Ardea Resources Limited

Farm-in Joint Venture Agreement signed with Red 5

ASX & Media Release

19 November 2020

ASX Symbol

ARL

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Issued Capital

Fully Paid Ordinary Shares
127,670,582

Directors/Employee Performance Rights
3,711,000

ABN 30 614 289 342

Ardea Resources Limited (ASX: ARL, **Ardea** or **the Company**) advises that as part of its strategy to prioritise exploration and development work on Kalgoorlie Nickel Project (KNP) tenure, within 150km of the City of Kalgoorlie-Boulder, that the Company has executed a Farm-in Joint Venture Agreement with ASX-listed gold producer Red 5 Limited (ASX: RED, **Red 5**).

Red 5 can earn up to an 80% interest in Ardea's Mt Zephyr and Darlot East Gold Projects, both located in close proximity to the Red 5 Darlot Gold Mine. Under the terms of the Agreement, Red 5, through its 100%-owned subsidiary, Darlot Mining Company Pty Ltd (Darlot), has executed a Farm-in Joint Venture Agreement (Agreement) with Ardea Exploration Pty Ltd, a wholly-owned subsidiary of Ardea Resources Ltd, over the Mt Zephyr and Darlot East Gold Projects in Western Australia.

Under the terms of the Agreement, Darlot is required to spend $1.5 million within a 2-year period to earn an initial 60% interest in the tenements, after which Darlot may elect to spend an additional $800,000 to earn an additional 20% interest, for a total 80% earned interest in the tenements. Ardea is free carried by Darlot up to a 'Decision to Mine', after which it may elect to contribute pro-rata or dilute. If Ardea's diluted interest falls below 10%, it will convert to a 1.5% Net Smelter Royalty (NSR).

Ardea looks forward to working with Red 5 to help realise the full potential of the Mt Zephyr and Darlot East Gold Projects and has been impressed by Red 5's success at the Darlot Gold Mine and exploration, resource definition and development taking place at the King of the Hills gold deposit.

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

A copy of the Red 5 ASX announcement is attached with this cover page and forms part of this announcement and should be read in its entirety.

Authorised for lodgement by Andrew Penkethman, Managing Director and Chief Executive Officer.

For further information regarding Ardea, please visit https://ardearesources.com.au/ or contact:

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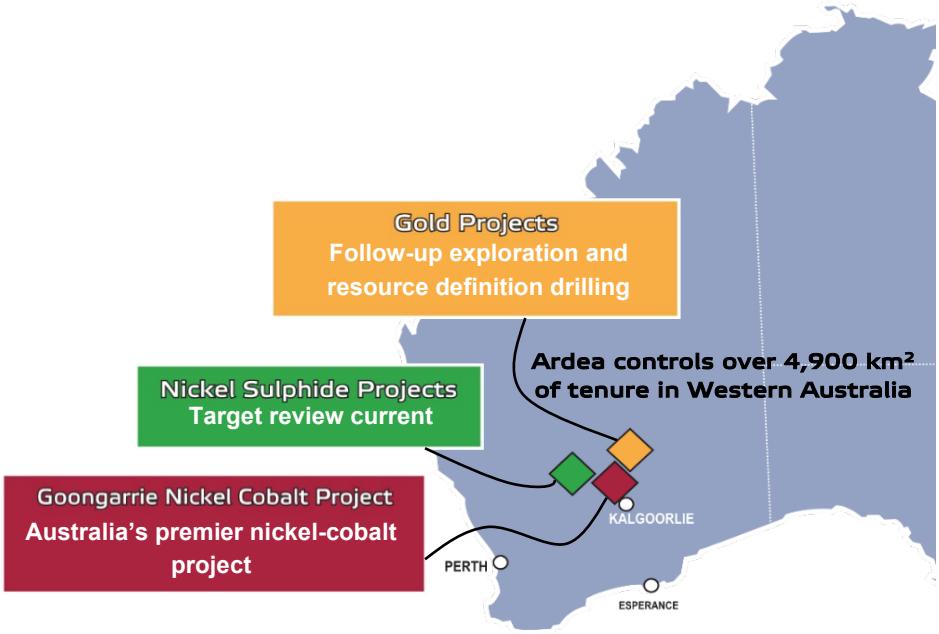
About Ardea Resources

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

- Development of the Goongarrie Nickel Cobalt Project (GNCP), which is part of the Kalgoorlie Nickel Project (KNP), a globally significant series of nickel-cobalt deposits which host the largest nickel-cobalt resource in the developed world, coincidentally located as a cover sequence overlying fertile orogenic gold targets;
- 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 WA nickel sulphide and gold targets within the Eastern Goldfields world-class nickel-gold province, for potential contribution of nickel sulphide to GNCP financial models and gold for potential IPO.



RED5 Limited

19 November 2020

Farm-in Joint Venture Agreement expands Red 5 footprint in close proximity to Darlot Gold Mine

The two projects, Darlot East and Mt Zephyr, provide exciting opportunities for the delineation of additional gold resources as part of the Darlot Mining Hub strategy – further expanding Red 5's exploration footprint in WA's world-class Eastern Goldfields to over 1,919km²

- **Farm-in Joint Venture Agreement signed with Ardea Resources Ltd (ASX: ARL) for Red 5 to earn up to an 80% interest in the Mt Zephyr and Darlot East Gold Projects, both located in close proximity to the Darlot Gold Mine.**
- **The Mt Zephyr Project includes five granted Exploration Licences with several gold and base metal targets, including granitoid-hosted gold mineralisation at the Gale Prospect.**
- **The Darlot East Project includes two granted Exploration Licences located immediately adjacent to the east of Red 5's existing Darlot Project tenements, and hosts previously-unmapped greenstones that have seen almost no historical exploration.**
- **Red 5 to spend $1.5M over two years to earn an initial 60% interest, with the option to earn an additional 20% interest by spending a further $800k within three years from commencement, for a total 80% interest in the two projects.**

Red 5 Limited (ASX: RED) is pleased to announce that it has executed a Farm-in Joint Venture Agreement with ASX-listed explorer, Ardea Resources Ltd (ASX: ARL), to earn up to an 80% interest in two prospective gold exploration projects located in close proximity to the Darlot Gold Mine in the Eastern Goldfields region of Western Australia.

