



ARDIDEN

ASX ANNOUNCEMENT

21 October 2016

ARDIDEN GEARS UP FOR PIVOTAL LITHIUM AND GRAPHITE RESOURCE DRILLING PROGRAMS IN CANADA

Strong news-flow expected as resource-focused drilling programs commence in October and November

HIGHLIGHTS:

- **~2,000m of diamond drilling to commence shortly at Seymour Lake Lithium Project:**
 - *Drilling to focus on resource delineation within first 1km of 5km defined pegmatite swarm*
- **~1,500m of diamond drilling set to commence at Manitouwadge Graphite Project in late November 2016:**
 - *Drilling to focus on advanced Silver Star North prospect (~5% of total EM anomaly strike length)*
- **Results to underpin maiden JORC 2012 Mineral Resources at both projects, targeted for Q2 2017**
- **Both resource drill programs will leverage off the results of extensive field exploration programs**
- **Strong potential to define strategic high-grade resources in an established mining jurisdiction (Ontario), close to existing infrastructure including hydro-electricity, road and rail**
- **Geographical proximity to expanding US energy storage and electric vehicle market and ownership of both lithium and graphite projects may provide Ardiden with a potential competitive advantage**
- **Discussions underway with brokers for engagement to provide long-term support of the Company**
- **Discussions also set to commence with potential off-take and funding partners**

Lithium and graphite explorer Ardiden Limited (ASX: ADV) is pleased to advise that it is about to embark on a key phase of resource delineation drilling at its flagship **lithium** and **graphite** projects in Ontario, Canada following successful field exploration programs conducted over recent months.

Recent field work undertaken at both the **Seymour Lake Lithium Project** (exercised option to acquire 100%) and the **Manitouwadge Flake Graphite Project** (100%-owned) has enabled Ardiden to develop an enhanced understanding of the structures and controls on the mineralisation at each project, identify priority areas for resource delineation and scope out the potential for future resource growth and exploration upside.

At both projects, diamond drilling will be undertaken shortly, focusing initially on clearly defined areas where the Company believes there is excellent potential to define a maiden JORC 2012 compliant Mineral Resources.

Seymour Lake Lithium Project

At Seymour Lake, approximately 2,000m of diamond drilling is scheduled to commence soon targeting the immediate project area around the North Aubry prospect which located within an extensive 5km long pegmatite zone, identified during a recent mapping and sampling campaign. Ardiden confirms the diamond drill rig is mobilising to site in the next few days and will commence the drilling program shortly thereafter.

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This field work has confirmed that all of the pegmatite structures are located at or near to surface, providing relatively accessible targets for resource delineation. The first phase of the diamond drilling program will initially be undertaken to confirm the geological structures and to establish an Inferred Mineral Resource, which is targeted for completion in Q2 2017.

The Seymour Lake Project, which is located near the town of Armstrong in Ontario, now encompasses 34 mining claims (11 granted and 23 pending) covering an area of 7019 Ha, and has over 4,500m of historical diamond drilling which confirmed the presence of extensive spodumene mineralisation (a host rock to lithium).



Figure 1. Example of high quality white spodumene crystals discovered during the excavations of pegmatite exposures south of the North Aubry prospect, Seymour Lake Lithium Project

