



Ardea Resources Limited

ABN 30 614 289 342

Interim Financial Report Half-Year ended 31 December 2023

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the period ended 30 June 2023 and any public announcements made by Ardea Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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ARDEA RESOURCES LIMITED

ABN 30 614 289 342

CORPORATE DIRECTORY

DIRECTORS

Mathew Longworth
Non-Executive Chair

Andrew Penkethman
Managing Director/Chief Executive Officer

Ian Buchhorn
Executive Director

Maree Arnason
Non-Executive Director

COMPANY SECRETARY

Sam Middlemas
Company Secretary

PRINCIPAL REGISTERED OFFICE

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Western Australia 6005

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AUDITOR

Dry Kirkness (Audit) Pty Ltd
Ground Floor, 50 Colin Street
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Western Australia 6005

SHARE REGISTRY

Automic Group
GPO Box 5193
Sydney NSW 2001

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SECURITIES EXCHANGE LISTING

The Consolidated Entity's shares are quoted on the Australian Securities Exchange. The Home Exchange is Perth.

ASX CODE

ARL - ordinary shares

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ARDEA RESOURCES LIMITED
and its controlled entities

DIRECTORS' REPORT

The Directors present their report on Ardea Resources Limited (Ardea or the Company) and the entities it controlled at the end of and during the half-year ended 31 December 2023 ("financial period").

DIRECTORS

The names and details of the Directors of Ardea Resources Limited during the financial period and until the date of this report are:

Mathew Longworth – *BSc (Hons) MAusIMM*
Non-Executive Chair
Appointed 31 July 2020

Mathew Longworth is a geologist with over 35 years' experience across exploration, project evaluation/development, operations and corporate management. He has previously held roles as Exploration Manager, COO and CEO/Managing Director with Australian listed companies, and Mining Consultant with Xtract Mining consultants. In his senior corporate roles, Mathew led multidisciplinary project evaluation and development teams. Mr Longworth is a member of the Australasian Institute of Mining and Metallurgy.

Mr Longworth has excellent experience of the key Ardea exploration and development projects within the Kalgoorlie Nickel Project. Mr Longworth joined Heron Resources in 2003 as Exploration Manager rising to Managing Director in 2007 to 2011. Mr Longworth applied his intimate knowledge of the Bardoc Tectonic Zone and broader Eastern Goldfields geology to the KNP to collaborate with Vale Inco in their 2005 to 2009 KNP feasibility study.

He is currently Chairman of the unlisted Company Greenfields Exploration Limited, Non-Executive Director at Asra Minerals Ltd, Chair of Northam Resources Limited, and was formerly non-executive Chairman of ASX listed Metalicity Limited (from 1 July 2019 to 18 May 2021). Mr Longworth has no other public company directorships.

Andrew Penkethman – *BSc, FAusIMM, MAIG*
Managing Director & Chief Executive Officer
Appointed Managing Director 5 February 2020 following his appointment as Chief Executive Officer on 1 April 2019

Andrew Penkethman is a resources sector executive with over 28 years' experience in the resources industry. His technical skills include project evaluation, early stage and near mine exploration, mineral discovery success, resource development, feasibility study management, permitting, stakeholder engagement and mine development across open pit and underground operations within Australia and overseas. Commodities experience includes Battery and Critical minerals, gold and energy commodities over a range of geological settings.

Mr Penkethman's technical expertise is complimented by over 15 years in executive roles with a strong corporate focus including strategic partner processes, joint venture management, financial modelling, project acquisition and divestment. Mr Penkethman has ASX, AIM and TSX equity markets experience. He holds a Bachelor of Science degree from the University of Wollongong with majors in Geology and Geography, is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists.

Mr Penkethman is currently a non-executive Director of Kalgoorlie Gold Mining Limited (16 November 2021 to present).

Ian Buchhorn – *BSc (Hons), Dipl. Geosci (Min. Econ), MAusIMM*
Executive Director
Appointed 17 August 2016

Ian Buchhorn is a Mineral Economist and Geologist with over 40 years' experience in the resources sector. He was the founding Managing Director of Heron Resources Limited for a period of 11 years until early 2007 and returned to that role in October 2012 after a period as Executive Director. Mr Buchhorn previously worked with a number of international mining companies and has worked on Battery and Critical minerals, bauxite and industrial mineral mining and exploration, gold and base metal project generation and corporate evaluations. For the last 25 years Mr Buchhorn has acquired and developed mining projects throughout the Eastern Goldfields of Western Australian and has operated as a Registered Mine Manager.

During the three years prior to the end of this financial period, Mr Buchhorn was a non-executive Director of Godolphin Resources Limited (19 June 2019 to 9 June 2023).