The Farm-in Joint Venture Agreement supports Red 5's multi-strand strategy to expand the Darlot Mineral Resource base, which includes regional 'bolt-on' acquisitions in addition to comprehensive exploration being undertaken as part of the Darlot Mining Hub Strategy.

The Mt Zephyr Project covers an area of 900km² and represents an excellent gold discovery opportunity, located within 100km trucking distance from the Darlot Mill. Mt Zephyr hosts several areas of known mineralisation, including the Dunn's Find Prospect (gold associated with Banded Iron Formation) and the Gale Prospect (gold associated with granodiorite intrusion), which shows early-stage similarities to Red 5's 4.1Moz King of the Hills (KOTH) gold deposit.

Mineralisation within the Mt Zephyr area is associated with the major gold-fertile Celia Lineament structure, extending over a strike length of ~50km of the Mt Zephyr greenstone belt and the northern end of the Mt Morgan greenstone belt.

The Darlot East Project comprises two Exploration Licences in an under-explored area located 8km to the east of the Darlot Mine. Although predominantly underlain by granite batholiths, there is evidence of greenstone in areas previously mapped as granite. The structurally-significant Celia Lineament passes through the tenements, providing an opportunity for mineralising fluids to pass through to form deposits.

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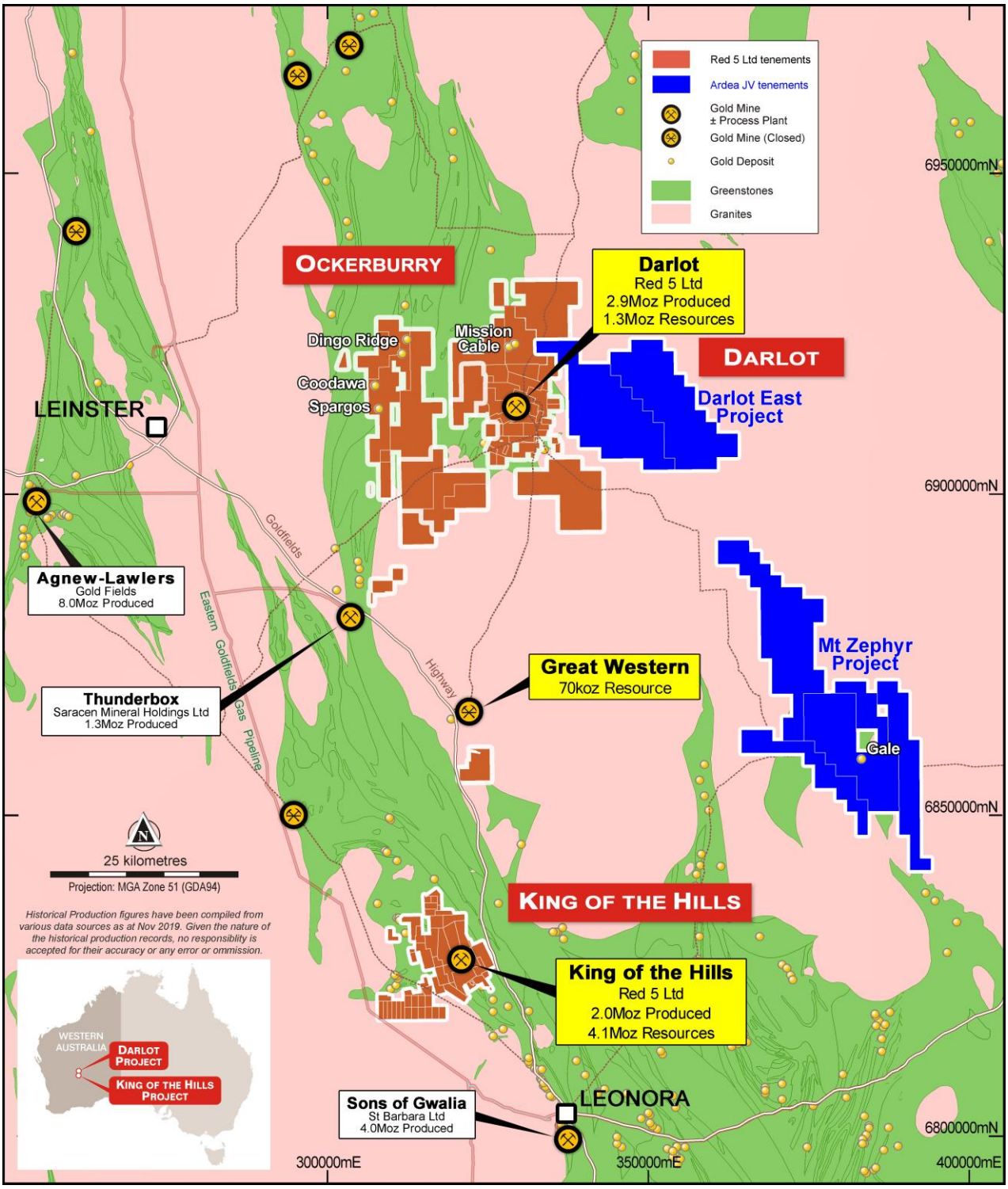

Figure 1: *Red 5 Ltd's group tenement holdings (brown) and the JV Farm in tenements (blue shading).*

Red 5's Managing Director, Mark Williams, said:

"Following the recent delivery of the Final Feasibility Study for the development of a bulk mining and processing operation at King of the Hills (KOTH), Red 5's growth vision is based on the establishment of two separate production hubs at KOTH and Darlot.