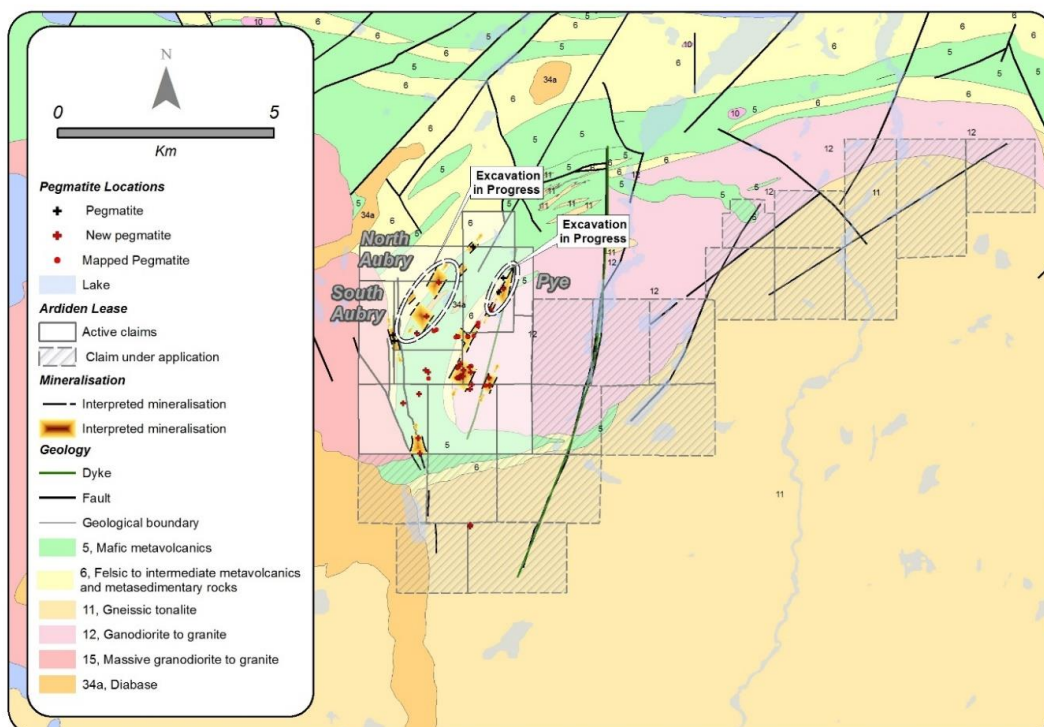


Figure 2. Overview of Seymour Lake Lithium Project showing new pegmatite exposures, faults and dykes and the newly staked claim areas.

The acquisition of the Seymour Lake Project is consistent with Ardiden's strategy of acquiring commodity projects with exposure to structural and transformational change and outstanding market fundamentals, such as graphite and lithium, in Tier-1 mining jurisdictions. Together with its existing Manitouwadge Graphite Project, this project positions Ardiden as a potential North American supplier of both of the key ingredients in the manufacture of lithium-ion batteries.

The Seymour Lake site is located within the Caribou Lake Greenstone Belt, 230km north-northeast of Thunder Bay, Ontario, Canada. The claim group is located on an all-weather, year-round, two-lane, main haulage road and the project has excellent proximity (5km) to existing rail sidings on the main CN rail line, and close proximity to a major power grid provided by Ontario Power Generation, which is planning an 85MW hydro-electric project just 8km from the project.

The project is ideally located approximately 3 hours by road from Thunder Bay, a leading mining jurisdiction in Ontario with key local infrastructure including a skilled mining workforce and excellent local logistics infrastructure.

It has strong potential to provide high quality product to service growing North American demand and export markets. The city of Thunder Bay is a mining, rail, port and infrastructure hub which is less than 100km from the US border and has existing port facilities which can also access the Atlantic and service European markets. Thunder Bay is also the main support hub for Ardiden's Root Lake and Root Bay Lithium projects and Manitouwadge Flake Graphite Project, providing excellent synergies for the Company.

Manitouwadge Graphite Project

At Manitouwadge, approximately 1,500m of diamond drilling will be undertaken at the priority Silver Star North prospect, where previous exploration work has confirmed the potential to establish a maiden JORC 2012 compliant Mineral Resource. This program is expected to commence in late November 2017, paving the way for a maiden JORC Mineral Resource in Q2 2017.

The Manitouwadge Project is also located in the Thunder Bay District with key infrastructure including a skilled mining workforce, excellent infrastructure (including a rail line 10km from tenements) and sealed and logging roads providing good access to site. The project also has excellent potential to provide high quality product to service growing North American graphite demand.

The Silver Star North prospect represents less than 5 per cent of the EM anomaly strike length identified at Manitouwadge, highlighting the immense potential of the landholding. Exploration completed to date has confirmed high quality graphite coincident with strong EM anomalies along 10km of the potential 19.3km strike length identified using EM surveys. The remaining 9.3km of EM strike length is yet to be tested, and remains highly prospective for additional discoveries during upcoming exploration programs.

