

# **ARDIDEN LIMITED**

**ABN 82 110 884 252**

**HALF-YEAR FINANCIAL REPORT**

**31 DECEMBER 2016**

**ARDIDEN LIMITED**  
**CORPORATE DIRECTORY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

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**DIRECTORS**

Neil Hackett (Non-Executive Chairman)  
Piers Lewis (Non-Executive Director)  
Brad Boyle (Executive Director)  
Dr Michelle Li (Non-Executive Technical Director)

**JOINT COMPANY SECRETARIES**

Arron Canicais  
Neil Hackett

**REGISTERED AND PRINCIPAL OFFICE**

Suite 6, 295 Rokeby Road  
Subiaco WA 6008

Telephone: (08) 6555 2950  
Facsimile: (08) 9382 1222

Website: [www.ardiden.com.au](http://www.ardiden.com.au)

**SHARE REGISTRY**

Computershare Investor Services Pty Limited  
Level 2, 45 St Georges Terrace  
Perth WA 6000, Australia

Telephone: (08) 9415 4000  
Facsimile: (08) 9473 2500

**AUDITORS**

PKF Mack  
4<sup>th</sup> Floor  
35 Havelock Street  
West Perth WA 6005

**SOLICITORS**

Steinepreis Paganin  
The Read Buildings  
Level 4, 16 Milligan Street  
Perth WA 6000

**AUSTRALIAN SECURITIES EXCHANGE**

Ardiden Limited shares (ADV) are listed on the Australian Securities Exchange.

**ARDIDEN LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

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Your Directors present their report for Ardiden Limited ('the Company') and controlled entities ('Consolidated Entity' or 'Group') for the half-year ended 31 December 2016.

## 1. DIRECTORS

The names of the Directors of the Company in office during the period and up to the date of this report are as follows:

Neil Hackett (Non-Executive Chairman)	- Appointed 5 June 2012
Piers Lewis (Non-Executive Director)	- Appointed 27 March 2012
Brad Boyle (Executive Director)	- Appointed 17 February 2016
Dr Michelle Li (Non-Executive Director)	- Appointed 7 July 2016

Directors were in office from the beginning of the period until the date of this report unless otherwise stated.

## 2. CORPORATE STRUCTURE

Ardiden Limited is a limited liability company that is incorporated and domiciled in Australia. Ardiden Limited has prepared a consolidated financial report incorporating the entities that it controlled during the period as follows:

Ardiden Limited	- Parent entity
Billiton Island Pte Ltd	- 100% owned controlled entity

## 3. NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

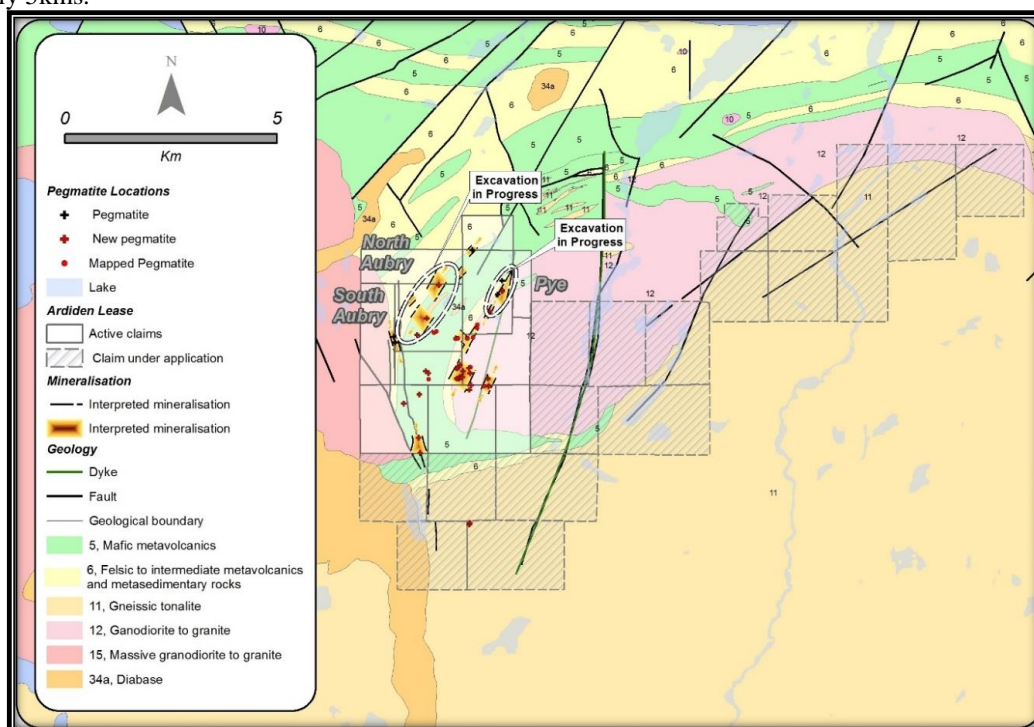
The principal continuing activities during the period within the Consolidated Entity were exploration for and evaluation of mineral resources.

## 4. OPERATING AND FINANCIAL REVIEW

### Project Review

#### SEYMOUR LAKE LITHIUM PROJECT

During this period, Ardiden significantly increased the Seymour Lake Lithium Project footprint and exploration potential Ontario, Canada with the staking and approval of additional claim areas totalling 7,019 Ha. During a highly successful mapping and sampling campaign Ardiden discovered numerous new pegmatite exposures over a strike length of approximately 5kms.



**Figure 1.** Seymour Lake project overview showing new pegmatite exposures, faults and dykes and the newly staked claim areas.

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Subsequent to the end of the period, Ardiden announced on 8 February 2017 as a result of the exploration success Ardiden then completed the first phase of maiden resource delineation drilling program which was focused on the North Aubry prospect of the project.

A total of 27 diamond drill holes of various lengths up to 105m were completed during this Phase 1 program with lithium grades up to 6.01% Li<sub>2</sub>O obtained. The drilling assay results confirmed the presence of high grade lithium mineralisation at or close to surface and the identification of a second pegmatite sill, also containing high-grade lithium mineralisation, located beneath and parallel to the North Aubry prospect.



**Figure 2.** Drill core obtained from hole SL-16-68 showing a portion of the 16m intersection of high quality spodumene-bearing pegmatite.

Ardiden confirms that 27 diamond drill holes were completed during this Phase 1 of the drilling program, which was initially focused on defining lithium mineralisation at the North Aubry prospect.

A total of 388 drill core samples (excluding blanks, standards and duplicates) were tested during this program and significant Li<sub>2</sub>O grades reported with 30% (116 drill core samples) returning assays of greater than 1.5% Li<sub>2</sub>O, with a robust average grade of 2.57% Li<sub>2</sub>O. An impressive 53% of all samples (205 drill core samples) returned assays greater than 0.5% Li<sub>2</sub>O at an average grade of 1.86% Li<sub>2</sub>O.

The global average grade from all 388 drill core samples from the 27 diamond drill hole program, including those assay results which were below the 0.5% cut-off grade, was 1.1% Li<sub>2</sub>O.

These strong results confirm the visual geological logging of the drill core and the potential to establish a maiden JORC 2012 Mineral Resource estimate for the Seymour Lake Project.