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**ARDEA RESOURCES LIMITED
and its controlled entities**

DIRECTORS' REPORT

**Maree Arnason – BA, FAICD
Non-Executive Director
Appointed 10 July 2023**

Maree Arnason has over 35 years' experience across the natural resources, energy and manufacturing sectors with companies including BHP Billton, Carter Holt Harvey, Svenska Cellulosa AB and Wesfarmers. She has worked across commodities including copper, gold, iron ore, timber, coal, mineral sands and natural gas and gained expertise in strategy, sustainability, risk, corporate affairs, stakeholder relations, transformations, divestments and integrations.

Ms Arnason is a Non-Executive Director of Gold Road Resources and is Chair of their Risk and ESG Committee, a Non-Executive Director of ASX-listed VHM Limited and a Co-founder and Director of Energy Access Services, which operates an independent Western Australian-focused digital trading platform for wholesale gas buyers and sellers.

Ms Arnason holds a Bachelor of Arts from Deakin University. She is a Fellow of the Australian Institute of Company Directors (FAICD), an AICD WA Division Councillor and member of AICD's Corporate Governance Committee.

COMPANY SECRETARY

Robert (Sam) Middlemas – B.Com., PGradDipBus. CA

Mr Middlemas was appointed Company Secretary and Chief Financial Officer on 20 October 2016. He is a chartered accountant with more than 25 years' experience in various financial, board and company secretarial roles with a number of listed public companies operating in the resources sector. He is the principal of a corporate advisory company which provides financial and secretarial services specialising in capital raisings and initial public offerings. Previously Mr Middlemas worked for an international accountancy firm. His fields of expertise include corporate secretarial practice, financial and management reporting in the mining industry, treasury and cash flow management and corporate governance. Mr Middlemas ceased the role of Chief Financial Officer on 8 June 2022 and continues as the Company's Company Secretary.

CHIEF FINANCIAL OFFICER

Rebecca Moylan – B.Bus (Acc&FIN), FFINSIA, GAICD, CPA

Ms Moylan was appointed Chief Financial Officer on 8 June 2022. She is a certified practicing accountant with more than 20 years' experience in financial and corporate management, accounting, project financing and contract negotiation during her career in the mining industry. This has included positions as Chief Financial Officer and Company Secretary of several ASX-listed companies.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial period consisted of mineral exploration and development in Western Australia.

There have been no significant changes in these activities during the financial period.

DIVIDENDS

No dividend has been paid and no dividend is recommended for the current financial period.

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ARDEA RESOURCES LIMITED
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DIRECTORS' REPORT

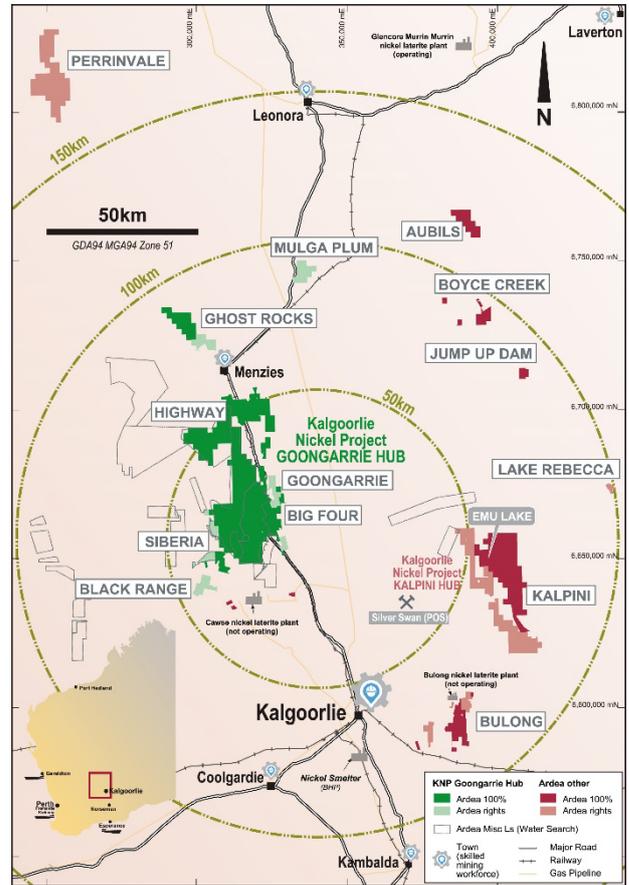
REVIEW OF OPERATIONS AND ACTIVITIES

The Consolidated Entity recorded an operating loss after income tax for the Financial Period ended 31 December 2023 of \$3,238,095 (2023 half-year loss of \$1,876,449).

