



ARDIDEN EXERCISES OPTION TO ACQUIRE 100% OF ROOT LAKE LITHIUM PROJECT, CANADA

Acquisition of second Canadian lithium project provides Ardiden with a strong pipeline of opportunities for resource development

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Lithium and graphite explorer Ardiden Limited (ASX: ADV) is pleased to advise that it has now 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.

This follows the exercise of the option to acquire the **Seymour Lake Lithium Project** (see *ASX Announcement – 3 June 2016*) and means that Ardiden will soon own 100% of two advanced lithium-spodumene projects as well as 100% of the **Manitouwadge Graphite Project** in Canada.

This puts the Company in a strong position to move ahead with resource development activities in two commodities which are currently experiencing strong demand due to the rapid growth of the lithium-ion battery industry globally.

TERMS OF THE OPTION

Following the exercise of the option to acquire 100% of the Root Lake Lithium Project and receipt of appropriate documentation from Landore Resources Canada Inc. ("Landore"), arrangements will be made to pay the option fee of C\$150,000 cash and C\$150,000 worth of Ardiden shares (at the 20-day VWAP prior to the ASX Announcement dated 10 February 2016) to Landore.

Ardiden notes that, in order to complete the full acquisition of the Root Lake Project and pursuant to the terms of the option agreement, Landore is also entitled to a 3% net smelter royalty (NSR). Ardiden has the option to purchase or buy back 1.5% of the NSR from Landore for a payment of C\$1,000,000.

FURTHER LITHIUM POTENTIAL

As recently announced by Ardiden on 22 June 2016, the assay results from the limited maiden due diligence drilling program conducted at Root Lake have validated the historical results, confirming the quality and continuity of the lithium mineralisation at the McCombe pegmatite, as seen from the metallurgical drill hole RL-16-06, which was drilled down dip for 70 continuous metres of mineralisation, with an average grade of 1.7% Li₂O. These results support the potential for the Root Lake Project to host multiple high quality spodumene structures.

Considerable historical exploration for lithium was undertaken in 1956 at the McCombe pegmatite, which is located on two dikes and has been traced at surface for a strike length of approximately 550m.

Capital Lithium Mines Ltd. completed a diamond drilling programme at the McCombe pegmatite on the Root Lake property in 1956, consisting of 55 drill holes for 10,442m. Capital Lithium Mines Ltd. outlined a 2,333,752 tonne deposit (NB: Not JORC or NI 43-101 compliant) with a grade of 1.3% Li₂O. This non-compliant deposit at the McCombe pegmatite covers less than 5% of the whole Project area.

The McCombe pegmatite structure is hosted in a vertically stacked series of dipping pegmatite sills. The best exposed part of these pegmatite dikes, situated toward the west end, has been mapped historically. Dike 1 is the largest and is intermittently exposed for a strike length of 176m and maximum width of 15m. Dike 2 is lens-shaped in plan and measures 19m by 87m (Figure 1).

As a result of the due diligence review, Ardiden is pleased to confirm that multiple drill-ready targets have now been identified on the McCombe and Root Lake pegmatite structures at the Root Lake Lithium Project (see Figures 1 and 2 below) which have the potential to significantly expand the lithium mineralisation in the area.

These drill targets have been identified by the Company after reviewing the current and historical drilling results, mapping, exploration and resource reports which defined a number untested anomalous zones in and around both known lithium occurrences, including the McCombe pegmatite (known strike length of 550m) and the Root Lake pegmatite (known strike length of 1,200m).