"This Joint Venture Farm-in Agreement with Ardea Resources provides an exciting opportunity for the discovery of gold resources within economic haulage distance of the Darlot processing plant, which is currently operating at 1Mtpa throughput.

"Ardea's grassroots exploration programs have delineated a series of highly-prospective targets, including the high-priority Gale Prospect which shows interesting early-stage analogies to our 4.1Moz KOTH deposit.

"Red 5 now has a combined granted tenement footprint of 1,919 km^2 in Western Australia's Eastern Goldfields (including 423km^2 under application), giving us a commanding position in this world-class gold district and an exceptionally strong growth pipeline of exploration projects.

"We are looking forward to getting on the ground to commence drilling and exploration programs at both the Mt Zephyr and East Darlot projects."

Joint Venture Farm-in Agreement

Red 5, through its 100%-owned subsidiary Darlot Mining Company Pty Ltd (Darlot), has executed a Farm-in Joint Venture Agreement (Agreement) with Ardea Exploration Pty Ltd, a wholly-owned subsidiary of Ardea Resources Ltd (ASX: ARL) (collectively 'Ardea'), over the Mt Zephyr and Darlot East Gold Projects in Western Australia (refer to Figures 1 and 2).

Under the terms of the Agreement, Darlot is required to spend $1.5 million within a 2-year period to earn an initial 60% interest in the tenements, after which Darlot may elect to spend an additional $800,000 to earn an additional 20% interest, for a total 80% earned interest in the tenements. Ardea is free-carried by Darlot up to a 'Decision to Mine', after which it may elect to contribute pro-rata or dilute. If Ardea's diluted interest falls below 10%, it will convert to a 1.5% Net Smelter Royalty (NSR).

The list of tenements included within the Agreement is detailed in Table 1.

Table 1. **Mt Zephry and Darlot East Project Tenements**

Project Name	Tenement	Grant Date	Area (blocks)
Mt Zephyr	E 37/1271	06/02/2017	24
	E 37/1274	13/09/2017	64
	E 39/1706	24/09/2013	12
	E 39/1854	11/07/2017	48
	E 39/1985	13/09/2017	32
Darlot East	E 37/1272	06/02/2017	62
	E 37/1273	13/09/2017	60

The descriptions of historical exploration results described in this report were published in the following announcements to the ASX:

1. ASX:ARL Ardea Resources Ltd's Prospectus lodged 9 November 2016.
2. ASX:ARL announcement dated 29 November 2018 "WA Gold Exploration – Update".
3. ASX:ARL announcement dated 11 April 2019 "First pass drilling at Gale identifies large scale gold system".

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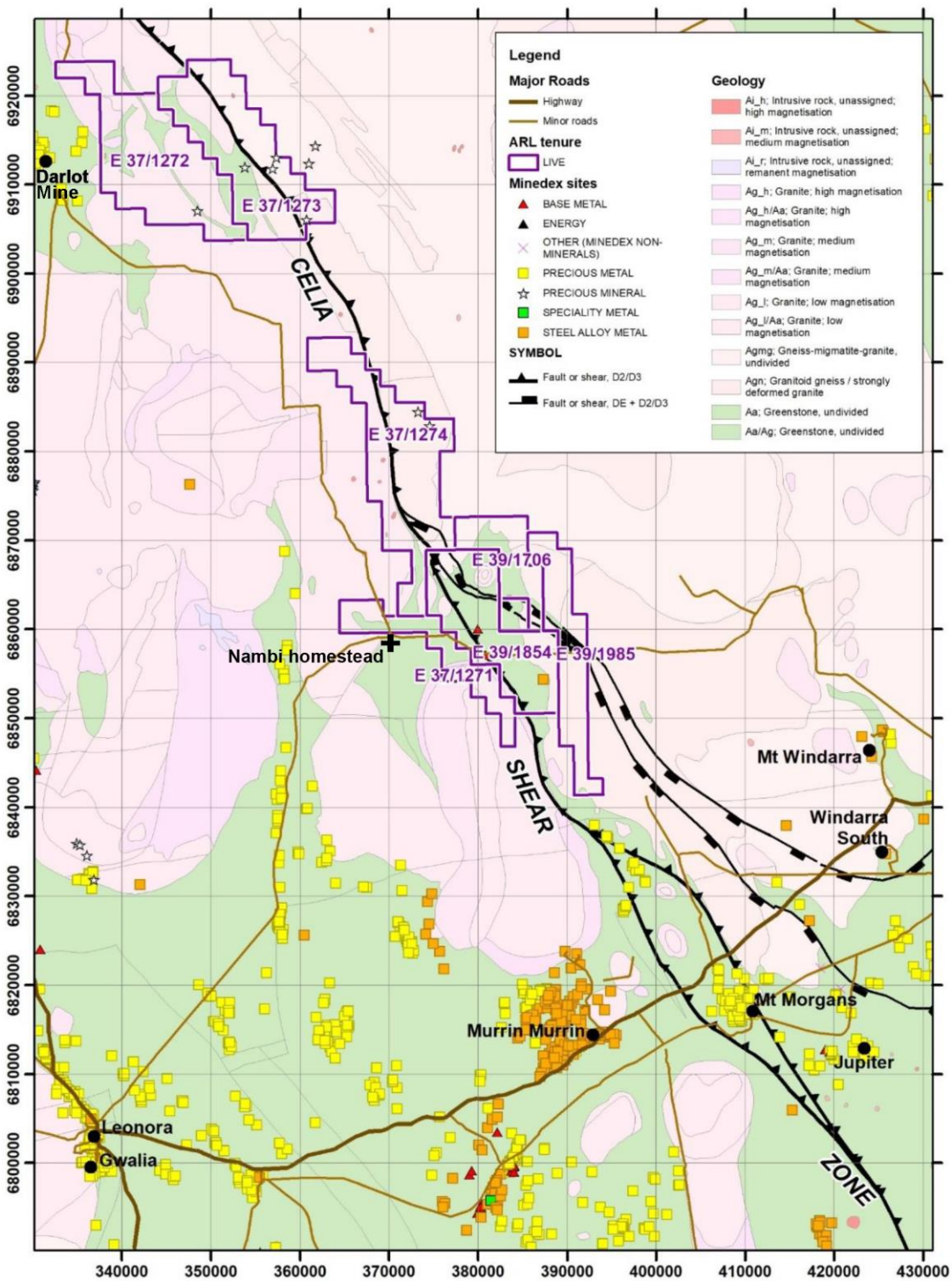