Ardea is a battery and critical Minerals Company, focused on the development of its globally significant Kalgoorlie Nickel Project (**KNP**). The KNP is comprised of a series of major undeveloped nickel-cobalt-scandium laterite deposits which total **854Mt at 0.71% Ni and 0.045% Co for 6.1Mt of contained nickel and 386kt of contained cobalt** (ASX release 30 June 2023). All KNP projects are located within 150km of the regional mining hub of the City of Kalgoorlie-Boulder, Western Australia. The KNP Goongarrarie Hub is a subset within the KNP and was the subject of the 2023 Preliminary Feasibility Study (**PFS**). See Table 1 for KNP Mineral Resource Estimate table, showing Hub subtotals.

Ardea signed a non-binding Memorandum of Understanding (**MOU**) with a Japanese Consortium in July 2023 (ASX Announcements 5 July, 29 September, 21 December 2023 and 29 February 2024), and have reached an agreement on the KNP Goongarrarie Hub Definitive Feasibility Study (**DFS**) service provider scope and budget. The Japanese Consortium recently advised the Company (ASX release 29 February 2024) that they have completed their commercial and technical due diligence. Ardea and the Japanese Consortium are working towards executing binding long form Final Agreements before the end of March 2024 to form a joint venture to facilitate the completion of the KNP Goongarrarie Hub DFS, make a Final Investment Decision and jointly secure project development funding for this strategic nickel-cobalt project.

The Company is also undertaking advanced-stage exploration at compelling nickel sulphide targets, such as Emu Lake and Critical Minerals targets within the KNP Eastern Goldfields world-class nickel-gold province. All exploration targets complement the KNP nickel development strategy.



KNP location plan. Projection GDA94 Zone 51

Ardea's strategy for ultimate growth is to combine the following elements:

- KNP nickel-cobalt laterite project development, commencing with the Goongarrarie Hub, to produce Battery and Critical Minerals for the Lithium Ion Battery supply chain to further advance the transition to a low carbon future. Explore the broader KNP and Emu Lake for nickel sulphide, and Critical Minerals.
- Once the Goongarrarie Hub Strategic Partner has been selected and the DFS is underway, Ardea can consider partner or joint venture options for other projects, such as the Kalpini and Yerilla Hubs.
- Ongoing commitment to the identification and review of projects / corporate opportunities that have the capacity to create value for Ardea Shareholders and executing on these opportunities.

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DIRECTORS' REPORT

Kalgoorlie Nickel Project (100% Ardea)

The KNP global Mineral Resource Estimate (using a 0.5% Ni cut-off grade) stands at **854Mt at 0.71% Ni and 0.045% Co for 6.1Mt of contained nickel and 386kt of contained cobalt** (Table 1).

The KNP is owned 100% by Ardea. The KNP Goongarrie Hub, within the KNP, was the subject of the PFS released for in July 2023 (ASX release 5 July 2023) for a 3.5Mtpa operation, with two High Pressure Acid Leach (**HPAL**) autoclaves, each rated at 1.5Mtpa, as well as an Atmospheric Leach (**AL**) circuit of 0.5Mtpa. The leach streams will initially produce Mixed Hydroxide Precipitate (**MHP**) as an ethical and sustainable supply chain product for the lithium-ion battery sector. There is potential to upgrade to Precursor Cathode Active Material (**PCAM**), as a stage 2 enhancement.

Key characteristics of the KNP Goongarrie Hub include:

