is \$2,000 plus \$12.50 per unit per year applied for, eg renewal fee for 100 unit EL for three years is

\$2,000 plus $\$37.50 \times 100 = \$5,750$. For a ML the renewal application fee is \$3,000 plus \$36 per hectare.

4. Proposed expenditure in the current year of the licence term, to be met through current exploration work programs approved by the DPE. For example, EL 5583 "Lewis Ponds" requires an expenditure of \$81,000 in the 12 months to June 2020. Work may include geological mapping, rock chip sampling, soil geochemical surveys, geophysical surveys, modelling of results, drilling and core logging.
5. Calarie: The current Mine Operations Plan for ML 739 provides only for exploration, and care and maintenance activities. Dealings and encumbrances include a Farm-in Agreement, however the farminee, Kimberley Diamonds Ltd, has withdrawn from its farm-in to Calarie.
6. Lewis Ponds: EL 5583 is subject to a finder's fee, payable to geologist David Timms, following commencement of production, or sale of the EL, capped at A\$2 million. The fee is based on 1/3 of proceeds from sale of the EL, or 1/3 of net profits from production, or 30% of any royalties received from production.
7. Ophir: Dealings and encumbrances include miscellaneous approvals, exempted area operations and native title right to negotiate (see section 11(c) of this report).
8. Wisemans Creek: Dealings and encumbrances include exempted area operations.
9. Yeoval South: The DPE has advised there is a competing tenement application; the area to be offered is likely to be significantly less than 253 units.

SUPPLEMENTARY PROSPECTUS

1. Important information

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 3 October 2019 (**Prospectus**) issued by Ardea Resources Limited ACN 614 289 342 (**Company**).

This Supplementary Prospectus is dated 21 October 2019 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than the changes set out in this Supplementary Prospectus, all other details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

The Company has issued both a printed and electronic version of this Supplementary Prospectus and the Prospectus. Electronic versions of both may be accessed at www.ardearesources.com.au.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you are in any doubt as to the contents of this Supplementary Prospectus or the Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

2. Supplementary Prospectus

2.1 Purpose

This Supplementary Prospectus has been issued to incorporate the additional information contained within the addendum to the Company's notice of meeting, dated 21 October 2019 into the Prospectus.

2.2 No investor action required

As the content of this Supplementary Prospectus is not considered by the Company to be materially adverse to investors, no action needs to be taken by investors who have already submitted proxy forms. As no applications may be made under this Prospectus, there are no withdrawal rights offered pursuant to this Supplementary Prospectus.

2.3 Proxy Forms

- (a) If you have already completed and returned the Proxy Form which was provided with the original Notice of Meeting and you wish to change your vote, you must complete and return a new Proxy Form. Please contact the Company if you require a new Proxy Form.

- (b) If you have already completed and returned the Proxy Form which was annexed to the original Notice of Meeting and you do not wish to change your vote, you do not need to take any action as the earlier submitted Proxy Form will be accepted by the Company unless you submit a new Proxy Form.

3. Amendments to the Prospectus

3.1 Replacement of Section 1.1

Section 1.1 of the Prospectus is deleted and replaced as follows:

This Prospectus is dated 3 October 2019 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the content of this Prospectus, or the merits of the investment to which this Prospectus relates.

No Godolphin Shares may be offered or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

The Company notes that the Godolphin Shares will not be quoted on the ASX pursuant to the short-form prospectus lodged in conjunction with the Notice.

In order for the Godolphin Shares to commence trading on the ASX, Godolphin will be required to lodge a prospectus in accordance with section 710 of the Corporations Act (**Godolphin Prospectus**). The Godolphin Prospectus will contain an offer by Godolphin to raise at least \$4,500,000 and up to \$8,000,000 (before costs) through the issue of at least 22,500,000 and up to 40,000,000 Godolphin Shares (**Public Offer**), which will include an offer to the Company's shareholders.

The Public Offer under the Godolphin Prospectus will be conditional upon the following events occurring:

- (a) the Company obtaining shareholder approval for the In-specie Distribution;
- (b) the conditions precedent to a demerger implementation deed between the Company and Godolphin (and others) being satisfied or waived;
- (c) Godolphin raising not less than \$4,500,000 (before costs) under the Public Offer; and
- (d) ASX granting in-principle approval to admit Godolphin to the ASX Official List on conditions which the directors of Godolphin are confident can be satisfied.