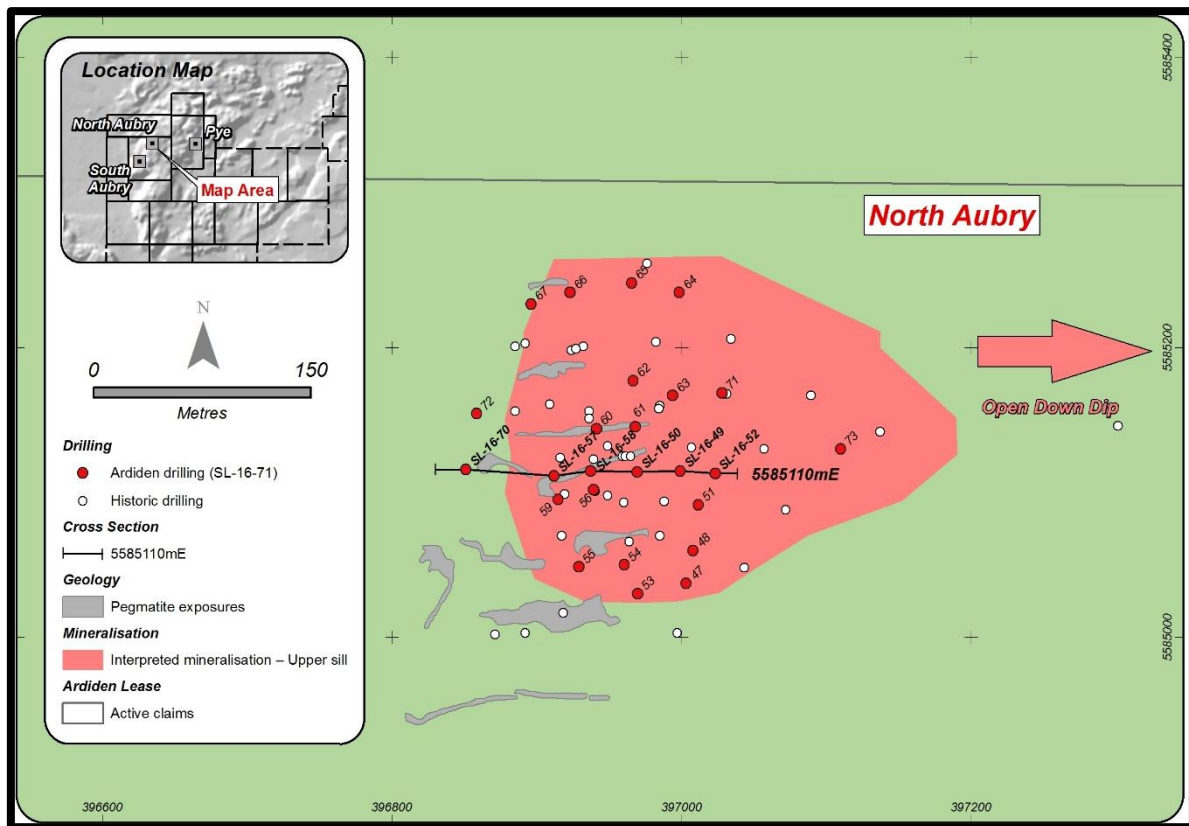
These latest results validate the previous historical drill results, which show a number of substantial and continuous zones of high grade lithium mineralisation, which lie at or close to surface and now also confirmed at depth with the second pegmatite sill.

The main pegmatite at the North Aubry prospect is hosted as a part of a vertically stacked series of gently dipping pegmatite sills, which has so far been confirmed as being at least 250m wide and 300m long, and remains open to the north, west, east and at depth. The final two diamond drill holes in the Phase 1 program, SL-16-72 and SL-16-73, confirmed extensions of the known mineralisation both to the east and west at North Aubry.

These extensions are yet to be fully evaluated and remain open. As the mineralisation zones at the North Aubry prospect have yet to be fully defined, Ardiden is eager to undertake further drilling in order to obtain a better understanding of the of the pegmatite structure and with the view of substantially expanding the known high quality lithium mineralisation zones at the prospect.

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The proximity of the pegmatites to surface at North Aubry prospect is also considered to be a strategic advantage, potentially allowing easier access to very high-quality mineralisation in a future mining scenario, reducing the required pre-strip and resulting in a lower extraction cost and improved project economics.



**Figure 3.** Overview showing the pegmatite exposures at North Aubry prospects and interpreted extensions.

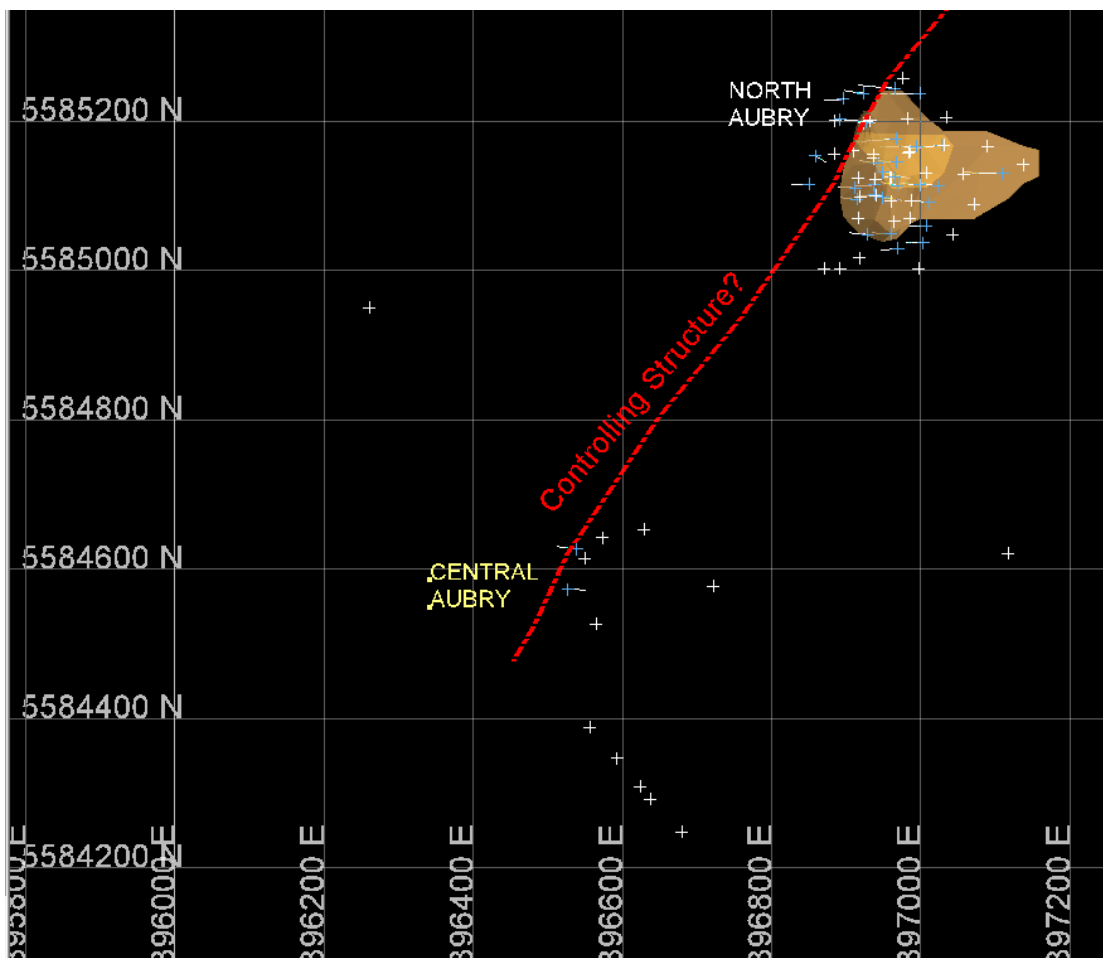
Ardiden confirms metallurgical and mineralogical investigations of the drill core samples are now underway. These investigations will allow the Company to focus on the next step of establishing the most appropriate lithium extraction methods in order to optimise the overall lithium recovery and final lithium concentrate grades.

### Phase 2 Drilling

Subsequent to the end of the period, Ardiden announced on 8 February 2017 the successful completion of Phase 1 drill program confirmed the presence of very high grade lithium mineralisation at surface and at depth at the North Aubry prospect. Although Ardiden was only able to complete two diamond drill holes, the assay results have also confirmed the high quality of the spodumene mineralisation present at the Central Aubry prospect.

As previously announced, Ardiden will seek to expand the initial maiden lithium resource potential at North Aubry prospect to ensure there will be sufficient resources to be economically viable for any potential future mining operations.

The expansion of any resources will be completed in accordance with JORC (2012) guidelines and is likely to be completed in a number of stages, once the other prospects along the first 1km of the overall 5km strike length are progressively drill tested this year. These prospects include Central Aubry, South Aubry and Pye.



