Ardiden Limited: Quarterly Activities Report

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Ardiden Ltd. (ASX:ADV) is pleased to provide the company's Quarterly Activities Report indicating successful exploration programs at key Canadian lithium and graphite projects lay foundations for commencement of pivotal resource drilling programs in December quarter.

Highlights:

SEYMOUR LAKE LITHIUM PROJECT, Ontario (Option exercised to own 100%)

- Surface exposures of multiple pegmatite structures with visible spodumene (lithium-bearing mineral) crystals identified during field exploration programs.

- Pegmatite exposures now identified over a 5km strike length, with multiple exposures confirming the pegmatite swarm at or near surface - pegmatite structures remain open at depth and along strike.

- Pegmatite development phases successfully classified and preparations for drilling program completed.

- High-grade spodumene material confirmed across the known prospects, with grades of up to 4.54% Li2O returned from limited channel and grab sampling.

- Pegmatite extensions exposed at the North Aubry and Pye prospects from confirmatory excavations.

- Mega Tantalite crystal zones identified at North Aubry and Pye pegmatites.

- New claims approved by MDNM which host multiple new pegmatite exposures.

- Additional claims staked over new pegmatite exposures and potential ineralisation extensions.

MANITOUWADGE GRAPHITE PROJECT, Ontario (100%-owned)

- Structural and geotechnical logging of drill core from Silver Star North prospect completed by Ardiden's geological team, in conjunction with a limited exploration program around the prospect.

- The additional data will assist the Company with the design of the upcoming drill program and preparations underway for the drilling program, which is due to commence in late November.

ROOT BAY LITHIUM PROJECT, Ontario (100%-owned)

- Ardiden stakes Root Bay Lithium Project.

- Maiden reconnaissance exploration and sampling program completed.

- All channel samples analysed with outstanding grades of up 2.54% Li2O returned.

- All channel samples confirmed the strong presence of lithium mineralisation, including the identification of a 13m zone across the pegmatite exposure averaging 1.77% Li2O.

- The mapping and sampling program has also confirmed the orientation of the pegmatite structure, which will assist with drill targeting.

- 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.

- Subject to assay results, Ardiden's geological team will aim to define drill-ready targets in preparation for resource modelling.

ROOT LAKE LITHIUM PROJECT:

- Ardiden exercises option to acquire the Root Lake Lithium Project

- Initial exploration, mapping and sampling program undertaken.

SEYMOUR LAKE LITHIUM PROJECT

During the quarter, Ardiden significantly increased the project footprint and exploration potential of its flagship Seymour Lake Lithium Project in Ontario, Canada, following the discovery of numerous new pegmatite exposures during a highly successful mapping and sampling campaign.

The Company's geological team identified and mapped additional pegmatite structures around the North Aubry, South Aubry and Pye prospects. The structural mapping program confirmed the presence of significant spodumene mineralisation throughout the pegmatite swarm, which will be quantified during the drilling phase of the current exploration campaign.

Mapping and sampling programs also successfully confirmed historical data and dramatically expanded the potential strike length of the previously drilled pegmatites up to 5km, further enhancing the previously delineated new pegmatite structures - all of which are located at or near surface.

The results have provided the Company several exciting new targets for priority follow-up and potential future resource definition.

ADDITIONAL PEGMATITES

The primary objective of the exploration and mapping programs during the Quarter was to develop a better geological understanding of the mineralisation, orientation and structural controls of the mineralisation at the North Aubry, South Aubry and Pye prospects.

The information on the structural controls and morphology of the mineralisation at these prospects should assist the Company's geological team to locate and identify sufficient mineralisation to underpin resource delineation drilling programs, which are aimed at defining a lithium resource in accordance with JORC (2012) guidelines.

This structural knowledge has assisted the Company to identify potential extensions of known mineralised zones and delineated further surface exposures of multiple pegmatite structures with visible spodumene (lithium-bearing mineral) crystals. Ardiden's geological team has been successful in identifying more than 40 additional pegmatite exposures of various sizes at Seymour Lake (see Figure 2 in the link below).

The additional pegmatite structures have confirmed some of the historical rock chips and soil sample anomalies, assisting the geological team to better interpret the mineralisation zones and structures.

Based on these preliminary results, it appears that the dominant mineralised trend appears to be striking in a north-east/south-west orientation at Seymour Lake, with some east-west trending mineralisation, secondary to the primary orientation (see Figure 2 in the link below).