Figure 2: *Regional Geology and Location Plan – Mount Zephyr and Darlot East tenements, showing location of tenements relative to Darlot Mine and other significant mining centres, and proximity to the regionally significant Celia Shear Zone.*

Mt Zephyr Project – Gold

The Mt Zephyr group of tenements contains both primary gold and nickel mineralisation and encapsulates more than two-thirds of an underexplored greenstone belt traversed by the regionally-significant Celia Lineament (Figure 2). The area east of the Celia Lineament is considered highly-prospective for the following reasons:

- The world-class Jupiter and Wallaby granitoid-hosted gold deposits, as well as numerous historical gold workings, are located east of the Celia Lineament;
- It is located along-structure from the Mt Morgans and Lake Roe gold deposits;

- First-pass drilling programs completed in the area have confirmed gold mineralisation at the Gale, Dunn's North and Dunn's Line Prospects; and
- First-pass, wide-spaced (160mx160m) drilling has confirmed the presence of granitoid-hosted gold mineralisation at the Gale Prospect.

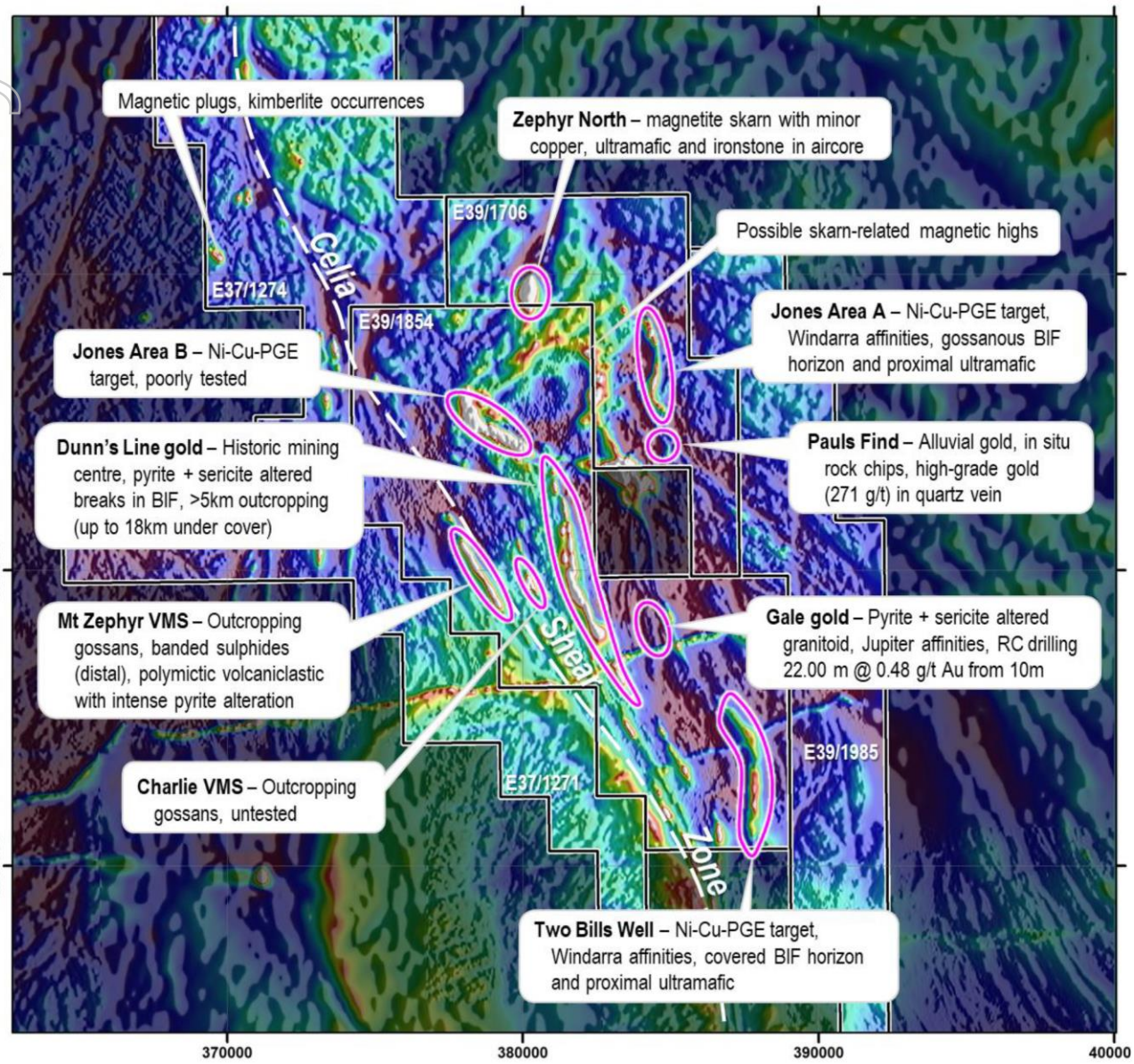

Figure 3: *Mount Zephyr Project tenements – various prospect areas underlain by airmag image. Paul's Find prospect is located within an excluded Special Prospecting Licence held by a third party.*