- **Excellent location with established infrastructure** – the KNP Goongarrie Hub project area is located 70km northwest of the mining hub of Kalgoorlie-Boulder with its high-skill workforce and includes sealed main road, rail, power, mobile phone coverage and gas pipeline infrastructure. Two port options, being Esperance and Kwinana.
- **Stakeholder Engagement** – Ardea enjoys strong stakeholder support and maintains an Operations Office in West Kalgoorlie and Corporate Office in West Perth and continues to work with the stakeholders within the communities in which it operates and is grateful for the Community and Local Government support received.
- **Benign environmental setting** – the arid climate facilitates evaporation of tailings (so avoiding the submarine tailings disposal of some tropical nickel laterites), that are planned to be stored in exhausted open pits that will be dressed with top soil and revegetated. With long-established rehabilitation protocols developed from previous Eastern Goldfields nickel laterite and gold mining operations, the area is known to rehabilitate well.
- **All resources located on granted mining leases** – certainty of current and future resource availability.
- **2023 PFS defined a compelling investment case** (ASX release 5 July 2023) - To advance the KNP Goongarrie Hub through to DFS, with PFS highlights including:
 - Proven High Pressure Acid Leach and Atmospheric Leach flowsheet using technology successfully deployed at existing operations
 - Ore Reserve 194.1Mt at 0.70% Ni and 0.05% Co for 1.36Mt of contained nickel and 99,000t of contained cobalt¹
 - Mining optimisation studies have projected production of approximately 30,000t of nickel and 2,000t of cobalt per annum for more than 40 years. Year 1 to 5 (post ramp up) production >34ktpa nickel and >3ktpa cobalt²
 - Conventional low-cost open pit mining methods result in mining costs comprising less than 12% of total operating cost with a very low strip ratio at an average of 1.5:1 for the first 35 years of mine life²
 - The project is estimated to generate²:
 - Pre-tax NPV7 of A\$7,625M and IRR of 30%
 - Post- tax NPV7 of A\$4,980M and IRR of 23%
 - Average Annual EBITA of A\$800M
 - Project pay back within 3.1 years
 - Direct cash cost after Co by-product credit of US\$3,763/t Ni in MHP during the first five years of operation, and US\$5,763/t Ni in MHP over life of mine²
 - Total capital cost of A\$3,117M, including process plant and infrastructure cost of A\$2,264M and sulphuric acid, steam, and power plant cost of \$574M³
 - Life Cycle Assessment (**LCA**) is expected to be 11.9 kg CO₂ eq. per kg nickel in MHP based on Ardea's Scope 1, 2 and upstream Scope 3 emissions³
 - In-pit tailings disposal minimises environmental footprint and enables mine site rehabilitation, concurrent with steady-state mine operation.
- **On-site Mineralised Neutraliser** – Bench scale test work has confirmed that nickel-cobalt-enriched neutraliser material can be sourced during the normal course of mining, screened and stockpiled for use as HPAL autoclave neutraliser and AL feed (ASX release 15 June 2023). This will largely remove the need for importing limestone to site from a location approximately 450km away and improve environmental and financial outcomes (Ardea ASX PFS release 5 July 2023). Ardea continues progress with FB Rice in support of Mineralised Neutraliser patent applications in Australia (AU2022903389) and with the World Intellectual Property Office (WIPO) (PCT/AU2023/050520, ASX release 15 June 2023). These applications relate to the use of Mineralised Neutraliser in the Ardea process.
- **Significant by-product Critical Minerals credit potential** – notably scandium.

¹ See Section 5 of the 5 July PFS announcement for detailed Ore Reserve table and Appendix 1.

² See Section 14 of the 5 July PFS announcement for detailed notes on the financial metrics which include inputs of US\$25,000/t nickel price, US\$60,000/t cobalt price and exchange rate of 0.67 AUD:USD. Direct cash cost excludes royalties and includes third party freight charges and cobalt credit.

³ See Section 13 of the 5 July PFS announcement for detailed notes on the LCA.

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Key advancements in the KNP Goongarrie Hub Strategic Partner Process:

- Ardea worked closely with a consortium consisting of Sumitomo Metal Mining Co., Ltd and Mitsubishi Corporation (Consortium) (ASX release 21 December 2023), with multiple site visits and meetings taking place during the half year.
- The Consortium have advised Ardea that they have concluded all commercial and technical Due Diligence (ASX release 29 February 2024).
- Ardea and the Consortium have completed the DFS work packages that were issued for service provider bids, which have been received and are being evaluated so that service providers can be selected, the budget finalised and the DFS commence in the June Quarter of 2024.
- Following completion of the DFS, Ardea and the Japanese Consortium will work towards making a Final Investment Decision and securing project development funding, with a focus on Australian and foreign Export Credit Agency (**ECA**) long tenor, low interest rate debt.
- The Consortium will look to ultimately earn a significant interest in a joint venture which will develop and operate the KNP Goongarrie Hub and will have certain off-take rights. The final binding terms of a proposed joint venture continue to be negotiated between Ardea and the Japanese Consortium.
- Final Agreements, including binding terms for full funding of the DFS, are expected to be executed by the end of the March Quarter 2024

WA Nickel Sulphide and Critical Minerals (100% Ardea)

Ardea controls an extensive and highly prospective tenement portfolio which covers over 4,400km² in the Eastern Goldfields world-class Battery and Critical mineral province.

This Eastern Goldfields Exploration Pipeline provides multiple exploration opportunities to add value:

- **Kalpini Project** - Massive nickel-copper-PGE sulphides discovered at Emu Lake (AELD0003: 2.72m at 5.42% Ni & 0.85% Cu from 391.04m) within largely untested 20km of host-rock strike⁴
- **Highway Project** – EIS hole AHID0024, beneath Highway Nickel Laterite, intersected multiple lithium-caesium-rubidium anomalous intermediate-felsic intrusives with notably high rubidium. Fractionated fertile Lithium-Caesium-Tantalum (**LCT**) mineral system confirmed, and also at the Ghost Rocks Project, exploration ongoing⁵
- Scandium and Rare Earth Elements (**REE**) identified notably at Ardea's KNP Goongarrie and Kalpini tenure

⁴ See 14 Jan 2022 ARL ASX Announcement

⁵ See 15 Dec 2023 ARL ASX Announcement

ARDEA RESOURCES LIMITED
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DIRECTORS' REPORT

Table 1 : KNP nickel and cobalt MRE based on a greater than 0.5% Ni cut-off grade. Minor discrepancies may occur due to rounding of appropriate significant figures. Legend: LUC – Local Uniform Conditioning; UC – Uniform Conditioning; OK – Ordinary Kriging.