**Figure 4.** Plan view showing the North Aubry and Central Aubry prospects and the potential feeder zone along the western edge of the prospects.

The Phase 1 drilling is showing that the North Aubry prospect appears to be plunging to the north-west, which could be indicating a possible deep pegmatite feeder zone coming in from the west.

Final preparations are now underway to commence Phase 2 of the diamond drilling program at Seymour Lake, to further drill test the extensions of the lithium mineralisation zones on the west and north aspects of the North Aubry prospect and to drill test the possible pegmatite feeder zone on the western edge.

Further, Ardiden wants to explore and drill test the idea of possible dilation along the feeder zone, which may strike south towards Central Aubry prospect and could explain some of the similarities between the two prospect areas. If this interpretation of the geology is found to be accurate then there will be a strong potential to dramatically expand the size of the lithium mineralisation zones and as such increase the size of the potential lithium deposit.

**Central Aubry Prospect**

As previously announced by Ardiden the Central Aubry prospect is located approximately 500m south of the North Aubry prospect and about 200m north of the South Aubry prospect and is comprised of two main exposures. Mapping of the Central Aubry prospect shows strong presence of spodumene mineralisation over the majority of the exposures surface.

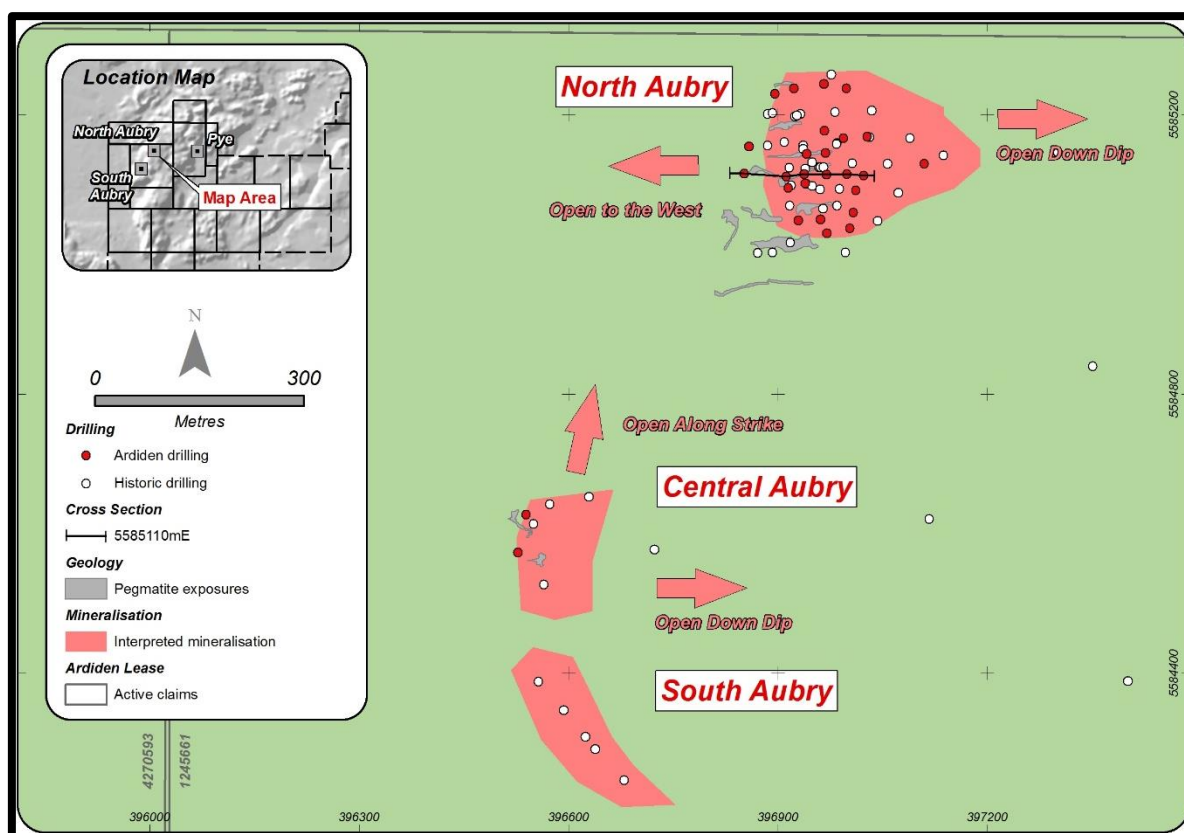
Initial drilling at the Central Aubry prospect has successfully intersected substantial multiple near-surface layers of pegmatite mineralisation of various widths, as seen in drill hole SL-16-68, which intersected a total of 16.48 metres of spodumene-bearing sills over a total down-hole width of 52m. Additionally, and drill hole SL-16-69, which intersected a total of 10.70 metres of spodumene-bearing sills over a total down-hole width of 52m.

Further, the proximity of the pegmatites to surface at the Central Aubry prospect is considered to be a strategic advantage, potentially allowing easier access to high-quality mineralisation in a future mining scenario, reducing the required pre-strip and resulting in a lower extraction cost and improved project economics.



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Unfortunately, due to the limited access into the Central Aubry prospect and the onset of the Winter season, Ardiden was only able to complete two diamond drill holes, during this phase of the drilling program. Ardiden will aim to drill test these newly identified mineralisation zones during the next round of drilling at Central Aubry.



**Figure 5.** Overview showing the interpreted mineralisation zones and pegmatite exposures at North Aubry, Central Aubry and South Aubry prospects.

### Potential Shallow Open Pit Mining

Ardiden confirms the near-surface location of the high-grade pegmatites at the North Aubry prospect is considered to be a strategic advantage, potentially allowing easier access to high-quality mineralisation in a future mining scenario, reducing the required pre-strip and resulting in a lower extraction cost and improved project economics.

Depending on future exploration and drilling results, the mineralisation at North Aubry may be amenable to extraction via a series of high grade-low strip boutique open pits along the strike length.

The identification of these previously unrecognised extensions is an important development which increases the Company's confidence in the potential of the Seymour Lake Project to host a significant lithium deposit. The extensions will be further evaluated during the next round of drilling.

The later drilling intersected multiple and substantial secondary layers of pegmatite mineralisation (beneath and parallel to known exposures) up to 20 metres thick at North Aubry, as seen in drill holes SL-16-62, SL-16-63 and SL-16-71. The deeper drill holes have confirmed the presence of multiple pegmatite mineralisation zones between 44m to 104m down-hole.

### Potential To Produce High-Grade Lithium

Subsequent to the end of the period, Ardiden announced on 9 February 2017 that it had received highly encouraging preliminary testwork results from Independent Metallurgical Operations (IMO), based in Perth, Western Australia for ore samples from the majority-owned Seymour Lake Lithium Project in Ontario.

The HLS testwork results from the spodumene samples provided to IMO indicate that the spodumene particles are well liberated at relatively coarse size. Lab HLS tests produced 7.73% Li<sub>2</sub>O concentrate. In theory, pure spodumene is considered to be 8.03% Li<sub>2</sub>O, so Ardiden's lithium concentrate is very close to the pure form.

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The production of the lithium concentrate at such a high grade is well over the industry standard of 6% Li<sub>2</sub>O, as required by most lithium end-users.

These preliminary testwork results are very encouraging and once again confirm the high quality of the Seymour Lake spodumene. So far, the results indicate that there appears to be minimal gangue minerals in the concentrate, with Fe<sub>2</sub>O<sub>3</sub> and TiO<sub>2</sub> of 1.03% and 0.03% respectively. Ardiden confirms that as these are only the preliminary tests and further work is now underway to see if these results can be replicated and to obtain a better understanding of the recovery rates and to define the process flowsheet to produce the final lithium concentrate.

#### **MANITOUWADGE GRAPHITE PROJECT**

During the period Ardiden commenced the resource delineation diamond drilling program at its 100%-owned Manitouwadge Graphite Project in Ontario is continuing to make excellent progress, with several graphitic mineralisation zones being completed and logged.