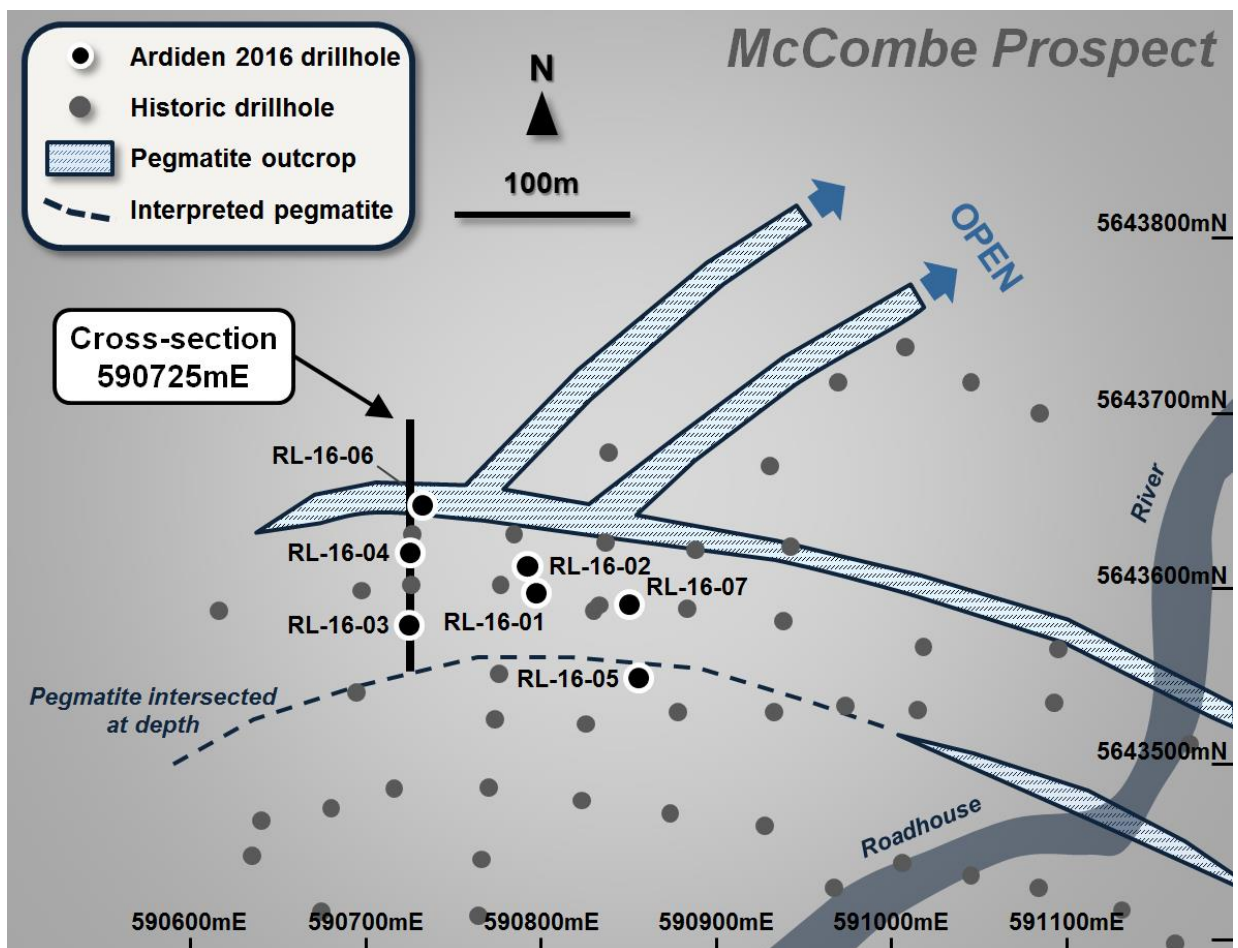


Figure 1. Drill collar map for the historic and current drilling completed at the McCombe pegmatite. Also highlighted are the outcropping pegmatites structures and potential extensions of the mineralisation zones

The review has confirmed that the majority of the exploration has previously been focused on the McCombe prospect, and only limited and incomplete exploration has been undertaken across the rest of the project area, including the Root Lake prospect.