Gale Prospect

The Gale Prospect is considered to have the highest potential for the early definition of a gold Mineral Resource, with the previous exploration conducted by Ardea indicating[1, 2]:

- The presence of granitoid-hosted gold mineralisation which has been intersected by limited drilling from surface;
- Its location proximal to the Celia Shear Zone, along strike from geologically similar Jupiter and Wallaby gold mines;
- An exceptional 900m x 300m outcrop-limited soil geochemistry anomaly (>0.1g/t Au, up to 1.49g/t Au);
- Sericite, pyrite, hematite alteration noted in RC drill chips;
- Gold, arsenic, copper and barium anomalism in soil geochemistry;
- First-pass, wide-spaced (160x160m) drilling delivered promising results;
- The mineralised zone remains open in all directions;

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- Numerous targets have been defined;
- Near 100m intercepts are a rarity from a first-pass exploration program and are interpreted as the distal, outlying halo of a significant gold mineralising system;
- Strong parallels with Dacian's Jupiter mine and Gold Fields' Wallaby mine.

Drilling by Ardea in 2019 successfully defined broad intercepts of strong gold anomalism within a granitoid host (Figure 4). Wide-spaced RC drilling on a 160 x 160-metre pattern, across the sub-cropping part of the prospect included best results of:

- AMZR0006: 96m @ 0.28g/t Au from 2m, including 22m @ 0.48g/t Au from 10m;
- AMZR0021: 24m @ 0.24g/t Au from 4m;
- AMZR0002: 22m @ 0.25g/t Au from 6m, including 4m @ 0.79 g/t Au from 6m; and
- AMZR0018: 20m @ 0.20 g/t Au from 44m.

Results suggest that late-stage NE-striking structures that crosscut the Gale granitoid are spatially related to the gold mineralisation.

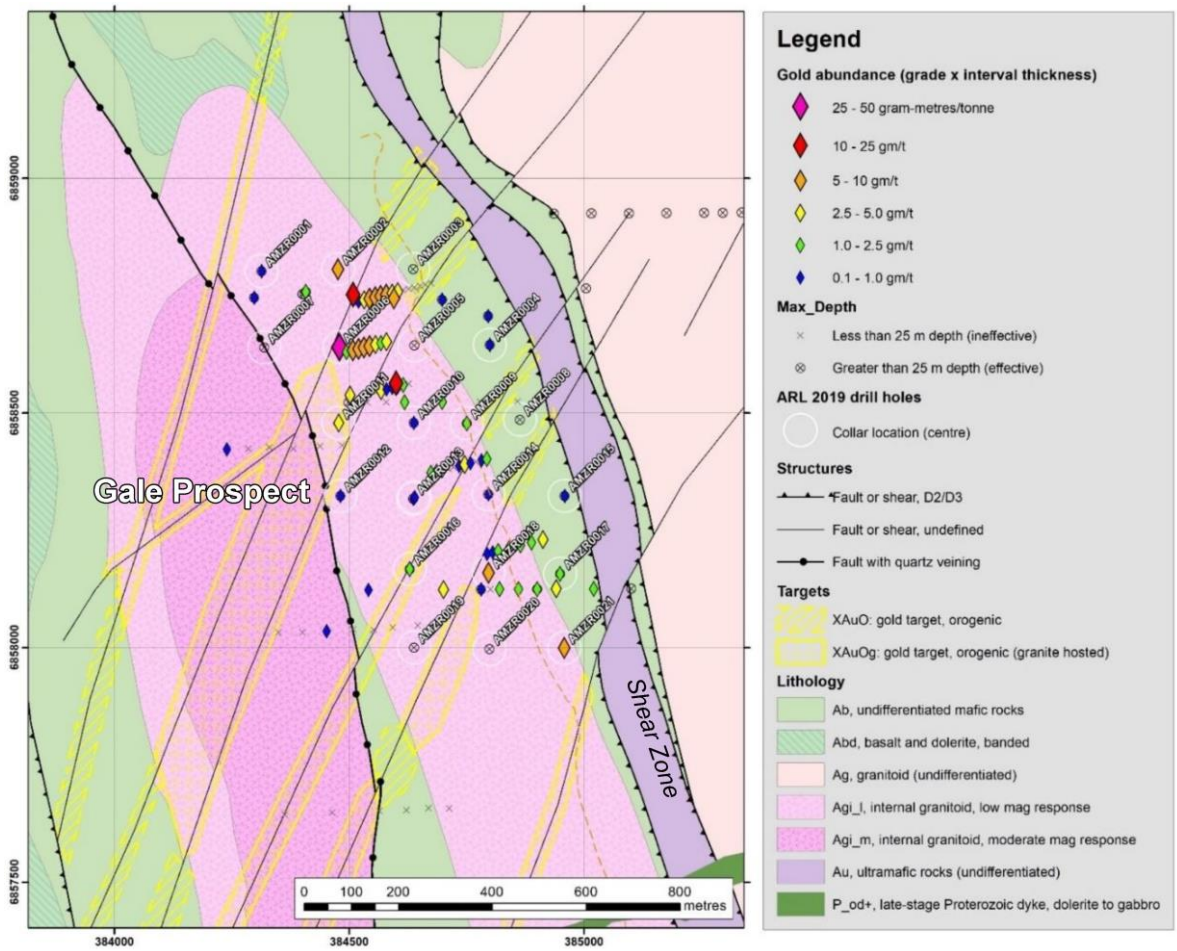

Figure 4: *Mount Zephyr Project – Gale Prospect geology plan showing Ardea and pre-Ardea drilling with composited downhole assays.*

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Dunn's Line Prospect

Dunn's Line is a line of historical workings situated along banded-iron formation (BIF) outcrops to the east of the Celia Shear Zone. The localised workings are distributed over a distance of 4-5kms of exposed BIF, with the host BIF sequence extending up to 18km undercover through various offsets and breaks. Small-scale mining commenced in 1899, with grades between 5 and 90g/t Au reportedly mined from the Mount Zephyr mine.