Camp	Prospect	Resource Category	Size (Mt)	Ni (%)	Co (%)	Contained Metal		Estimation Details			
						Ni (kt)	Co (kt)	Method	Source	Year	
Goongarrie	Goongarrie South	Measured	18	0.94	0.085	171	15	LUC	Ardea	2021	
		Indicated	82	0.71	0.049	584	40	LUC	Ardea	2021	
		Inferred	10	0.64	0.033	61	3	LUC	Ardea	2021	
	Highway	Indicated	71	0.69	0.038	487	27	LUC	Ardea	2023	
		Inferred	21	0.67	0.040	141	8	LUC	Ardea	2023	
	Ghost Rocks	Inferred	47	0.66	0.042	312	20	OK	Snowden	2004	
	Goongarrie Hill	Indicated	40	0.65	0.037	259	15	LUC	Ardea	2021	
		Inferred	29	0.60	0.025	176	7	LUC	Ardea	2021	
	Big Four	Indicated	49	0.71	0.047	346	23	LUC	Ardea	2021	
		Inferred	14	0.68	0.043	96	6	LUC	Ardea	2021	
	Scotia Dam	Indicated	12	0.71	0.065	82	7	LUC	Ardea	2021	
		Inferred	5	0.72	0.043	37	2	LUC	Ardea	2021	
	Goongarrie Subtotal		Measured	18	0.94	0.085	171	15			
			Indicated	253	0.69	0.044	1,758	112			
		Inferred	127	0.65	0.037	823	47				
		Combined	398	0.69	0.044	2,753	175				
Siberia	Siberia South	Inferred	81	0.65	0.033	525	27	OK	Snowden	2004	
	Siberia North	Indicated	14	0.72	0.042	102	6	Ni(UC) Co(OK)	Snowden	2009	
		Inferred	72	0.74	0.034	534	25	Ni(UC) Co(OK)	Snowden	2009	
	Black Range	Indicated	9	0.67	0.090	62	8	OK	HGMC	2017	
		Inferred	10	0.69	0.100	68	10	OK	HGMC	2017	
	Siberia Subtotal		Indicated	24	0.70	0.061	165	14			
			Inferred	163	0.69	0.038	1,127	61			
		Combined	186	0.69	0.040	1,292	75				
KNP Goongarrie Hub	TOTAL	Measured	18	0.94	0.085	171	15				
		Indicated	277	0.70	0.046	1,923	127				
		Inferred	289	0.67	0.037	1,951	108				
		Combined	584	0.69	0.043	4,044	250				
Bulong	Taurus	Inferred	14	0.84	0.051	119	7	OK	Snowden	2007	
	Bulong East	Indicated	16	1.06	0.055	169	9	OK	Snowden	2004	
		Inferred	24	0.79	0.053	190	13	OK	Snowden	2004	
	Bulong Subtotal		Indicated	16	1.06	0.055	169	9			
			Inferred	38	0.81	0.052	309	20			
		Combined	54	0.88	0.053	477	29				
Hampton	Kalpini	Inferred	75	0.73	0.044	550	33	OK	Snowden	2004	
	Hampton Subtotal	Inferred	75	0.73	0.044	550	33				
KNP Kalpini Hub	TOTAL	Indicated	16	1.06	0.055	169	9				
		Inferred	114	0.76	0.047	859	53				
		Combined	130	0.79	0.048	1,028	62				
Yerilla	Jump Up Dam	Measured	4	0.94	0.048	36	2	OK	Snowden	2008	
		Indicated	42	0.78	0.043	324	18	OK	Snowden	2008	
		Inferred	18	0.63	0.034	116	6	OK	Snowden	2008	
	Boyce Creek	Indicated	27	0.77	0.058	206	16	OK	Snowden	2009	
	Aubils	Inferred	49	0.70	0.066	346	33	OK	Heron	2008	
KNP Yerilla Hub	TOTAL	Measured	4	0.94	0.048	36	2				
		Indicated	68	0.78	0.049	531	33				
		Inferred	68	0.68	0.057	462	39				
		Combined	140	0.73	0.053	1,028	74				
KNP TOTAL		Measured	22	0.94	0.079	207	17				
		Indicated	361	0.73	0.047	2,622	169				
		Inferred	471	0.70	0.043	3,272	200				
GRAND TOTAL		Combined	854	0.71	0.045	6,101	386				

See 30 June 2023 - 'Kalgoorlie Nickel Project Mineral Resource Estimate Exceeds 6 Million Tonne Contained Nickel'.