Subsequent to the end of the period, Ardiden advised on 1 February 2017 that visual results from the first 11 drill holes in the 22-hole diamond drilling program have been very encouraging, with the holes intersecting multiple layers of flake graphitic mineralisation of various widths.

Visual logging and inspections of the diamond drill core by Ardiden's geological team have identified numerous domains or layers of thick graphitic mineralisation zones up to 61 metres in true width, as seen in diamond drill hole MW-16-01. Diamond drill hole MW-16-11 also contained thick layers of mineralisation with a total down-hole width of approximately of 74 metres of graphite mineralisation.

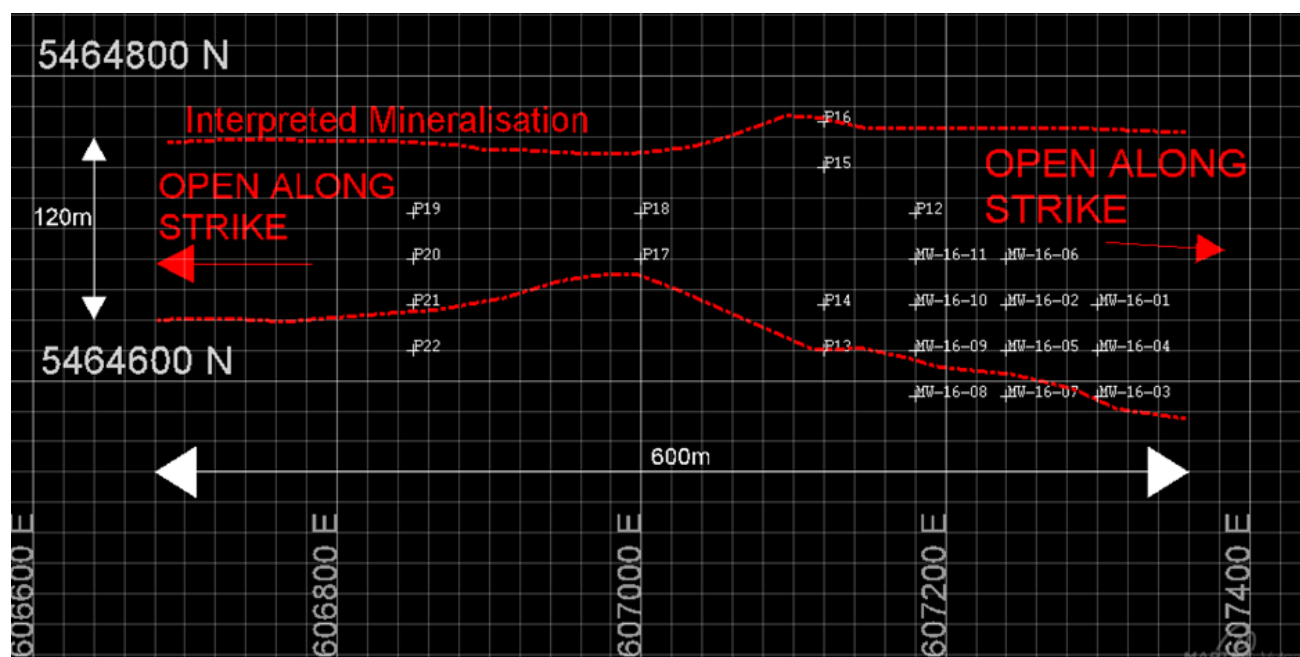


**Figure 6.** Drill core (MW-16-11) showing visible graphite flakes

The mineralisation intersected in the diamond drilling program verified the interpreted eastern extension of the graphite mineralisation zones, for a strike extension of over 600m, as highlighted in the drill plan below (Figure 7).

The graphite mineralisation remains open along strike to the west, east, and at depth, as seen in drill-hole MW-16-06 where drilling ended in mineralisation at 120m down-hole.





**Figure 7.** Overview of the drill hole locations at Manitowadge graphite project.

Ardiden confirms the drill core was logged, cut and prepared, and the drill samples were sent to Activation Laboratories in Thunder Bay for assay and metallurgical testing. Ardiden expects to receive the initial assay results by March 2017.

As previously advised, the diamond drilling program is designed to target the immediate project area around the Silver Star North prospect, where drilling had previously intersected a number of high grade graphite mineralisation zones in 2015. The first phase of the current diamond drilling program has been undertaken to confirm the grade and continuity of these graphite zones and to estimate a Mineral Resource, which is targeted for completion in Q2 2017.

### **WISA LAKE LITHIUM PROJECT**

On 19 December 2016, the Company announced it had entered into an option agreement with Alset Energy Corporation to acquire 100% of the advanced Wisa Lake Lithium Project.

The option gives Ardiden an outstanding opportunity to acquire another high-quality lithium project with known spodumene mineralisation, historical drilling and the potential to establish additional resources in accordance with JORC (2012) guidelines relatively quickly, being easily accessible and close to existing good infrastructure and the US border; with great access to the growing energy storage and Electric Vehicle (EV) markets and EV manufactures in Detroit (General Motors, Ford Motor Company and Fiat Chrysler Automobiles US) and California (Tesla).

The proposed acquisition of the Wisa Lake Lithium Project is consistent with the Company's strategy of acquiring and developing a portfolio of industrial commodity projects (lithium and graphite) which are highly leveraged to the forecast growth in the lithium-ion battery sector. Lithium is anticipated to remain in tight supply as the demand for lithium-ion batteries for use in home, industrial, utility and electric vehicle power storage undergoes transformational growth over the next decade.

The Wisa Lake Lithium Project is located 80km east of Fort Frances, in Ontario, Canada and only 8km north of the Minnesota/US border. The property is connected to Highway 11 (Trans-Canada), which is located 65km north via an all-weather road that crosses the centre of the project. The project is less than 3 hours' drive from Thunder Bay, a leading regional mining jurisdiction in Ontario with key local infrastructure including a skilled mining workforce and excellent local logistics and infrastructure. It has strong potential to provide high quality product to supply growing North American demand and export markets.

The Wisa Lake Lithium Project consists of five claims (1,200 hectares) and covers the historical Wisa Lake lithium deposit which has a historical (non-JORC compliant) lithium resource of 330,000 tonnes grading 1.15% Li<sub>2</sub>O (Lexindin Gold Mines Ltd., Manager's Report, 1958; Ontario Geological Survey, Open File Report 6285, Report of Activities 2012).

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**DIRECTORS' REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

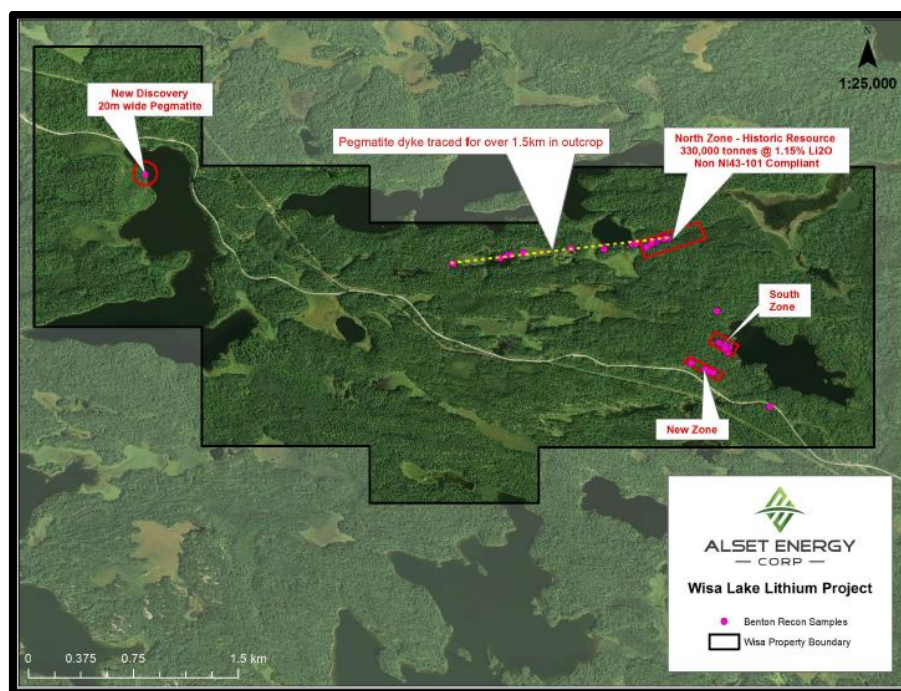
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In 1956, Lexindin Gold Mines Ltd. completed a total of 20 drill holes (backpack and AQ-sized core) over a strike length of 335m and to a depth of approximately 65m to define the Wisá Lake lithium deposit. The most easterly hole intersected a true width of 6.4m containing an estimated 20% of the lithium-bearing mineral spodumene suggesting the mineralization is open at depth and to the east.