Ardea carried out a program of shallow air-core drilling (to blade refusal) along the exposed and covered strike extent of the northern parts of Dunn's Line. This drilling encountered anomalous mineralisation, indicating that gold is associated with pyritic (and sericitic) porphyry intrusives. The results of this program warrant follow-up drilling.

Darlot East (Yandal Belt and Celia Shear Zone)

The Darlot East Project is situated immediately to the east of Red 5's Darlot Gold Project tenements. It incorporates the Celia Shear Zone towards the east, as well as the eastern margin of the Yandal Greenstone Belt.

Between the Celia Shear Zone and the Yandal Greenstone Belt, multiple generations of granite plutons are evident, as are fragments of greenstones. Several magnetic lows are evident, some of which are coincident with lineament intersections and greenstone fragments.

Prior to Ardea's reinterpretation of the Darlot East area, greenstones were assumed to be limited, volumetrically insignificant rafts within granitoids. However, the acquisition, integration and interpretation of geophysical data by Ardea indicated that up to 20% of Ardea's Darlot East tenements is interpreted to be greenstone. On the western margin of the tenement group, the easternmost extent of the Yandal Greenstone Belt comprises a strongly magnetic feature that is possibly a relatively flat-lying mafic layered intrusion.

While no significant soil anomalism was identified in broad (1km x 1km) spaced soil sampling over the area, it should be noted that the areas of early interest, namely the greenstone fragments between the granite plutons, are almost entirely overlain by transported material, thus potentially inhibiting effective testing. Further work is warranted.

Mt Zephyr Project – Nickel and Base Metals

Nickel Sulphide & VMS targets

The Mt Zephyr Project also includes several nickel and base metal targets in the Mount Zephyr project area that have undergone limited historical exploration, with encouraging results:

1. Jones Area A – outcropping, highly oxidised and silicified manganiferous gossans, anomalous in Ni and Cu, with limited historical drilling. Ardea completed 12 air-core drill-holes with best intercepts of 2m at 0.83% Ni from 2m (hole AMZA0022) and 12m at 0.35% Ni from surface (hole AMZA0023).

2. Zephyr North prospect – bulls-eye aeromagnetic feature. Limited historical drilling with best individual assay results of up to 0.31% Ni, 0.075% Cu, and 0.11% Zn.

3. Two Bills Well prospect – shallow historical drilling anomalous in nickel, along strike of a magnetic high.

4. Mt Zephyr VMS-base metal anomalism is evident over a strike length of ~2km, with the mineralised contact evident in magnetics for up to 6km.

ENDS

Authorised for release by the Board.

For more information:

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Read Corporate

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Exploration Results

Mr Byron Dumpleton confirms that he is the joint Competent Person for Exploration Results summarised in this report and Mr Dumpleton has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Dumpleton is a Competent Person as defined by the JORC Code, 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in this report and to the activity for which he is accepting responsibility. Mr Dumpleton is a Member of the Australian Institute of Geoscientists, No. 1598. Mr Dumpleton is a full time employee of Red 5. Mr Dumpleton has reviewed this report and consents to the inclusion of the matters based on his supporting information in the form and context in which it appears.

The information in this report that relates to Exploration Targets, and Exploration Results is based on information compiled by Dr Matthew Painter, a Competent Person who is a Member of the Australian Institute of Geoscientists. Dr Painter is a full-time employee of Ardea Resources Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Painter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC 2012 Mineral Resource and Ore Reserves

Red 5 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the mineral resource and ore reserve estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

Forward-Looking Statements

Certain statements made during or in connection with this statement contain or comprise certain forward-looking statements regarding Red 5's Mineral Resources and Reserves, exploration operations, project development operations, production rates, life of mine, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Red 5 believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of Red 5, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. Red 5 undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly, you should not place undue reliance on any forward looking statement.

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APPENDIX A

JORC CODE, 2012 EDITION, TABLE 1 REPORT – GALE RC DRILLING

SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• All holes were sampled "in-principle" on a 2 metre down hole interval basis, with exceptions being made due to visual geological/mineralogical breaks, and end of hole final-lengths. All sampling lengths were recorded in ARL's standard sampling record spreadsheets. Sample condition, sample recovery and sample size were recorded for all drill-core samples collected by ARL. • The drill spacing was broad at a nominal 160mN x 160mE and was designed to achieve maximum coverage. The drilling will also contribute to provide material for the purpose of metallurgical sampling should the need arise. • Industry-standard practice was used in the processing of samples for assay, with 2m intervals of RC chips collected in green plastic bags. A definitive interpretation of the mineralisation awaits further drilling. • Assay of samples utilised standard laboratory techniques with standard ICP-AES undertaken on 50-gram samples for Au, Pt and Pd, and lithium borate fused-bead XRF analysis used for the remaining multi-element suite. Further details of lab processing techniques are found in the quality of assay data and laboratory tests below.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Ardea drilled the Gale prospect with 21 reverse circulation (RC) drill holes on a varying MGA94 z51 northing grid-spacing of 160m at several localities (see Figure 1). Holes were vertical (-90 degree dip). RC drilling was performed with a face-sampling hammer (bit diameter between 4½ and 5¼ inches) and samples were collected by either a cone (majority) or riffle splitter using 2-metre composites. Sample condition, sample recovery and sample size