An application for admission of the Godolphin Shares to quotation on the ASX will be made to the operator of that market within 7 days after the date of the Godolphin Prospectus, however, the Company's shareholders must note that the Godolphin Shares will not commence trading unless the above conditions are satisfied. Shareholders should note that there is no guarantee that the conditions will be satisfied, and even if the above conditions are satisfied, there is no guarantee that the Godolphin Shares will commence trading on the ASX.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with this Prospectus.

This Prospectus, including the Notice of Meeting which is incorporated by reference into this Prospectus, is important and should be read in its entirety. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser immediately. Investment in the Godolphin Shares that are the subject of this Prospectus should be considered speculative.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to Company Shareholders and professional advisers whom Company Shareholders may consult.

If you are uncertain about the terms and conditions of the Offer, you should seek the advice of an appropriately qualified financial adviser.

Defined terms and abbreviations used in this Prospectus are set out in Section 7.

3.2 Replacement of Section 3.2

Section 3.2 of the Prospectus is deleted and replaced with the following:

The material provisions of the Notice of Meeting are summarised below. The Sections and Schedules referred to below are a reference to Sections and Schedules (respectively) in the Explanatory Memorandum to the Notice of Meeting:

(a) **Section 1.6 - Timetable**

This Section sets out the indicative timetable for the In-specie Distribution.

(b) **Section 3.1 - Background and Overview of the Proposal**

This Section provides an overview of the Company and the Proposal including information on the NSW Assets, which is to be acquired by Godolphin from the Company under the DID. This Section also contains an important note, advising Shareholders:

- (i) that the Godolphin Shares will not be quoted on the ASX pursuant to this Prospectus;
- (ii) that a separate prospectus prepared in accordance with Section 710 of the Corporations Act will be prepared by Godolphin (**Godolphin Prospectus**), and that Godolphin will make an application for admission of the Godolphin Shares to quotation on the ASX within 7 days of the date of the Godolphin Prospectus;
- (iii) of the conditions that must be satisfied prior to quotation of the Godolphin Shares on the ASX; and
- (iv) that even if the conditions are satisfied, there is no guarantee that the Godolphin Shares will be quoted on a recognised stock exchange.

(c) **Section 3.2 - Plans for Ardea and Godolphin following completion of the Proposal**

This Section clarifies the Company's and Godolphin's anticipated future plans (assuming the Proposal is completed).

(d) **Sections 3.3, 3.17 and 3.20 - Capital reduction**

These Sections provide an overview of the Capital Reduction, include a statement that the Company Directors believe that the Capital Reduction is fair and reasonable to Company Shareholders and that the Capital Reduction will not prejudice the Company's ability to pay its creditors, and set out the effect of the Capital Reduction on the Company's Shareholders.

(e) **Section 3.4**

This Section sets out the conditional waiver decision Godolphin has received from ASX in relation to the application of escrow restrictions on the Consideration Shares.

(f) **Sections 3.5, 3.16 and Schedules 2 and 3 - Pro-forma financial information**

These Sections and Schedules 2 and 3 include a pro-forma balance sheet of the Company's balance sheet as at 30 June 2019 as a result of the Proposal, which includes the In-specie Distribution, and Godolphin's balance sheet as at incorporation on 25 June 2019 and a Proforma Financial information on 25 June 2019 (assuming the Proposal is completed).

Section 3.5 also contains information relating to the assets and liabilities held in GTPL and TriAusMin.

(g) **Section 3.6 - Advantages and disadvantages**

This Section outlines the principal advantages and disadvantages to Company Shareholders of the Proposal.

(h) **Section 3.7 - Failure to achieve completion of the Proposal**

This Section sets out the Company's anticipated future plans (assuming the Proposal is not completed).

(i) **Section 3.8 - Capital Raising**

This Section gives a description of the Capital Raising to be undertaken by Godolphin in conjunction with (and as a condition to) the In-specie Distribution.

(j) **Sections 3.9 to 3.11 - Background of the NSW Assets, projects and JORC Code information**

This Section gives a description of the NSW Assets that Godolphin is acquiring under the DID, JORC information relating to the projects comprising the NSW assets, and a competent person statement made in accordance with the JORC Code.