**ARDEA RESOURCES LIMITED
and its controlled entities**

DIRECTORS' REPORT

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 370C of the *Corporations Act 2001* is set out on page 10 for the half-year ended 31 December 2023.

DATED at Perth this 12th day of March 2024.
Signed in accordance with a resolution of the Directors



**Mathew Longworth
Chairman**

COMPLIANCE STATEMENT (JORC 2012)

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

1. Emu Lake Nickel Sulphide Discovery confirmed with 2.72m at 5.42% Ni, 14 January 2022.
2. Kalgoorlie Nickel Project Recognition on All Tiers of Australian Government, 21 March 2022.
3. Ardea Completes KNP ESG Accreditation from Independent Leading Global Platform, 24 November 2022.
4. Notification of Issue, Conversion or Payment up of Unquoted Equity Securities, 24 April 2023.
5. Mineralised Neutraliser Global Patent Lodged, 15 June 2023.
6. Kalgoorlie Nickel Project Mineral Resource Estimate Exceeds 6 Million Tonne Contained Nickel, 30 June 2023.
7. KNP Goongarrie Hub Ore Reserve and Feasibility Study Defines +40 Year Operation with Strong Financial Metrics, 5 July 2023.
8. Ardea Kalgoorlie Nickel Project – MOU with Sumitomo Metal Mining, Mitsubishi Corporation, and Mitsu & Co., Ltd, 5 July 2023.
9. Highway EIS Nickel Sulphide Drillhole, 21 August 2023.
10. Annual Report 2023, 27 September 2023.
11. Appendix 4G and Corporate Governance Statement 2023, 28 September 2023.
12. Ardea and Japanese Consortium Update on MOU, 29 September 2023.
13. Nickel Sulphide Prospectivity Confirmed and Lithium-Caesium-Rubidium bearing intrusives in Highway EIS drillhole, 15 December 2023.
14. Ardea and Japanese Consortium: Update on Progress on KNP – Goongarrie Hub, 21 December 2023.
15. Ardea and Japanese Consortium: Update on Progress on KNP - Goongarrie Hub, 29 February 2024

Competent Persons Statement

Resource Estimation, Exploration Results, and Industry Benchmarking

The Resource Estimation, Exploration and Industry Benchmarking summaries are based on information reviewed or compiled by Mr Ian Buchhorn, and Mr Andrew Penkethman. Mr Buchhorn is a Member of the Australasian Institute of Mining and Metallurgy and Mr Penkethman is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Both Mr Buchhorn and Mr Penkethman are full-time employees of Ardea Resources Limited and have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Buchhorn and Mr Penkethman have reviewed this press release and consent to the inclusion in this report of the information in the form and context in which it appears. Mr Buchhorn and Mr Penkethman own Ardea shares.

The Mineral Resource Estimate information shown in this ASX release has been previously released on the ASX platform by Ardea in ASX release 30 June 2023, in accordance with Listing Rule 5.8.

The Ore Reserve information shown in this ASX release has been previously released on the ASX platform by Ardea in ASX release 5 July 2023, in accordance with Listing Rule 5.9.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements noted above and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate and the Ore Reserve in the previous 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.

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Ardea Resources Limited for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ardea Resources Limited and the entities it controlled during the half year period.

DRY KIRKNESS (AUDIT) PTY LTD



ROBERT HALL CA
Director

Perth

Date: 12 March 2024

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ARDEA RESOURCES LIMITED
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the half-year ended 31 December 2023

	<u>NOTES</u>	<u>31 December</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
		\$	\$
Interest income		337,601	112,493
Other Income		295,895	63,105
		633,496	175,598
Employee expenses		1,914,706	1,689,290
Employee costs recharged to capitalised exploration		(1,653,601)	(1,600,370)
Non-executive director fees		49,905	51,999
Insurance expenses		43,882	36,232
Secretarial fees		37,986	30,797
Corporate expenses		105,022	171,110
Depreciation	2	1,835	56,395
Rent		135,452	122,524
Strategic partnership expenses		528,416	108,839
Computer support services		57,073	48,662
Share based payments		735,511	457,203
Write-off of exploration expenditure		1,223,703	305,409
Revaluation of investments		153,474	128,218
Other expenses		538,227	445,739
Loss before income tax		(3,238,095)	(1,876,449)
Income tax		-	-
Net loss attributable to members of the Consolidated Entity		(3,238,095)	(1,876,449)
Other Comprehensive Loss net of tax		-	-
Total Comprehensive Loss		(3,238,095)	(1,876,449)
Basic earnings/(loss) per share (cents per share)		(1.74 cents)	(1.10 cents)
Diluted earnings/(loss) per share (cents per share)		(1.74 cents)	(1.10 cents)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Consolidated Entity's accompanying notes.