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Criteria	JORC Code explanation	Commentary
		were recorded for all drill samples collected by ARL.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC chip sample recovery was recorded by visual estimation of the reject sample, expressed as a percentage recovery. Overall estimated recovery was high. RC Chip sample condition recorded using a three code system, D=Dry, M=Moist, W=Wet. A small proportion of samples were moist or wet (11.5%), with the majority of these being associated with soft goethite clays, where water injection has been used to improve drill recovery. • Measures taken to ensure maximum RC sample recoveries included maintaining a clean cyclone and drilling equipment, using water injection at times of reduced air circulation, as well as regular communication with the drillers and slowing drill advance rates when variable to poor ground conditions are encountered
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Drilling was undertaken for first pass exploration purposes. The level of logging detail utilised supports future potential resource estimation and was as follows: Visual geological logging was completed for all drilling both at the time of drilling (using standard Ardea logging codes), and later over relevant met-sample intervals with a metallurgical-logging perspective. Geochemistry from historic data was used together with logging data to validate logged geological horizons. • Visual geological logging was completed for all RC drilling on 1-metre intervals. Logging was performed at the time of drilling, and planned drill hole target lengths adjusted by the geologist during drilling. The geologist also oversaw all sampling and drilling practices. A mixture of ARL employees and contract geologists supervised all drilling. A small selection of representative chips were also collected for every 1-metre interval and stored in chip-trays for future reference. • In total, 1,310 m were drilled during the program, with the chips generated during the entire program logged in detail.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the*	• 2-metre composite samples were recovered using a 15:1 rig mounted cone splitter or trailer mounted riffle splitter during drilling into a calico sample bag. Sample target weight was between 2 and 3kg. In the case of wet clay samples, grab samples taken from sample return pile, initially into a calico sample bag. Wet samples were

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Criteria	JORC Code explanation	Commentary
	sample preparation technique. • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	stored separately from other samples in plastic bags and riffle split once dry. • QAQC was employed. A standard, blank or duplicate sample was inserted into the sample stream 10 metres on a rotating basis. Standards were quantified industry standards. Every 30th sample a duplicate sample was taken using the same sample sub-sample technique as the original sub-sample. Sample sizes are appropriate for the nature of mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All Ardea samples were submitted to Kalgoorlie Bureau Veritas (BV) laboratories and transported to BV Perth, where they were pulverised. • The samples were sorted, wet weighed, dried, then weighed again. Primary preparation has been by crushing and splitting the sample with a riffle splitter were necessary to obtain a sub-fraction which has then been pulverised in a vibrating pulveriser. All coarse residues have been retained. • The samples have been cast using a 66:34 flux with 4% lithium nitrate added to form a glass bead. Al, As, Ba, Ca, Cl, Co, Cr, Cu, Fe, Ga, K, Mg, Mn, Na, Ni, P, Pb, S, Sc, Si, Sr, Ti, V, Zn, Zr have been determined by X-Ray Fluorescence (XRF) Spectrometry on oven-dry (105˚C) sample unless otherwise stated. • A fused bead for Laser Ablation MS was created to define Ag_LA, Be_LA, Bi_LA, Cd_LA, Ce_LA, Co_LA, Cs_LA, Dy_LA, Er_LA, Eu_LA, Gd_LA, Ge_LA, Hf_LA, Ho_LA, In_LA, La_LA, Lu_LA, Mo_LA, Nb_LA, Nd_LA, Ni_LA, Pr_LA, Rb_LA, Re_LA, Sb_LA, Sc_LA, Se_LA, Sm_LA, Sn_LA, Ta_LA, Tb_LA, Te_LA, Th_LA, Tl_LA, Tm_LA, U_LA, V_LA, W_LA, Y_LA, Yb_LA, which have been determined by Laser Ablation Inductively Coupled Plasma Mass Spectrometry (LAICP-MS). • The samples have been analysed by Firing a 40 g (approx) portion of the sample. Lower sample weights may be employed for samples with very high sulphide and metal contents. This is the classical fire assay process and will give total separation of Gold, Platinum and Palladium in the sample. Au1, Pd, Pt have been determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. • Loss on Ignition results have been determined using a robotic TGA

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Criteria	JORC Code explanation	Commentary
		system. Furnaces in the system were set to 110 and 1000 degrees Celsius. LOI1000 have been determined by Robotic TGA. • Dry weight and wet weight have been determined gravimetrically. • BV routinely inserts analytical blanks, standards and duplicates into the client sample batches for laboratory QAQC performance monitoring. • Ardea also inserted QAQC samples into the sample stream at a 1 in 10 frequency, alternating between blanks (industrial sands) and standard reference materials. Additionally, a review was conducted for geochemical consistency between historically expected data, recent data, and geochemical values that would be expected in a nickel laterite profile. • All of the QAQC data has been statistically assessed. There were rare but explainable inconsistencies in the returning results from standards submitted, and it has been determined that levels of accuracy and precision relating to the samples are acceptable.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• BV routinely inserts analytical blanks, standards and duplicates into the client sample batches for laboratory QAQC performance monitoring. • Ardea also inserted QAQC samples into the sample stream at a 1 in 20 frequency, alternating between duplicates splits, blanks (industrial sands) and standard reference materials. • All of the QAQC data has been statistically assessed. Ardea has undertaken its own further in-house review of QAQC results of the BV routine standards, 100% of which returned within acceptable QAQC limits. This fact, combined with the fact that the data is demonstrably consistent, has meant that the results are considered to be acceptable and suitable for reporting.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill holes are to be surveyed using an RTK DGPS system with either a 3 or 7 digit accuracy. The coordinates are stored in the exploration database referenced to the MGA Zone 51 Datum GDA94. • All holes drilled as part of the Gale program were vertical. No holes were down-hole surveyed except at EOH. • The grid system for all models is GDA94. Where historic data or mine grid data has been used it has been transformed into GDA94 from its