It should be noted that the historical resource estimate for the deposit was calculated prior to CIM National Instrument 43-101 or JORC (2012) guidelines and, as such, should only be considered from a historical point of view and not relied upon. A qualified person has not completed sufficient work to classify the historical estimates as current Mineral Resources. Further exploration and drill testing programs are required to report in accordance with JORC (2012) guidelines.

In early 2016, Alset Energy Corporation staked the project and completed a limited exploration, mapping and sampling program at the two mineralisation zones at the Wisá Lake lithium project. The grab samples collected from the North Zone pegmatite returned grades of up to 1.4% Li<sub>2</sub>O, which are comparable to the grade of the non-JORC compliant historical resource of 330,000 tonnes grading 1.15% Li<sub>2</sub>O. Grab samples were collected in the South Zone pegmatite, located 900m south and parallel to the North Zone pegmatite, which returned grades of up to a very impressive 6.38% Li<sub>2</sub>O.

Both the North and South Zone pegmatites were drilled in the 1950s but very little work has been completed since then. Alset Energy Corporation has collected and submitted approximately 60 grab samples for assay from various pegmatites occurring on the property.



**Figure 8.** Overview map of historical exploration at the Wisá Lake Lithium Project as reported by Alset Energy in April 2016.

Ardiden confirms that Alset Energy Corporation has received the required permit from the Ministry of Northern Development and Mines (MNDM) to drill and trench on the project, which will allow Ardiden to undertake a limited exploration, mapping and due diligence drilling program in order to obtain a better understanding of the project's potential.

The due diligence program which is currently underway was designed to verify the historical and current drilling and sample results and to obtain a better understanding of the known pegmatites and the influence of the surrounding structures at the Wisá Lake lithium project.

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**DIRECTORS' REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**ROOT LAKE LITHIUM PROJECT**

On 11 July 2016, Ardiden confirmed that it had formally exercised its option to acquire 100% of the advanced Root Lake Lithium Project in Ontario, Canada following the completion of a due diligence review of the project, including a highly successful maiden drilling program at the McCombe prospect.

During this period the Ardiden's geological team completed the exploration, mapping and sampling program at the Root Lake lithium project. This program was undertaken in conjunction with a further in-depth analysis of the current and historical drill and sampling data from the project.

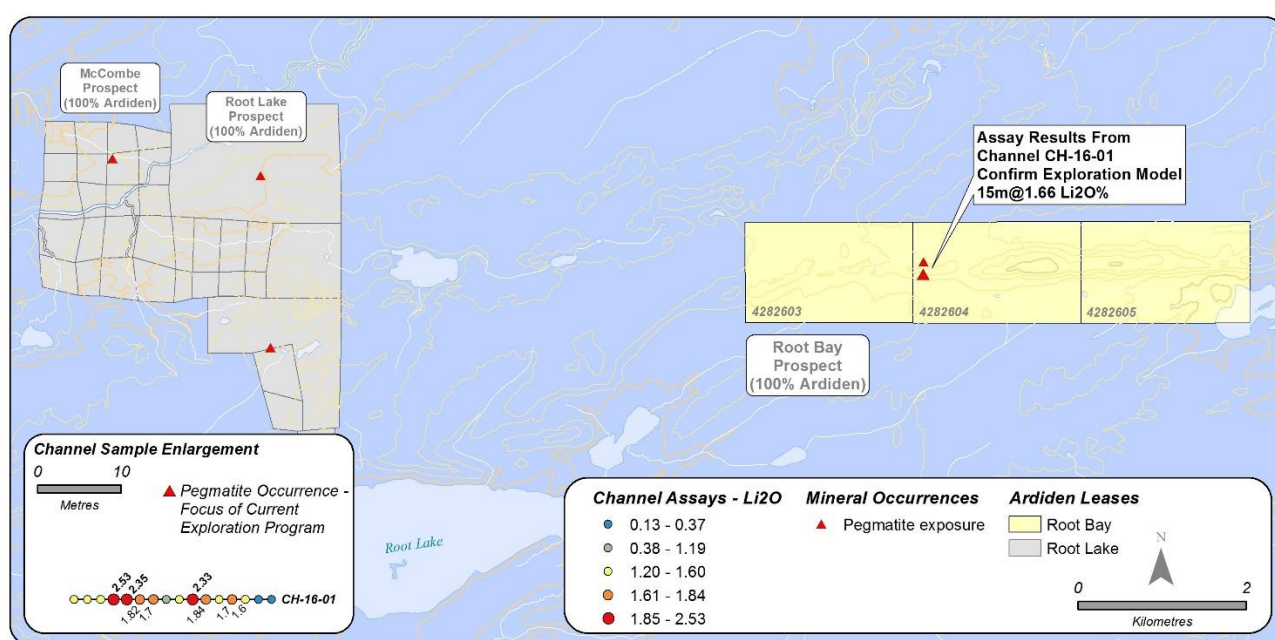
The results helped Ardiden to validate historical drilling and sampling results and to confirm the orientation of the pegmatite structures. All data collected will be included in any future resource models.

**ROOT BAY LITHIUM PROJECT**

On 13 July 2016, Ardiden advised that it has further expanded its lithium portfolio in Canada after staking and securing the grant of the Root Bay Lithium Project.

During this period Ardiden completed an initial reconnaissance exploration and sampling program at the greenfields Root Bay Lithium Project. The objective was to verify the potential of the project, given that very limited exploration had been conducted in the area. The exposed Root Bay spodumene-bearing pegmatite structure was accidentally discovered by a representative of the MNDM in 2011.

The program, which included channel sampling of the known pegmatite at the Root Bay Project, returned impressive lithium grades – confirming the potential of the project.



**Figure 9.** Map showing the location of the Root Bay Pegmatite. Also included are McCombe and Root Lake pegmatites on the Root Lake lithium project. The outcropping pegmatites structures and trenches are all highlighted.

Logging and analysis from the maiden sampling program has confirmed the strong presence of spodumene with lithium mineralisation identified in all of the channel samples and outstanding grades of up to 2.54% Li<sub>2</sub>O returned.

Ardiden considers these initial exploration results to be very encouraging, particularly the presence of a continuous 13m long lithium mineralisation zone across the surface of the primary pegmatite exposure, averaging 1.77% Li<sub>2</sub>O (Table 2 below).

This initial limited mapping and sampling program provided information about the geological and structural formations and confirmed the orientation of the pegmatite exposure as North-South striking. The next phase of exploration will target the strike and dip continuity of the primary pegmatite structure and allow additional local pegmatite exposures to be mapped and sampled.

After reviewing assay results, the geological team will then endeavour to delineate further drill-ready targets, with all data collected to be included in any future resource models.

**ARDIDEN LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

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**5. FINANCIAL POSITION & OPERATING RESULTS**

The financial results of the Group for the half-year ended 31 December 2016 are:

	<b>31-Dec-16</b>	<b>30-Jun-16</b>	<b>% Change</b>
Cash and cash equivalents (\$)	2,343,051	4,032,414	(42%)
Net assets (\$)	5,354,609	5,188,051	3%

	<b>31-Dec-16</b>	<b>31-Dec-15</b>	<b>% Change</b>
Revenue (\$)	31,390	1,627	1829%
Net loss after tax (\$)	(290,159)	(347,048)	(16%)
Loss per share (cents)	(0.04)	(0.07)	(48%)

**6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

In the opinion of the directors, there were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

**7. EVENTS SUBSEQUENT TO REPORTING DATE**

On 23 January 2017 the Company resumed drilling at Manitouwadge Graphite Project, Canada, with initial holes intersecting a number of visible high quality graphitic mineralisation zones.