This initial interpretation will be further tested as more detailed exploration is completed. At this stage, all of the identified pegmatite structures remain open at depth and along strike, showing that some of these structures are at or near surface, with pegmatite exposures now identified 5km along strike to the south of the North Aubry prospect (see Figure 7 in the link below) and again significantly expanding the known lithium mineralisation zones in all directions.

The exploration program has also assisted Ardiden to classify the pegmatites by mineralisation zone and development phase, which has helped the Company to delineate the target locations which are likely to host the spodumene mineralisation and further develop its geological model.

The successful identification of multiple pegmatite exposures over extended distances either at or close to surface has again reaffirmed the strong potential of the Seymour Lake Project to host a significant lithium resource.

EXCAVATION OF PEGMATITE STRUCTURES

Based on the early exploration success and initial interpretations by Ardiden's geological team, combined with the continued identification of the multiple pegmatite exposures across the project, the team completed a confirmatory excavation program, with the aim of exposing the pegmatite mineralisation extensions in areas of shallow alluvium cover (see Figures 3 and 4 in the link below) and provide further information for resource drilling.

The initial focus of this work is around the pegmatite extensions of North Aubry, South Aubry and Pye

prospects, where strong lithium mineralisation occurs. The program has already successfully uncovered a number of new and extended lithium mineralisation zones, including the identification of more high quality white spodumene crystals, as shown in Figure 5 in the link below.

The Company's geological team has been cleaning the new pegmatite exposures in order to complete mapping, structural interpretation and classification of various mineralisation zones contained within the structures. The identification of these new lithium mineralisation zones and extensions has the potential to dramatically increase the size and scope of future resource definition programs.

Subsequent to the end of the quarter, Ardiden confirmed that the excavation program had successfully identified numerous and extensive spodumene (lithium hosting) mineralisation zones in the pegmatite exposures, all of which are located within the immediate project area.

Further exploration, sampling and excavation programs will be undertaken in the future to extend the exposure of the multiple known mineralised zones in a southerly direction to assist with project planning.

ASSAY RESULTS

During the mapping and exploration program undertaken during the quarter, a limited number of channel and grab samples were taken to test and verify the quality of the historical data previously obtained from both the North Aubry and Pye prospects. These samples are also being used to confirm the quality of the lithium mineralisation identified during the mapping phase of this program.

Assay results from 56 channel samples have confirmed the presence of several broad zones of spodumene-lithium mineralisation, up to 7m wide with an average grade of 1.57% Lithium Oxide (Li2O) from Channel NA-CH-16-04. Also of note is the 5m wide lithium mineralised zone in Channel NA-CH-16-06, which averages 1.97% Li2O.

All channel samples from the program showed various grades of lithium, including an exceptional grade of 4.13% Li2O at the North Aubry prospect in Channel NA-CH-16-08.

The logging of the channel samples again confirmed the strong presence of spodumene. In addition, the assay results confirmed the original visual logging of the channel samples, with 57% (32 samples) of all channel samples returning assay results greater than 0.7% Li2O and 43% (24 samples) of channel samples with grades above 1.5% Li2O.

Table 1 in the link below highlights the various intervals of significant lithium mineralisation obtained from 11 different channels completed at the North Aubry prospect.

A total of 13 channels of various lengths were completed at the North Aubry prospect and not all assays results from the channel samples have been reported in this announcement.

Ardiden also notes that several grab samples were collected from the Pye prospect during the mapping program and encouraging lithium results were also obtained from this location, including grades up to 4.54% Li2O (East: 398450, North: 5584835) being identified.

TANTALUM POTENTIAL

During the exploration program, the Ardiden geological team identified a number of localized manganotantalite crystal zones at both the North Aubry and Pye prospects.

Initial review and assessment of the mineralisation shows what appears to be high grade manganotantalite crystals up to 5cm in width. These rare formations of manganotantalite mega-crystals are an encouraging sign of the potential for Tantalum within the pegmatite structures at both North Aubry and Pye prospects.

Historically, exploration at the North Aubry prospect was focused on the tantalum potential contained within the pegmatite structures, as seen in the 2006 Dimmell and Morgan report where a 4m channel returned an average grade of 2.49% tantalum pentoxide (Ta2O5).

Subject to further exploration and testing, the presence of tantalum mineralization has the potential to have a positive economic impact on any future resource delineated at the Seymour Lake Project.