Ardiden Executive Director, Mr Brad Boyle, said "the key objective of the upcoming drill programs was to establish initial resources at both projects as the basis for the next stage of economic evaluation, as well as to allow discussions with potential off-take and funding partners to commence."

"Both projects are located in the heart of a well-established mining jurisdiction which offers numerous advantages, including proximity to infrastructure such as road, rail and power, a rapid development pathway and a well-understood regulatory framework," Mr Boyle said.

"The establishment of initial lithium and graphite resources will provide a framework for us to progress the economic evaluation of these projects, while also establishing a strong foundation from which we can begin to assess the broader growth and upside potential of the projects," he added.

Mr Boyle said “The development of these strategic lithium and graphite assets gives us the opportunity to become participants in the rapidly growing lithium-ion battery market – with the ability to supply metals which are both critical ingredients to this exciting and rapidly growing market segment in America, Europe and Asia.”

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About Ardiden Ltd

Ardiden Limited (ASX: ADV) is an emerging international strategic metals company which is focused on the exploration, evaluation and development of two 100 per cent owned projects located in the established mining jurisdiction of Ontario, Canada.

The Seymour Lake Lithium Project comprises 7,019 Ha of mining claims and has over 4,000m of historic drilling. Mineralisation is hosted in extensive outcropping spodumene-bearing pegmatite structures with widths up to 26.13m and grades of up to 2.386% Li₂O. These high-grade pegmatite structures have been defined over a 5km strike length. Drilling program to establish a maiden JORC resource is scheduled to commence in October 2016.

The 100%-owned Root Lake Lithium Project is located in Ontario, Canada. The project comprises 1,013 Ha of mining claims and has over 10,000m of historic drilling. Mineralisation is hosted in extensive outcropping spodumene-bearing pegmatite structures with widths up to 19m and grades of up to 5.10% Li₂O. In addition, tantalum grades of up to 380 ppm were intersected.

The 100%-owned Root Bay lithium project is strategically located approximately 5km to the east of the recently acquired Root Lake Lithium Project and consists of three claim areas, totalling 720 hectares. The project was staked by Ardiden as part of its regional exploration focus in and around the Root Bay spodumene-bearing pegmatite. Initial observations of the exposed pegmatite is characterized by coarse white albite, grey quartz and pale grey-green spodumene crystals up to 10cm long.

The 100%-owned Manitouwadge Jumbo Flake Graphite Project covers an area 5,300 Ha and has a 20km strike length of EM anomalies with graphite prospectivity. Following systematic field exploration programs, Ardiden is planning to commence its maiden resource drilling program in November 2016 to underpin economic development studies.

Previous preliminary metallurgical testwork indicated that up to 80% of the graphite at Manitouwadge is high value jumbo or large flake graphite. Testwork also indicated that simple, gravity and flotation beneficiation can produce graphite purity levels of up to 96.8% for jumbo flake and 96.8% for large flake. With the proven caustic bake process ultra-high purity (>99.95%) graphite can be produced. The graphite can also be processed into high value expandable graphite, high quality graphene and graphene oxide.

All projects located in an established mining province, with good access to infrastructure (road, rail, power, phone and port facilities) and local contractors and suppliers

Competent Person's Statement

The information in this report that relates to exploration results for the Seymour Lake Lithium project and is based on, and fairly represents, information and supporting geological information and documentation in this report has been reviewed by Mr Paul Nielsen who is a member of the Association of Professional Geoscientists of Ontario. Mr Nielsen is not a full-time employee of the Company. Mr Nielsen is employed as a Consultant Geologist. Mr Nielsen has more than five years relevant exploration experience, and qualifies as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Nielsen consents to the inclusion of the information in this report in the form and context in which it appears.

Forward Looking Statement

This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although the company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein. All references to dollars (\$) and cents in this presentation are to Australian currency, unless otherwise stated. Investors should make and rely upon their own enquires and assessments before deciding to acquire or deal in the Company's securities