ARDEA RESOURCES LIMITED
and its controlled entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	<u>NOTES</u>	<u>31 December</u> <u>2023</u>	<u>30 June 2023</u>
ASSETS		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		19,629,629	10,648,371
Other receivables		1,454,360	1,128,469
Other assets		213,506	117,389
TOTAL CURRENT ASSETS		<u>21,297,495</u>	<u>11,894,229</u>
NON-CURRENT ASSETS			
Plant and equipment and motor vehicles		8,346	4,798
Investments		358,314	311,790
Right-of-use assets		226,705	146,688
Capitalised mineral exploration expenditure		38,183,732	35,426,032
TOTAL NON-CURRENT ASSETS		<u>38,777,097</u>	<u>35,889,308</u>
TOTAL ASSETS		<u>60,074,592</u>	<u>47,783,537</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		829,871	1,161,283
Right-of-use liabilities		166,747	94,462
Provisions		652,197	520,291
TOTAL CURRENT LIABILITIES		<u>1,648,815</u>	<u>1,776,036</u>
NON-CURRENT LIABILITIES			
Right-of-use liabilities		69,285	59,134
Provisions		71,411	82,333
TOTAL NON-CURRENT LIABILITIES		<u>140,696</u>	<u>141,467</u>
TOTAL LIABILITIES		<u>1,789,511</u>	<u>1,917,503</u>
NET ASSETS		<u>58,285,081</u>	<u>45,866,034</u>
EQUITY			
Contributed equity	3	74,922,414	60,000,783
Reserves		6,377,652	5,642,141
Accumulated losses		(23,014,985)	(19,776,890)
TOTAL EQUITY		<u>58,285,081</u>	<u>45,866,034</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the Consolidated Entity's accompanying notes.

ARDEA RESOURCES LIMITED
and its controlled entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2023

	Contributed Equity	Share Based Payments Reserve	Losses	Total
	\$	\$	\$	\$
BALANCE AT 1 JULY 2022	60,005,783	4,547,152	(15,540,529)	49,012,406
Total Comprehensive Income	-	-	(1,876,449)	(1,876,449)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Share issue costs	(5,000)	-	-	(5,000)
Performance Rights issued to Staff	-	457,203	-	457,203
BALANCE AT 31 DECEMBER 2022	<u>60,000,783</u>	<u>5,004,355</u>	<u>(17,416,978)</u>	<u>47,588,160</u>
BALANCE AT 1 JULY 2023	60,000,783	5,642,141	(19,776,890)	45,866,034
Total Comprehensive Income	-	-	(3,238,095)	(3,238,095)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued during the period	16,000,000	-	-	16,000,000
Share issue costs	(1,078,369)	-	-	(1,078,369)
Performance Rights issued to Staff	-	735,511	-	735,511
BALANCE AT 31 DECEMBER 2023	<u>74,922,414</u>	<u>6,377,652</u>	<u>(23,014,985)</u>	<u>58,285,081</u>

The above Consolidated statement of changes in equity should be read in conjunction with the Consolidated Entity's accompanying notes.

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CONSOLIDATED STATEMENT OF CASHFLOWS
Half Year ended 31 December 2023

	<u>31 December</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
	\$	\$
Cash flows from operating activities		
Interest and other income received	160,476	43,868
Payments to suppliers and employees (inclusive of goods and services tax)	(2,129,233)	(645,160)
Net cash used in operating activities	<u>(1,968,757)</u>	<u>(601,292)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	(3,968,068)	(6,043,389)
Payments for plant and equipment	(3,548)	(54,464)
Net cash used in investing activities	<u>(3,971,616)</u>	<u>(6,097,853)</u>
Cash flows from financing activities		
Proceeds from the issue of shares	16,000,000	-
Costs of shares issued	(1,078,369)	(5,000)
Net cash provided by financing activities	<u>14,921,631</u>	<u>(5,000)</u>
Net increase (decrease) in cash held	8,981,258	(6,704,146)
Cash at the beginning of the financial period	<u>10,648,371</u>	<u>22,018,398</u>
Cash at the end of the financial period	<u><u>19,629,629</u></u>	<u><u>15,314,253</u></u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the Consolidated Entity's accompanying notes.

