



ARDIDEN

ASX: ADV

Capital structure:

Ordinary shares
623.4m

Options (Unlisted)
25.5m (various)

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ASX/Media Announcement

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UPDATE ON CANADIAN LITHIUM AND GRAPHITE PROJECTS

Rapid development programs underway for new Seymour Lake Lithium Project and Manitouwadge Graphite Project

Key Points:

- **Drilling applications lodged for maiden drill program at Seymour Lake Lithium Project (under option to acquire 100%):**
 - *Approvals expected to be received in February 2016 with drilling to commence immediately thereafter;*
 - *Local drilling company contracted to undertake this drill program.*
- **Drilling application approval encompasses up to 2,000m drilling at Seymour Lake with an initial due diligence program of ~500m currently planned. This is intended to test and confirm historical geological data which indicated the following attributes:**
 - *Mineralisation hosted in extensive outcropping spodumene-bearing pegmatite structures;*
 - *Widths of up to 26m of lithium mineralisation intersected in historical drilling;*
 - *Over 4,000m of drilling has been completed at the property to date with significant historical lithium intersections including grades of up to 2.386% Li₂O and widths of up to 26.13m.*
- **Additional acreage applied for at 100%-owned Manitouwadge Graphite Project along strike from the highly prospective Silver Star North prospect:**
 - *48Ha of mining claim applications have been physically staked in the past few weeks and lodged with authorities. The claims are to the west of and adjoining the existing Silver Star North prospect with the newly staked ground including EM anomalies that are expected to be prospective for graphite mineralisation and that are along strike from recent encouraging drill results;*
 - *The total strike length of EM anomalies at Manitouwadge with graphite prospectivity is now ~20km;*
 - *Silver Star North showed strong prospectivity during the final 2015 drilling program with key findings including graphitic gneiss intercepts of up to 41.5m (true width 30m) and flake sizes of up to 4,200 microns identified in petrographic reporting;*
 - *Further drilling at Silver Star North to target a maiden resource and exploration of other unexplored areas is currently being planned.*
- **Memorandum of Understanding (“MOU”) executed with the Pic Mobert First Nation band regarding the future development of the Manitouwadge Graphite Project.**
- **The MOU confirms support for the project and deals with protocols for its future development including in relation to issues such as local employment and environmental considerations.**

Ardiden Limited (ASX: ADV) is pleased to provide an update on proposed activities at the **Seymour Lake Lithium Project** (under option to acquire 100%) and its 100%-owned **Manitouwadge Graphite Project**, both located in the leading mining jurisdiction of Ontario, Canada.

Seymour Lake Lithium

Plans for a maiden drill program at the Seymour Lake Lithium Project are progressing well with drilling applications lodged and a local drilling company procured to undertake the due diligence drill program. Drill approvals are expected to be received in February and drilling will commence immediately thereafter.

The Seymour Lake Project, which is located near the town of Armstrong in Ontario, comprises five patented mining claims covering an area of 912Ha. The Project has over 4,000m of historical diamond drilling which has confirmed the presence of extensive spodumene mineralisation (a host rock to lithium).

A review of the extensive historical geological data provided by the vendor has commenced (further details are set out in the ASX announcement dated 6 January 2016).

The drill program is a key part of Ardiden's due diligence program and is intended to confirm and test historical high-grade assay results from the Seymour Lake Project including:

- 2.081% Li₂O over 16.90m
- 1.584% Li₂O over 26.13m
- 2.386% Li₂O over 9.20m
- 1.735% Li₂O over 14.25m
- 1.325% Li₂O over 23.85m including 2.059% Li₂O over 9.00m and 2.232% Li₂O over 3.04m
- 1.837% Li₂O over 11.80m
- 2.212% Li₂O over 5.70m
- 2.100% Li₂O over 6.75m
- 1.475% Li₂O over 17.72m including 1.937% Li₂O over 12.97m
- In addition, Tantalum and Beryllium grades of up to 1,180ppm (Ta₂O₅) and 1,270ppm (BeO) respectively were intersected

Manitouwadge Graphite Project

Ardiden has applied for additional acreage at the Manitouwadge Graphite Project to the west and along strike from the highly prospective Silver Star North Project. Mining claim applications totalling 48Ha of new ground have been physically staked and lodged with authorities. The newly staked ground includes EM anomalies that are expected to be prospective for graphite mineralisation.

The Silver Star North project showed strong prospectivity during the final 2015 drilling program with key findings including graphitic gneiss intercepts of up to 41.5m (true width 30m) and flake sizes of up to 4,200 microns identified in petrographic reporting. Refer to the ASX announcement dated 5 January 2016 for further details.

The total strike length of EM anomalies with graphite prospectivity at Manitouwadge is now approximately 20km (see Figure 1 below). The total area at the Manitouwadge Graphite Project is now over 5,300 Ha.