(k) **Section 3.12- Information on Godolphin, its Board and key management personnel**

These Sections set out Godolphin's anticipated future plans and priorities (assuming the Proposal is completed) and provide information about Godolphin's board of directors.

(l) **Section 3.13 - Demerger Implementation Deed (DID)**

This Section provides a summary of the DID. The Company and Godolphin (and their various subsidiaries) entered into an agreement for the sale and purchase of the NSW Assets on 3 October 2019. The effect of the DID is that Godolphin acquires the NSW Assets for 30,000,000 fully paid ordinary shares in Godolphin at a deemed issue price of \$0.20 per Godolphin Share and 15,000,000 Options in Godolphin, exercisable at \$0.25 expiring 3 years from the date of issue.

(m) **Section 3.14- Disclosure to ASX**

This Section sets out that as an ASX listed entity, copies of documents lodged in relation to Ardea may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed at either the ASX announcements platform or the Company's website.

(n) **Section 3.15 and Schedule 4 - Risk Factors**

This Section and Schedule 4 list a number of specific and general risks that may have a material effect on the financial position and performance of Godolphin and the value of Godolphin Shares.

(o) **Section 3.16 and Schedule 2**

This Section sets out the financial effect of the proposed Capital Reduction on the Company.

(p) **Section 3.18 - Effect of Proposed Capital Reduction on Shareholders**

This Section sets out the effect of the proposed Capital Reduction on Shareholders.

(q) **Section 3.17 - Directors' interests and recommendations**

This Section details the number of securities in the Company which the Ardea Directors and proposed directors of Godolphin have an interest in prior to the Proposal and the number of Godolphin Shares they are likely to receive if the Proposal is completed.

(r) **Sections 3.19 and 3.20 - Additional information**

These Sections set out the proposed capital structures of the Company and Godolphin following completion of the Proposal, and provide details of recent trading information with respect to the Company's Shares.

(s) **Sections 3.21 to 3.23**

These Sections set out the relevant sections of the Corporations Act and ASX listing rules relating to the Capital Reduction.

(t) **Section 3.24 - Effect of Shareholder approval**

This Section outlines the effect of the proposed Capital Reduction on Company Shareholders which is that eligible Company Shareholders registered on the Record Date will receive a pro rata distribution in-specie of Consideration Shares. This Section also outlines the treatment of overseas Company Shareholders and the effect of the Proposal on existing Company Options.

(u) **Section 3.25 - Information concerning Godolphin Shares**

This Section contains a summary of the more significant rights and liabilities attaching to Godolphin Shares.

(v) **Section 3.26 - Taxation implications**

This Section provides an overview of the taxation implications for the Company's Shareholders and the Company itself, and notes the Company has sought a private ruling from the ATO with respect to Demerger Relief.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences for Company Shareholders.

(w) **Section 3.27 and 3.28**

These Sections provide information on the lodgement of the Notice of Meeting with ASIC and sets out a confirmation from the Company in respect of the information provided in the Notice of Meeting.

(x) **Section 3.29**

This Section contains a summary of Godolphin's material contracts.

(y) **Schedule 5**

This Schedule contains the schedule of the Tenements.

(z) **Schedule 6**

This Schedule contains a list of the Lewis Pond Freehold Land.

(aa) **Schedule 7**

This Schedule contains the terms of the Options.

(bb) **Schedule 8**

This Schedule contains the Solicitor's Report on Godolphin's Tenements.

3.3 Definitions

The definition of Godolphin Prospectus is to be inserted:

Godolphin Prospectus has the meaning given in Section 3.1 of this Prospectus.

The definition of "Notice of Meeting is to be deleted and replaced with:

Notice of Meeting means the Notice of General Meeting of the Company dated 3 October 2019 and the Addendum to the Notice of Meeting dated 21 October 2019 in which the Capital Reduction Resolution is to be considered.

The definition of "Proxy Form" is to be inserted:

Proxy Form means the form accompanying the Notice.

The definition of "Public Offer" is to be inserted:

Public Offer has the meaning given in Section 3.1 of this Prospectus.

4. Consents

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

5. Directors' authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent.

This Supplementary Prospectus is signed for and on behalf of the Company by:



Katina Law
Executive Chairman
Dated: 21 October 2019