On 1 February 2017 the Company advised that numerous flake graphite zones up to 61m wide were intersected at Manitouwadge Graphite Project in Ontario. Visual results from the first 11 drill holes in the 22-hole diamond drilling program were very encouraging, with the holes intersecting multiple layers of flake graphitic mineralisation of various widths.

On 8 February 2017 the Company advised that grades of up to 5.23% lithium oxide are reported from the final 13 diamond drill holes in the Phase 1 program at the Seymour Lake Lithium Project, Ontario with a total of 229 drill core samples obtained from the recently complete diamond drilling Program.

On 9 February 2017 the Company advised that it is expanding the resource delineation drilling program at Manitouwadge Graphite Project due to the successful intersection of multiple thick zones of graphite mineralisation. The Phase 2 drilling program will include an additional eight drill holes to the east of the current program, targeting the possible extensions of the thick and higher grade graphite mineralisation zones.

On 9 February 2017 the Company advised that initial heavy liquid separation testwork on Seymour Lake spodumene returned excellent results, producing high grade lithium concentrate up to 7.73% Li<sub>2</sub>O.

On 9 March 2017 the Company completed drilling at Manitouwadge Graphite Project, with first assay results imminent. Preparation is also well advanced for a maiden due diligence program at the recently optioned Wisa Lake Lithium Project and a Phase 2 drilling program at the Seymour Lake Lithium Project.

There are no other matters or circumstances that have arisen since 31 December 2016 that have or may significantly affect the operations, results, or state of affairs of the Consolidated Entity in future financial years.

**8. AUDITOR INDEPENDENCE**

We have received the independence declaration from the auditor of Ardiden Limited, PKF Mack, a copy of which is attached to the Directors Report on page 12 of the financial report.

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



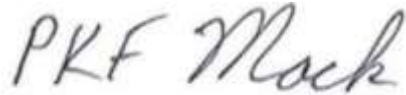
Neil Hackett  
Non-Executive Chairman

Perth, Western Australia  
Dated: 14 March 2017




## AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ARDIDEN LIMITED

In relation to our review of the financial report of Ardiden Limited for the half year ended 31 December 2016, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF MACK



SHANE CROSS  
PARTNER

14 MARCH 2017  
WEST PERTH,  
WESTERN AUSTRALIA



**ARDIDEN LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Notes	31-Dec-16	31-Dec-15
		\$	\$
Interest revenue		31,390	1,627
<b>Expenses</b>			
Administration, consulting and other expenses		(202,787)	(120,245)
Directors fees		(63,000)	(45,000)
Foreign exchange (loss) / gain		(10,308)	2,577
Provision for impairment expense		-	(91,336)
Share based payments	4	(45,454)	(94,671)
<b>Loss before income tax expense</b>		<b>(290,159)</b>	<b>(347,048)</b>
Income tax expense		-	-
<b>Net loss for the period</b>		<b>(290,159)</b>	<b>(347,048)</b>
Other comprehensive income, net of tax		-	-
<b>Total other comprehensive loss for the period</b>		<b>(290,159)</b>	<b>(347,048)</b>
		<u>Cents</u>	<u>Cents</u>
<b>Loss per share attributable to the ordinary equity holders of the Company:</b>			
Basic and diluted loss per share from continuing operations		(0.04)	(0.07)

The accompanying condensed notes form part of these financial statements.

**ARDIDEN LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Notes	31-Dec-16	30-Jun-16
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		2,343,051	4,032,414
Trade and other receivables		85,972	140
Financial assets		-	131
<b>Total Current Assets</b>		<b>2,429,023</b>	<b>4,032,685</b>
<b>Non-Current Assets</b>			
Exploration and evaluation expenditure	2	3,122,320	1,422,758
<b>Total Non-Current Assets</b>		<b>3,122,320</b>	<b>1,422,758</b>
<b>TOTAL ASSETS</b>		<b>5,551,343</b>	<b>5,455,443</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		190,910	264,819
Provisions		5,824	2,573
<b>Total Current Liabilities</b>		<b>196,734</b>	<b>267,392</b>
<b>TOTAL LIABILITIES</b>		<b>196,734</b>	<b>267,392</b>
<b>NET ASSETS</b>		<b>5,354,609</b>	<b>5,188,051</b>
<b>EQUITY</b>			
Issued capital	3	36,198,431	35,787,168
Reserves	4	45,454	-
Accumulated losses		(30,889,276)	(30,599,117)
<b>TOTAL EQUITY</b>		<b>5,354,609</b>	<b>5,188,051</b>

The accompanying condensed notes form part of these financial statements.

**ARDIDEN LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	<b>Issued Capital</b>	<b>Options Reserves</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	\$	\$	\$	\$
<b>At 1 July 2015</b>	<b>30,591,592</b>	<b>1,633,350</b>	<b>(31,634,109)</b>	<b>590,833</b>
<b>Comprehensive income:</b>				
Loss for the period	-	-	(347,048)	(347,048)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(347,048)</b>	<b>(347,048)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Securities issued during the period	1,043,305	36,323	-	1,079,628
Capital raising costs	(29,680)	-	-	(29,680)
Vesting of options	-	58,348	-	58,348
<b>Total equity transactions</b>	<b>1,013,625</b>	<b>94,671</b>	<b>-</b>	<b>1,108,296</b>
<b>At 31 December 2015</b>	<b>31,605,217</b>	<b>1,728,021</b>	<b>(31,981,157)</b>	<b>1,352,081</b>
	<b>Issued Capital</b>	<b>Options Reserves</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	\$	\$	\$	\$
<b>At 1 July 2016</b>	<b>35,787,168</b>	<b>-</b>	<b>(30,599,117)</b>	<b>5,188,051</b>
<b>Comprehensive income:</b>				
Loss for the period	-	-	(290,159)	(290,159)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(290,159)</b>	<b>(290,159)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Securities issued during the period	415,842	45,454	-	461,296
Capital raising costs	(4,579)	-	-	(4,579)
<b>Total equity transactions</b>	<b>411,263</b>	<b>45,454</b>	<b>-</b>	<b>456,717</b>
<b>At 31 December 2016</b>	<b>36,198,431</b>	<b>45,454</b>	<b>(30,889,276)</b>	<b>5,354,609</b>

The accompanying condensed notes form part of these financial statements.

**ARDIDEN LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Notes	31-Dec-16	31-Dec-15
		\$	\$
<b>Cash flows used in operating activities</b>			
Payments to suppliers and employees		(428,932)	(247,618)
Payments for exploration expenditure		(996,527)	(433,846)
Interest received		27,868	1,627
<b>Net cash flows used in operating activities</b>		<b>(1,397,591)</b>	<b>(679,837)</b>
<b>Cash flows used in investing activities</b>			
Tenement acquisition costs		(287,193)	-
Proceeds from research and development rebate		-	17,380
<b>Net cash flows used in investing activities</b>		<b>(287,193)</b>	<b>17,380</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of securities and securities subscriptions		-	1,025,305
Payment of share issue costs		(4,579)	(18,228)
<b>Net cash flows (used in) / from financing activities</b>		<b>(4,579)</b>	<b>1,007,077</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,689,363)</b>	<b>344,620</b>
Cash and cash equivalents at the beginning of the period		4,032,414	190,152
<b>Cash and cash equivalents at the end of the period</b>		<b>2,343,051</b>	<b>534,772</b>

The accompanying condensed notes form part of these financial statements.

**ARDIDEN LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Statement of Compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards AASB 134 'Interim Financial Reporting', as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report, and any public announcements made by the Company during the half-year period in accordance with the continuous disclosure requirements of the Corporation Act 2001.

**Basis of Preparation**

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2016 annual financial report. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

**2. EXPLORATION AND EVALUATION EXPENDITURE**

	<b>31-Dec-16</b>	<b>30-Jun-16</b>
	\$	\$
<b>Expenditure brought forward</b>	<b>1,422,758</b>	<b>579,503</b>
Expenditure incurred	1,699,562	1,095,473
Research and development refund	-	(156,099)
Provision for impairment expense	-	(96,119)
<b>Expenditure carried forward</b>	<b>3,122,320</b>	<b>1,422,758</b>

The ultimate recoupment of the mining tenements, exploration and evaluation expenditure carried forward is dependent upon the successful development and commercial exploitation and/or sale of the relevant areas of interest, at amounts at least equal to book value.



**ARDIDEN LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**3. ISSUED CAPITAL**

	31-Dec-16		30-Jun-16	
	\$	No.	\$	No.
<b>(a) Fully paid ordinary shares</b>	36,198,431	818,995,965	35,787,168	788,845,615
<b>(b) Movement in ordinary shares</b>		<b>\$</b>	<b>No.</b>	<b>Issue price</b>
<b>Balance at 30 June 2016</b>		<b>35,787,168</b>	<b>788,845,615</b>	
Issue of shares to acquire Root Lake Project (i)	26/07/2016	151,925	7,596,238	0.020
Issue of shares to consultants in lieu of services (ii)	26/07/2016	12,500	500,000	0.025
Issue of shares to acquire Seymour Lake Project (iii)	22/08/2016	251,417	22,054,112	0.0114
Capital raising costs		(4,579)	-	-
<b>Balance at 31 December 2016</b>		<b>36,198,431</b>	<b>818,995,965</b>	

- (i) On 26 July 2016, the Company issued 7,596,238 shares to acquire the Root Lake Lithium Project, the issue price per share was a 20 day VWAP calculated before the option was announced which was \$0.02 per share.
- (ii) On 26 July 2016, the Company issued 500,000 shares at \$0.025 per share to consultants in lieu of services rendered in relation to the acquisition of the Root Lake Lithium Project.
- (iii) On 22 August 2016, the Company issued 22,054,112 shares to acquire the Seymour Lake Lithium Project, the issue price per share was a 20 day VWAP calculated before the option was announced which was \$0.0114 per share.

**Share Options**

At the end of the period, the following options over unissued shares were outstanding:

- 10,000,000 unlisted options expiring 31 December 2017 at an exercise price of \$0.02.
- 11,000,000 unlisted options expiring 1 July 2019 at an exercise price of \$0.04.
- 5,000,000 unlisted options expiring 1 July 2019 at an exercise price of \$0.04.

**4. RESERVES**

	31-Dec-16		30-Jun-16	
	\$	No.	\$	No.
<b>(a) Option reserve</b>	45,454	26,000,000	-	-
<b>(b) Movement in Reserve</b>		<b>\$</b>	<b>No.</b>	<b>Weighted average exercise price (cents)</b>
<b>Balance at 30 June 2016</b>		<b>-</b>	<b>-</b>	
Unlisted conditional Performance options (i)	1/07/2016	33,333	10,000,000	0.02
Unlisted conditional Performance options (ii)	1/07/2016	10,083	11,000,000	0.04
Unlisted conditional Performance options (iii)	18/11/2016	2,038	5,000,000	0.04
<b>Balance at 31 December 2016</b>		<b>45,454</b>	<b>26,000,000</b>	
<b>Exercisable</b>			<b>26,000,000</b>	

- (i) On 1 July 2016, the Company issued 10,000,000 unlisted conditional performance options. These options have an expiry date of 31 December 2017 which are subject to the following performance hurdles that must be satisfied prior to being exercised:

**Tranche 1 (5,000,000 unlisted options):**

- The Company exercises one or more of the Seymour Lake Lithium Project and/or Root Lake Lithium Project options referred to in the ASX announcements dated 6 January 2016 and 10 February 2016; and
- The volume weighted average price of shares traded on the ASX over 20 consecutive trading days after the date of grant of the conditional performance options is not less than 4 cents.

**ARDIDEN LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**Tranche 2 (5,000,000 unlisted options):**

- The successful execution of an off-take agreement on terms acceptable to the Board of a minimum of 5,000tpa of contained lithium and / or 10,000tpa of contained graphite, and
- The volume weighted average price of shares traded on the ASX over 20 consecutive trading days after the date of grant of the conditional performance options is not less than 4 cents.

These options have been valued using the single share price barrier option-pricing model. The table below gives the assumptions made in determining the fair value of options on grant date.

- (ii) On 18 November 2016, the Company issued 11,000,000 unlisted conditional performance options. These options have an expiry date of 1 July 2019 which are subject to the following performance hurdles that must be satisfied prior to being exercised:

**Tranche 1 (5,500,000 unlisted options):**

- The Company exercises one or more of the Seymour Lake Lithium Project and/or Root Lake Lithium Project options referred to in the ASX announcements dated 6 January 2016 and 10 February 2016; and
- The volume weighted average price of shares traded on the ASX over 20 consecutive trading days after the date of grant of the conditional performance options is not less than 8 cents.

**Tranche 2 (5,500,000 unlisted options):**

- The Company reaches a total JORC compliant resource of all projects of 5 MT, and
- The volume weighted average price of shares traded on the ASX over 20 consecutive trading days after the date of grant of the conditional performance options is not less than 10 cents.

These options have been valued using the single share price barrier option-pricing model. The table below gives the assumptions made in determining the fair value of options on grant date.

- (iii) On 1 July 2016, the Company issued 5,000,000 unlisted conditional performance options. These options have an expiry date of 1 July 2019 which are subject to the following performance hurdles that must be satisfied prior to being exercised:

**Tranche 1 (2,500,000 unlisted options):**

- The Company reaches a total JORC compliant resource of all projects of 5 MT, and
- The volume weighted average price of shares traded on the ASX over 20 consecutive trading days after the date of grant of the conditional performance options is not less than 5 cents.

**Tranche 2 (2,500,000 unlisted options):**

- The Company reaches a total JORC compliant resource of all projects of 5 MT, and
- The volume weighted average price of shares traded on the ASX over 20 consecutive trading days after the date of grant of the conditional performance options is not less than 8 cents.

These options have been valued using the single share price barrier option-pricing model. The table below gives the assumptions made in determining the fair value of options on grant date.

<b>CONDITIONAL PERFORMANCE OPTIONS</b>						
	<b>(i)</b>	<b>(i)</b>	<b>(ii)</b>	<b>(ii)</b>	<b>(iii)</b>	<b>(iii)</b>
Grant date	1 July 2016	1 July 2016	1 July 2016	1 July 2016	18 Nov 2016	18 Nov 2016
Number of options	5,000,000	5,000,000	5,500,000	5,500,000	2,500,000	2,500,000
Expiry date	31 Dec 2017	31 Dec 2017	1 Jul 2019	1 Jul 2019	1 Jul 2019	1 Jul 2019
Estimated volatility	55%	55%	55%	55%	50%	50%
Risk-free interest rate	1.52%	1.52%	1.52%	1.52%	1.86%	1.86%
Exercise price	\$0.02	\$0.02	\$0.04	\$0.04	\$0.04	\$0.04
Price of shares on grant date	\$0.027	\$0.027	\$0.027	\$0.027	\$0.026	\$0.026
Value per option	\$0.010	\$0.010	\$0.006	\$0.005	\$0.005	\$0.004
<b>Total Value</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$33,000</b>	<b>\$27,500</b>	<b>\$12,500</b>	<b>\$10,000</b>
Value recognised in current period	\$16,666	\$16,667	\$5,500	\$4,583	\$1,132	\$906
Value recognised in future periods	\$33,333	\$33,334	\$27,500	\$22,917	\$11,368	\$9,094

**ARDIDEN LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**5. FINANCIAL REPORTING BY SEGMENTS**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Operating segments are identified by Management based on the mineral resource and exploration activities in Australia and Canada. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