ADDITIONAL CLAIMS

As a result of the early exploration and mapping success, Ardiden significantly expanded the Seymour Lake Project during the quarter from the original five claims area totalling 923 Ha in two expansion phases. The

Company staked an additional 29 claim areas, increasing the project area to 7,019 Ha. At this stage, five of these new claims have now been approved by the by the Ontario Ministry of Northern Development and Mines ("MNDM") and the rest are pending.

Due to the continued identification of the multiple pegmatite exposures throughout Seymour Lake Project, Ardiden expanded the land-holding south and east in the project to cover these newly identified pegmatite structures and potential mineralisation extensions. The new claims will allow the Ardiden geological team to continue the mapping and exploration program.

The new claims to the east side of the project were not only staked for the pegmatite potential but, given the number of faults, dykes and shear zones along the granite formation, there is also a possibility of identifying base metals in the region. Historically, copper mineralisation was identified within the southern portion of the new claim areas.

DRILLING PROGRAM

QAQC field and laboratory checks were completed on the data collected for this first phase of exploration during the Quarter. This new data reconciled with the historical litho-geochemical results, grab and channel samples and the drilling assay results to create a comprehensive database.

This database has assisted Ardiden's geological team with the next phase of excavation, mapping and 3D modelling of the known lithium mineralisation zones and structures.

The 3D model and database is assisting the Company's geological team identify sufficient mineralisation to underpin resource delineation drilling programs, which will be aimed at defining a lithium resource in accordance with JORC (2012) guidelines.

In light of the early exploration success, combined with the continued identification of the multiple pegmatite exposures across the project and confirmation that the lithium mineralization has been extended by the excavations, the Company's geological team began planning and preparations for a resource definition drilling program during the Quarter.

Subsequent to the end of the Quarter, Ardiden defined a number of drill-ready targets at the Seymour Lake Lithium Project and on 26 October 2016 the Company commenced a resource delineation drilling program.

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 the Quarter, 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 accidently 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.

Initial observations by the MDNM state that the dyke is characterized by coarse white albite, grey quartz and pale grey-green spodumene crystals up to 10cm long. The outcrop distribution of the pegmatite indicates that the spodumene dyke is perhaps 10m wide at this location along the limited, exposed contact of approximately 60m.

Ardiden's geological team cut a 15m channel across the surface of the outcropping pegmatite, collecting 15 samples which were each 1 metre long. The channel samples were logged and sent to Actlabs laboratory in Thunder Bay for analysis under QAQC procedures.

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 2.54% Li2O 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% Li2O (Table 2 in the link 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.

Table 2 in the link below highlights the significant intervals of the channel samples obtained from the Root Bay exposure and which contained lithium mineralisation reporting above the cut-off grade of 1.0% Li2O and is expressed as the average grade for each 1m channel sample.

The Company confirms that 87% of the assay results (13 samples) from the channel samples reported above the 1.0% Li2O cut-off grade. The remaining two samples fell below the cut-off grade and have not been reported in this announcement.

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 the quarter the Ardiden's geological team commenced the 2016 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 will be by Ardiden used 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.

Further the geological team conducted a survey of the current prospect to identify potential extensions of the known pegmatite structures, to delineate any additional pegmatite structures in the surrounding area, and to define any further drill-ready targets ahead of the next phase of drilling.

MANITOUWADGE GRAPHITE PROJECT

During the Quarter, Ardiden completed the next phase of exploration at its 100% owned Manitouwadge Flake Graphite Project at the Silver Star North prospect conducting structural interpretation and mapping programs.

The initial focus of the program included a full structural interpretation of the drill core with a specific focus on the continuity of the identified high tenor jumbo flake graphite zones at both the Silver Star North and Silver Birch prospects.

The Company's geological team completed structural and geotechnical logging and analysis of drill core from the Silver Star North prospect, obtained during the 2015 drill program at the 100%-owned Manitouwadge Graphite Project. Additionally, the team completed a ground truthing exercise around the prospect to confirm the known orientation, structural controls and morphology of the graphite mineralisation zones.

This additional information from the Silver Star North prospect assisted the Company's geological team to identify sufficient mineralisation to underpin resource delineation drilling programs, which are aimed at defining a graphite resource in accordance with JORC (2012) guidelines.

As announced by Ardiden on 5 January 2016, the 2015 drilling program at the Silver Star North prospect consisted of 2,000m of diamond drilling which intersected numerous high grade graphite zones, returning grades of up to 14.19% