ASX Announcement **25 February 2015**

DRILLING TO COMMENCE AT CANADIAN FLAKE GRAPHITE PROJECT

Maiden drilling program to target outcropping graphite and EM conductors

ASX: ADV

Capital structure:

Ordinary shares
366.7m

Options (Unlisted)
68.4m (various)

Shareholders:

Institutional 13%
Board/Mgt 19%
Retail 68%

Top 20: 56%

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Highlights

- **Drilling approvals received and local drilling company contracted to immediately commence maiden drill program at Ardiden's 100%-owned Manitouwadge Graphite Project in Ontario, Canada.**
- **1,000m of diamond core drilling planned as part of initial program to test a series of defined graphite targets.**
- **Extensive jumbo and large flake graphite (55%) identified at surface during channel sampling program completed in 2014.**
- **Six significant EM conductors identified by previous exploration conducted by Noranda, while exploring for VHMS deposits.**
- **Project located in an established mining province with excellent infrastructure access.**

Ardiden Limited (ASX: ADV) is pleased to announce that it is set to commence its maiden drilling program at the 100%-owned **Manitouwadge Graphite Project** in Ontario, Canada after receiving required drilling permits from the local Canadian authorities and selecting a local drilling contractor to immediately commence work.

The rig is expected at site in the coming week with drilling to commence immediately. The receipt of the key approvals will enable Ardiden to undertake a program of ~1,000m of diamond core drilling to test a number of defined graphite targets.

Ardiden optioned the 3,400 hectare project last year as part of a growth strategy focused on high-quality, advanced resource assets located in Tier-1 jurisdictions. A channel sampling program was undertaken as part of due diligence in late 2014 and in January 2015 Ardiden completed the acquisition of 100% of the project. The initial drill program is fully funded following a recent successful capital raising.

The Manitouwadge Project is located in an established mining province with significant graphite potential. Numerous other graphite projects surround the project, including the world-class Albany graphite deposit being developed by Zenyatta Ventures, which lies ~100km from Manitouwadge.

The project has proven outcropping graphite, and initial metallurgical test work on samples taken from site indicates 55% of the graphite is large or jumbo flake size, which is the highest value and most sought after graphite flake size. With its use in new technologies such as batteries and electric vehicles, demand for graphite is expected to rapidly expand over the next decade.

Recently reported results from initial beneficiation test work conducted on surface samples from the channel sampling program indicate that simple, low cost gravity and flotation beneficiation techniques can result in graphite concentrate purity levels of 94.8% for jumbo flake and 94.0% for large flake. Purity levels this high result in the potential product to command a premium in the large and jumbo flake market.

Exploration conducted by Noranda, including aerial and ground electromagnetic (EM) surveys focused on the discovery of VHMS deposits, identified six significant EM conductors.

The drilling program, which is expected to comprise a minimum of 1,000m of diamond drilling (subject to results), will test the EM conductors beneath the outcropping graphite.

The upcoming drilling program will enable the Company to make an assessment about the economic potential of the Manitouwadge Project.

Board of Directors
Ardiden Ltd

ENDS

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.