The Group has four reportable segments based on the geographical areas of the mineral resource and exploration activities in Australia and Canada. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

**(i) SEGMENT PERFORMANCE**

	<b>Canada Manitouwadge</b>	<b>Canada Seymour Lake</b>	<b>Canada Root Lake</b>	<b>Canada Root Bay</b>	<b>Canada Wisa Lake</b>	<b>Australia</b>	<b>Total</b>
<b>Year ended 31 Dec 2016</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>							
Interest revenue	-	-	-	-	-	31,390	<b>31,390</b>
<b>Total segment revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,390</b>	<b>31,390</b>

*Reconciliation of segment result to net loss before tax*

Amounts not included in segment result but reviewed by the Board

- Provision for impairment	-	-	-	-	-	-	-
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Unallocated items

- Administration, consulting and other expenses							(202,787)
- Director fees and benefit expense							(63,000)
- Foreign exchange loss							(10,308)
- Share based payments							(45,454)
<b>Net loss before tax from continuing operations</b>							<b>(290,159)</b>

	<b>Canada Manitouwadge</b>	<b>Canada Hinton North</b>	<b>Australia</b>	<b>Total</b>
<b>Year ended 31 Dec 2015</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
Interest revenue	-	-	1,627	<b>1,627</b>
<b>Total segment revenue</b>	<b>-</b>	<b>-</b>	<b>1,627</b>	<b>1,627</b>

*Reconciliation of segment result to net loss before tax*

Amounts not included in segment result but reviewed by the Board

- Provision for impairment expense	-	(91,336)	-	<b>(91,336)</b>
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Unallocated items

- Administration, consulting and other expenses				(120,245)
- Director fees and benefit expense				(45,000)
- Foreign exchange gain				2,577
- Share based payments				(94,671)
<b>Net loss before tax from continuing operations</b>				<b>(347,048)</b>

**ARDIDEN LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

(ii) SEGMENT ASSETS	Canada	Canada	Canada	Canada	Canada	Australia	Total
	Manitouwadge	Seymour Lake	Root Lake	Root Bay	Wisa Lake		
	\$	\$	\$	\$	\$	\$	\$
<b>As at 31 Dec 2016</b>							
Segment assets at 1 July 2016	908,069	310,037	204,652	-	-	-	<b>1,422,758</b>
Segment asset increases/(decreases)							
- Exploration and evaluation	154,698	1,021,161	492,102	497	31,104	-	<b>1,699,562</b>
	<b>1,062,767</b>	<b>1,331,198</b>	<b>696,754</b>	<b>497</b>	<b>31,104</b>	<b>-</b>	<b>3,122,320</b>

*Reconciliation of segment assets to total assets:*

Other assets	2,429,023
<b>Total assets from continuing operations</b>	<b>5,551,343</b>

	Canada	Canada	Canada	Canada	Australia	Total
	Manitouwadge	Hinton North	Seymour Lake	Root Lake		
	\$	\$	\$	\$	\$	\$
<b>As at 30 June 2016</b>						
Segment assets at 1 July 2015	488,167	91,336	-	-	-	579,503
Segment asset increases/(decreases)						
- Provision for impairment expense	-	(96,119)	-	-	-	(96,119)
- Exploration and evaluation	576,001	4,783	310,037	204,652	-	1,095,473
- Research and development refund	(156,099)	-	-	-	-	(156,099)
	<b>908,069</b>	<b>-</b>	<b>310,037</b>	<b>204,652</b>	<b>-</b>	<b>1,422,758</b>

*Reconciliation of segment assets to total assets:*

Other assets	4,032,685
<b>Total assets from continuing operations</b>	<b>5,455,443</b>

(iii) SEGMENT	Canada	Canada	Canada	Canada	Canada	Australia	Total
	Manitouwadge	Seymour Lake	Root Lake	Root Bay	Wisa Lake		
	\$	\$	\$	\$	\$	\$	\$
<b>As at 31 Dec 2016</b>							
Segment liabilities at 1 July	13,510	1,033	12,500	-	-	240,349	<b>267,392</b>
Segment liability increases/(decreases)	(9,891)	30,549	(11,676)	-	-	(79,640)	<b>(70,658)</b>
	<b>3,619</b>	<b>31,582</b>	<b>824</b>	<b>-</b>	<b>-</b>	<b>160,709</b>	<b>196,734</b>

*Reconciliation of segment liabilities to total liabilities:*

Other liabilities	-
<b>Total liabilities from continuing operations</b>	<b>196,734</b>

	Canada	Canada	Canada	Canada	Australia	Total
	Manitouwadge	Hinton North	Seymour Lake	Root Lake		
	\$	\$	\$	\$	\$	\$
<b>As at 30 June 2016</b>						
Segment liabilities as at 1 July 2016	83,649	-	-	-	126,463	<b>210,112</b>
Segment liability increases/(decreases)	(70,139)	-	1,033	12,500	113,886	<b>57,280</b>
	<b>13,510</b>	<b>-</b>	<b>1,033</b>	<b>12,500</b>	<b>240,349</b>	<b>267,392</b>

*Reconciliation of segment liabilities to total liabilities:*

Other liabilities	-
	<b>267,392</b>

**ARDIDEN LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

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**6. COMMITMENTS & CONTINGENT LIABILITIES**

There has been no significant change in commitments and contingent liabilities since the last annual reporting period.

**7. DIVIDENDS**

There were no dividends paid or declared during the half year.

**8. EVENTS SUBSEQUENT TO REPORTING DATE**

On 23 January 2017 the Company resumed drilling at Manitouwadge Graphite Project, Canada, with initial holes intersecting a number of visible high quality graphitic mineralisation zones.

On 1 February 2017 the Company advised that numerous flake graphite zones up to 61m wide were intersected at Manitouwadge Graphite Project in Ontario. Visual results from the first 11 drill holes in the 22-hole diamond drilling program were very encouraging, with the holes intersecting multiple layers of flake graphitic mineralisation of various widths.

On 8 February 2017 the Company advised that grades of up to 5.23% lithium oxide are reported from the final 13 diamond drill holes in the Phase 1 program at the Seymour Lake Lithium Project, Ontario with a total of 229 drill core samples obtained from the recently complete diamond drilling Program.

On 9 February 2017 the Company advised that it is expanding the resource delineation drilling program at Manitouwadge Graphite Project due to the successful intersection of multiple thick zones of graphite mineralisation. The Phase 2 drilling program will include an additional eight drill holes to the east of the current program, targeting the possible extensions of the thick and higher grade graphite mineralisation zones.

On 9 February 2017 the Company advised that initial heavy liquid separation testwork on Seymour Lake spodumene returned excellent results, producing high grade lithium concentrate up to 7.73% Li<sub>2</sub>O.

On 9 March 2017 the Company completed drilling at Manitouwadge Graphite Project, with first assay results imminent. Preparation is also well advanced for a maiden due diligence program at the recently optioned Wisa Lake Lithium Project and a Phase 2 drilling program at the Seymour Lake Lithium Project.

There are no other matters or circumstances that have arisen since 31 December 2016 that have or may significantly affect the operations, results, or state of affairs of the Consolidated Entity in future financial years.



**ARDIDEN LIMITED**  
**DIRECTORS' DECLARATION**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

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The Directors of the company declare that:

- 1) The financial statements and notes, as set out on pages 13-22
  - a. Comply with Accounting Standard AASB 134: Interim Financial Reporting, Corporations Act 2001 and the Corporations Regulations 2001; and
  - b. Give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half year ended on that date.
- 2) In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with resolution of the board.



Neil Hackett  
Non-Executive Chairman

Perth, Western Australia  
Dated: 14 March 2017

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

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Ardiden Limited (the Company) and the controlled entities (the consolidated entity) which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at 31 December 2016, or during the half year.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls 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.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us 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 consolidated entity's financial position as at 31 December 2016 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditor of Ardiden Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

## Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ardiden Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its 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.



PKF MACK



SHANE CROSS  
PARTNER

14 MARCH 2017  
WEST PERTH,  
WESTERN AUSTRALIA