The review has also highlighted that the lithium-bearing pegmatite structures at the McCombe and Root Lake prospects, and elsewhere on the project, are yet to be fully defined and remain open in multiple directions.

Ardiden has now identified multiple new drill-ready targets areas along both the McCombe and Root Lake prospects which will provide Ardiden with the opportunity to expand the known zones of lithium mineralization at these locations.

Figure 2 below shows a more regional view of the McCombe Root Lake prospects on the project, including the McCombe and Root Lake pegmatites and highlighting the various outcropping pegmatites structures, current and historical trenches and drilling, and the potential extensions of the lithium mineralisation zones.

The Root Lake prospect is encouraging with a known strike length of 1,200m and remains open both to the east and west. The historical drilling completed in 1956 confirmed and intersected a pegmatite structure at depth (~25-30m below surface), verifying the presence of spodumene with grades of up to 2.62% Li_2O being reported.

In 2009/2010, Golden Dory completed a trenching and sampling program on the outcropping zones of the pegmatite structure, which is located approximately 75m to 100m north of the historical drilling locations. Golden Dory reported grades of up to 4.43% Li_2O being obtained from those trench samples.

These historical high grade intersections of Li_2O at the Root Lake prospect are consistent with the high grades identified at the McCombe prospect and provide Ardiden with greater confidence in the project to host multiple high grade spodumene structures.

The Company will now undertake an exploration program which is due to commence shortly, to confirm if the pegmatite intersected at the Root Lake prospect in the historical drilling is in fact the same pegmatite structure that is outcropping to the north and was tested by Golden Dory.

The next phase of exploration for Ardiden at the Root Lake Project prior to undertaking further drilling is likely to include a further analysis of the current and historical data in conjunction with a detailed geological and structural mapping program, in order to develop a better understanding of the pegmatites and the influence of the surrounding structures and to obtain a better understanding of the relationship and potential connection between the McCombe and Root Lake pegmatites.

Should a relationship and connection between the McCombe and Root Lake pegmatites be confirmed during this next phase of exploration, **Ardiden will again have further opportunities to dramatically expand the known lithium mineralisation zones** at the Project.