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		original source grid via the appropriate transformation. Both original and transformed data is stored in the digital database. • A DGPS pickup up of drill collar locations is considered sufficiently accurate for reporting of resources, but is not suitable for mine planning and reserves.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drill spacing was designed to provide first-pass exploration results at a density of 160mE x 160mN. • The spacing is not considered sufficient for the definition of Mineral Resources. Further exploratory drilling will be required before the calculation of such resources could be considered. • Sample compositing has not been applied to the newly collected data.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• All drill holes in this program were vertical. • True orientations of gold controlling structures are not currently known at Gale. Both flat-lying and steep structures are expected, but neither has been measured. As such, no comment can yet be made regarding the representativity of calculated intercepts. It is expected that the orientations of structures and therefore their optimal sampling orientations will be revealed through further drilling.
Sample security	• *The measures taken to ensure sample security.*	• All samples were collected and accounted for by ARL employees/consultants during drilling. All samples were bagged into calico plastic bags and closed with cable ties. Samples were transported to Kalgoorlie from logging site by ARL employees/ consultants and submitted directly to BV Kalgoorlie. • The appropriate manifest of sample numbers and a sample submission form containing laboratory instructions were submitted to the laboratory. Any discrepancies between sample submissions and samples received were routinely followed up and accounted for.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audit or review beyond normal operating procedures has yet been undertaken on the Gale dataset. ARL has periodically conducted internal reviews of sampling techniques relating to resultant exploration datasets, and larger-scale reviews capturing the data from multiple drilling programs. • Internal reviews of the exploration data included the following:

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		• Unsurveyed drill hole collars (less than 1% of collars). • Drill Holes with overlapping intervals (0%). • Drill Holes with no logging data (less than 2% of holes). • Sample logging intervals beyond end of hole depths (0%). • Samples with no assay data (from 0 to <5% for any given project, usually related to issues with sample recovery from difficult ground conditions, mechanical issues with drill rig, damage to sample in transport or sample preparation). • Assay grade ranges. • Collar coordinate ranges • Valid hole orientation data. • The BV Laboratory was visited by ARL staff in 2017, and the laboratory processes and procedures were reviewed at this time and determined to be robust.

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SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The tenement on which the Gale drilling was undertaken is E39/1854. ARL, through its subsidiary companies, is the sole holder of the tenement. • Heritage surveys were carried out by Kado Muir, Heritage Consultant (Masters CHS – Anthropology/Archaeology) prior to application for the Program of Works to undertake the program.

Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Gale prospect has been subject to limited historic exploration, mostly as drilling.
		  • BHP (late 1980s) identified anomalism at surface and drilled 19 shallow RAB holes immediately southwest of the currently defined mineralisation. These early holes were generally less than 20m deep in an area of alluvial cover, and are not considered to have effectively tested for mineralisation.
		  • Aurora Gold (early 1990s) identified sheared and sericite-biotite altered granite that was interpreted to be the source of the soil anomalism. RAB drill programs yielded results including MZR4 (0 to 18 m at 0.51 g/t Au), MZR19 (0 to 18 m at 0.48 g/t Au), and MZR49 (0 to 6 m at 1.26 g/t Au). As per the prevailing ideas of the day, Aurora assumed vertically-oriented gold lodes, but could not make these hold together.
		  • Around 2000, shallow RAB drilling by Regal Resources returned anomalous geochemical results including 2 m at 3.12 g/t Au from 8 m in MZR020 and 2 m at 1.64 g/t Au from 2 m in MZR024.
		  • Newcrest drilled 12 RC drillholes, most to 150 m depth, in two lines coinciding with known mineralisation, confirming earlier gold results and achieving results such as NGRC004 (0 to 48 m at 0.19 gt Au) and NGRC011 (62 to 64 m at 0.71 g/t Au).

Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mineralisation at Gale appears to be granitoid hosted orogenic gold. Strong parallels are drawn with Dacian's Jupiter deposit around 50 km to the SE. Granitoid plugs are intruded into the hangingwall of the Celia Lineament. Contrasting rheological

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		characteristics likely result in fracturing contemporaneous with deformation and regional gold mineralising events.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results, including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *downhole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• All holes drilled in this most recent program are listed in "Appendix 1 – Collar location data".
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• All assay data relating to the metals of interest at Gale, namely gold and associated trace finder elements arsenic, antimony, and sulphur, are listed in "Appendix 2 – Assay results from Gale". Other elements were assayed but have not been reported here. They are of use and of interest from a scientific and metallurgical perspective, but are not considered material and their exclusion does not detract from the understanding of this report.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Most drill hole samples have been collected over 2 m downhole intervals. • Gold intercepts at Gale are defined using a 0.1 g/t cut-off on a minimum intercept of 1 m and a maximum internal waste of 2 m. Secondary intercepts (i.e. the "including" intercepts) are defined using a 0.5 g/t cut-off and the same intercept and internal waste characteristics. • Assay compositing techniques were not used in this assessment. • No metal equivalent calculations have been used in this assessment.

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Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• All drill holes in this program were vertical. • True orientations of gold controlling structures are not currently known at Gale. Both flat-lying and steep structures are expected but neither has been measured. As such, no comment can yet be made regarding the representativity of calculated intercepts. It is expected that the orientations of structures and therefore their optimal sampling orientations will be revealed through further drilling.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• A map of the gold mineralisation is shown within the report. Cross-sections are not shown as gold as the Company is still developing its understanding of the prospect.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not applicable to this report. All results are reported either in the text or in the associated appendices. Examples of high-grade mineralisation are labelled as such.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• No other data are, at this stage, known to be either beneficial or deleterious to the recovery of the metals reported.