ARDEA RESOURCES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the Half-year ended 31 December 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Ardea Resources Limited and controlled entities ("Consolidated Group" or "Group"). The financial statements were authorised for issue by the directors of the Company.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the following half-year. The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

	<u>31 December</u> <u>2023</u> \$	<u>31 December</u> <u>2022</u> \$
2. EXPENSES		
Contributions to employee superannuation plans	175,179	130,891
Depreciation - Plant and equipment	1,835	56,395
Provision for employee entitlements	<u>28,981</u>	<u>28,660</u>

	<u>31 December</u> <u>2023</u> \$	<u>30 June</u> <u>2023</u> \$
3. CONTRIBUTED EQUITY		
(a) Ordinary Shares		
197,016,915 (30 June 2023 – 171,894,772) fully paid ordinary shares	<u>74,922,414</u>	<u>60,005,783</u>

(b) Share Movements during the Period

	31 December 2023		30 June 2023	
	Number of Shares	\$	Number of Shares	\$
Beginning of the financial period	171,894,772	60,000,783	169,737,772	60,005,783
<i>New share issues during the period</i>				
Share Placement at 70 cents/share	22,857,143	16,000,000	-	-
Performance Rights Converted	2,265,000	-	2,157,000	-
Cost of share issue	-	(1,078,369)	-	(5,000)
	<u>197,016,915</u>	<u>74,922,414</u>	<u>171,894,772</u>	<u>60,000,783</u>

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NOTES TO THE FINANCIAL STATEMENTS
For the Half-year ended 31 December 2023

3. CONTRIBUTED EQUITY (Continued)

(c) Unlisted Options

During the financial period there were 3,000,000 unlisted options issued and 4,000,000 unlisted options cancelled.

(d) Share Based Payments

During the financial period and to the date of this report there were a number of Performance Rights issued to Directors and Staff following approval of the Performance Rights Plan at the AGM held on 24 November 2023, and Shareholders approval for Directors issues at the 2020, 2021, 2022 and 2023 AGM's. The following Performance Rights were on Issue at 31 December 2023:

120,000 Class L Performance Rights
2,657,000 Class M Performance Rights
1,395,000 Class N Performance Rights
289,000 Class O Performance Rights
750,000 Class P Performance Rights
750,000 Class Q Performance Rights

The Performance Rights shall vest as follows:

Class 'L' Performance Rights: upon the Company's Shares reaching a 30 day VWAP which is equal to or greater than \$0.97 per Share; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 31 May 2024, prior to 30 June 2024.

Class 'M' Performance Rights: The Company announcing prior to 31 December 2024, the signing of a Strategic Partner to fund the KNP feasibility study and provide future funding for completion of the project.

Class 'N' Performance Rights: The Company announcing a JORC Compliant Nickel Sulphide Resource of >1Mt at 2% Ni Equivalent prior to 31 December 2024.

Class 'O' Performance Rights: The Company announcing the signing of a Strategic Partner to fund the KNP feasibility study and provide future funding for completion of the project; or ii) The Company share price reaching a 30 Day VWAP which is above 58 cents per share. And continuous service of the Performance Rights holder in their capacity as a Director, an Executive or Employee of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 1 December 2025.

Class 'P' Performance Rights: The Company's Shares reaching a 30 day VWAP which is equal to or greater than \$0.585 per Share; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 7 December 2023, prior to 6 December 2028.

Class 'Q' Performance Rights: The Company's Shares reaching a 30 day VWAP which is equal to or greater than \$0.656 per Share; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 7 December 2023, prior to 6 December 2028.

ARDEA RESOURCES LIMITED
and its controlled entities

NOTES TO THE FINANCIAL STATEMENTS
For the Half-year ended 31 December 2023

3. CONTRIBUTED EQUITY (Continued)

(e) Terms and Conditions of Contributed Equity

Ordinary Shares

The Company is a public Company limited by shares. The Company was incorporated in Perth, Western Australia.

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held.

Ordinary shares which have no par value, entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

4. SEGMENT INFORMATION

The Consolidated Entity operates predominantly in one segment involved in the mineral exploration and development industry in Australia.

5. CONTINGENT LIABILITIES

There were no material contingent liabilities not provided for in the financial statements of the Consolidated Entity as at 31 December 2023.

6. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen since the end of the financial half-year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Consolidated Entity to affect substantially the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

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**ARDEA RESOURCES LIMITED
and its controlled entities**

DIRECTORS' DECLARATION

In the opinion of the Directors of Ardea Resources Limited:

- (a) the financial statements and notes, set out on pages 11 to 17, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (ii) giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2023 and of its performance, as represented by the results of its operations, for the half-year ended on that date.
- (b) there are reasonable grounds to believe that Ardea Resources Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Executive Director and the Chief Financial Officer for the financial half-year ended on 31 December 2023.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 12th day of March 2024.



**Mathew Longworth
Chairman**

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ARDEA RESOURCES LIMITED**

Conclusion

We have reviewed the accompanying half year financial report of Ardea Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of financial report* sections of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' responsibilities for the half year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half year financial report in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibilities for the half year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether in order to state whether anything has come to our attention that causes us to believe that the half year financial report is not in accordance with the *Corporations Act 2001* including; giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance and its cash flows for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

DRY KIRKNESS (AUDIT) PTY LTD



ROBERT HALL CA
Director

Perth

Date: 12 March 2024

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