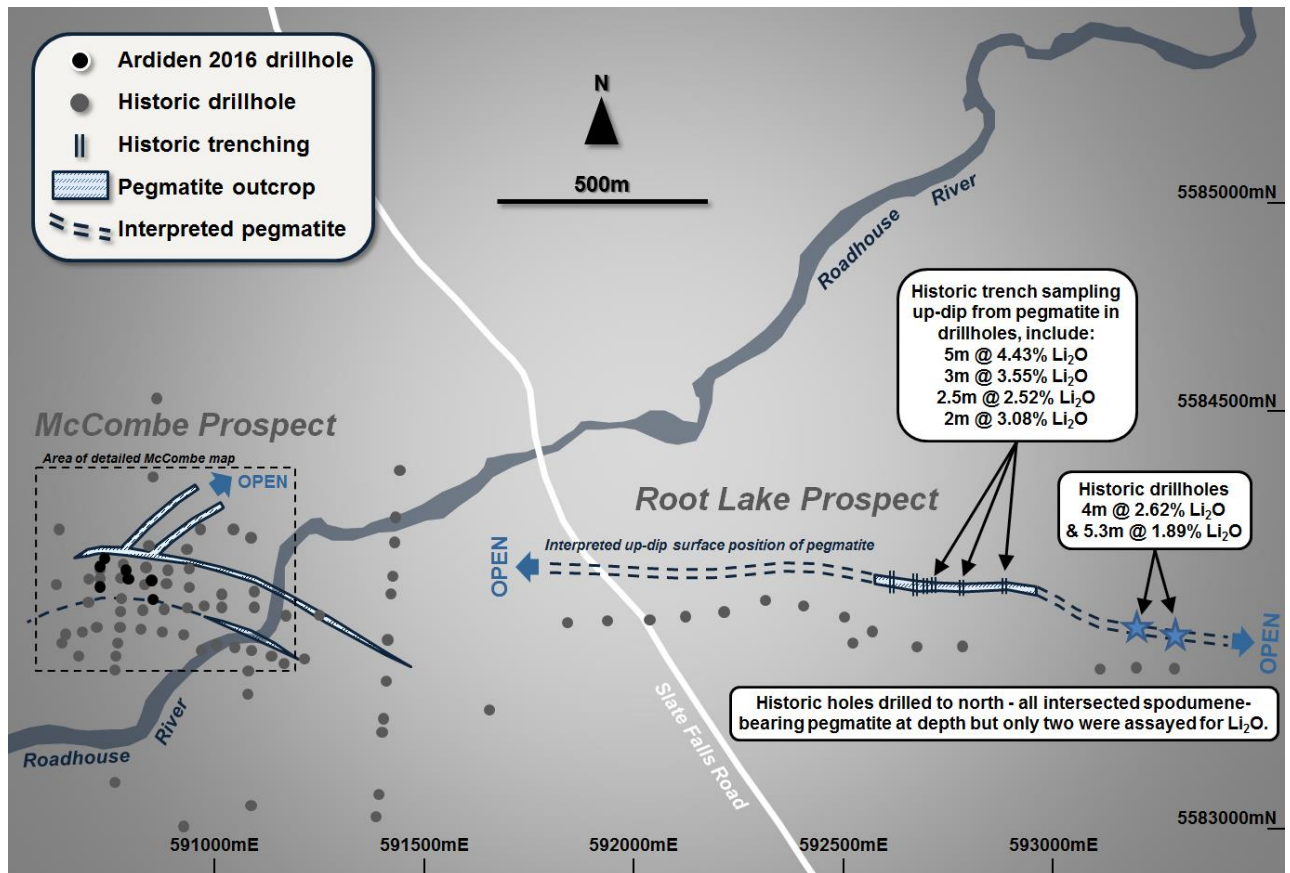


Figure 2. Overall map showing the location of the McCombe and Root Lake pegmatites on the Root Lake lithium project. Highlighted are the outcropping pegmatites structures, current and historic trenches and drilling and the potential extensions of the mineralisation zones. The stars indicate the location of the only two historic drill holes at Root Lake pegmatite that were tested for Lithium.

CONCLUSION

The successful completion of the due diligence review, in conjunction with the recent limited drilling program, has helped Ardiden to recognize the potential to delineate even more pegmatite structures within the project and has confirmed the potential of the Root Lake Lithium Project to host quality lithium deposit.

Ardiden considers the early intersection of significant zones of spodumene-pegmatite mineralisation close to surface at Root Lake to be very positive outcome of the drilling program, while the identification of additional and extensions of the pegmatites structures reaffirms the high potential of this project area to host a JORC Compliant lithium resource.

Ardiden looks forward to undertaking the next phase of exploration activities on the project shortly and to providing further updates as they come to hand.

-ENDS-

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About the Ardiden Ltd

The Seymour Lake Lithium Project (under option to acquire 100%) is located in Ontario, Canada. The project comprises 912 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. In addition, tantalum and beryllium grades of up to 1,180 ppm (Ta₂O₅) and 1,270ppm (BeO) respectively were intersected.

The Root Lake Lithium Project (under option to acquire 100%) 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 Manitouwadge Jumbo Flake Graphite Project is located in Ontario, Canada. The Project area is 5,300 Ha and has a 20km 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.

Competent Person's Statement

The information in this report that relates to exploration and drilling results for the Seymour Lake Lithium project 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.

The information in this report that relates to exploration results on the Seymour Lake project is extracted from the reports entitled ASX Release "Grades of up to 3.8% Lithium Oxide From Maiden Drill Program at Root Lake Lithium Project, Canada" created 22 June 2016, and is available to view on www.ardiden.com.au. The reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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.