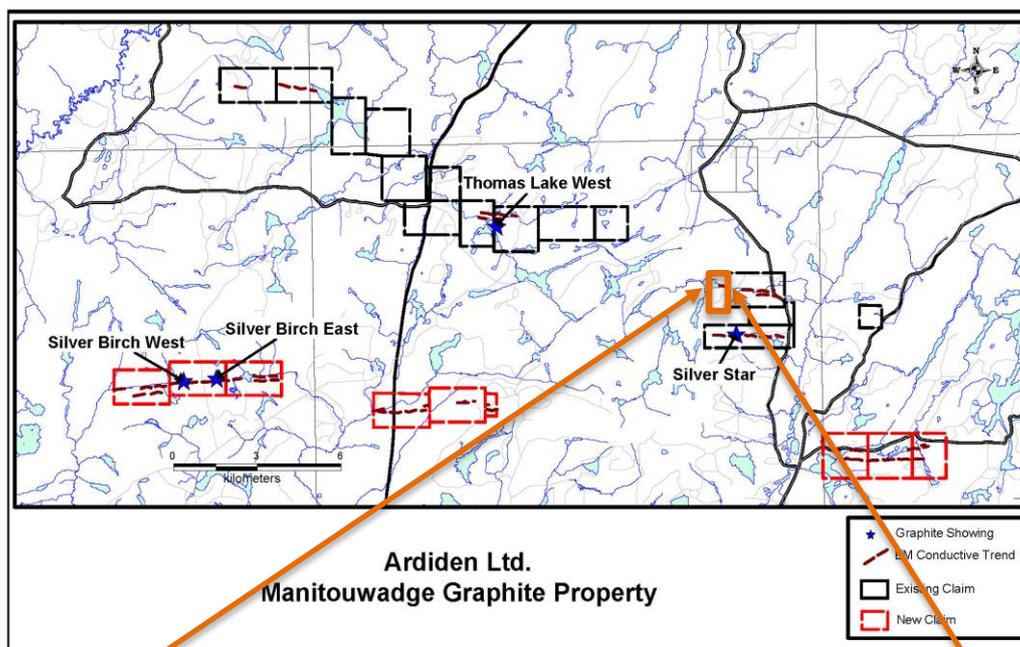


Figure 1: Manitouwadge graphite project showing approx. 20km of EM anomaly strike length and newly staked claim (in orange) along strike from Silver Star North

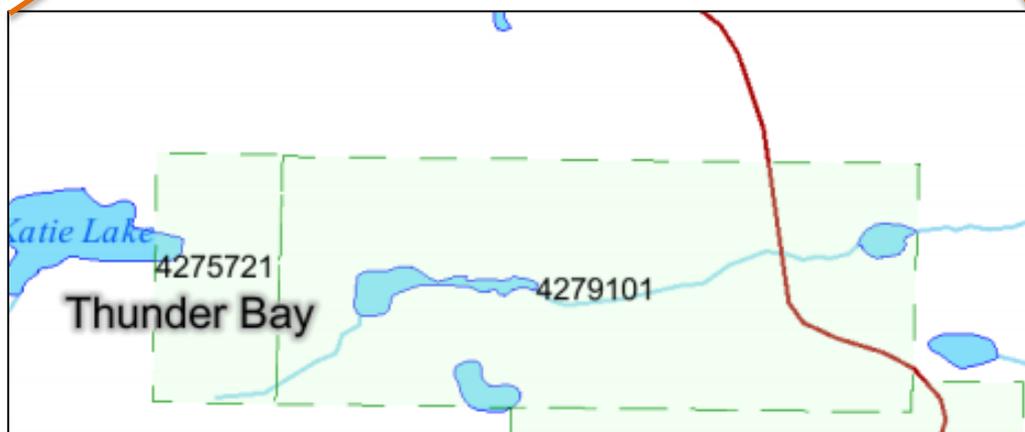


Figure 2: Additional 48Ha claim (4275721) staked at Silver Star North along strike from high quality graphite intercepted in 2015 drill program (4279101)

Planning for further drilling at Manitouwadge to target a maiden resource at Silver Star North (which represents around 5 per cent of the EM anomalies identified to date) and other unexplored areas is currently underway. In addition, samples from the recent drill program are undergoing metallurgical testing to determine the proportion of jumbo and large flake graphite at the project.

Ardiden has also recently executed a Memorandum of Understanding (“MOU”) with the Pic Mobert First Nation band regarding the future development of the Manitouwadge Graphite Project. The MOU confirms support for the project and deals with protocols for its future development including in relation to issues such as local employment and environmental considerations.

Ardiden has sought to establish strong relations with local stakeholders and in this respect has employed members of Pic Mobert during 2015 to assist with drill programs and other exploration work.

Summary

The recently announced option over the Seymour Lake Lithium 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 acquisition positions Ardiden as a potential supplier of both of the key ingredients in the manufacture of lithium-ion batteries.

Further updates will be provided as they come to hand.

Board of Directors Ardiden Limited

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About the Manitouwadge Project

The 5,300 Ha Manitouwadge Jumbo Flake Graphite Project is located in Ontario, Canada. The Project has a 19km strike length of EM anomalies with graphite prospectivity and is being subject to systematic exploration to determine areas that have potential to be a near-term development opportunity.

Metallurgical testwork has indicated that up to 80% of the graphite is high value jumbo or large flake graphite. Testwork has also indicated that simple, low-cost gravity and flotation beneficiation techniques can result in graphite purity levels of up to 96.8% for jumbo flake and 96.8% for large flake. Testing using the proven caustic bake process was able to produce ultra-high purity (>99.95%) graphite. The graphite can also be processed into high value expandable graphite and produces a high quality graphene and graphene oxide.

The geological information in this report has been reviewed by Mr Paul Nielsen who is a member of the Association of Professional Geoscientists of Ontario. 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". 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.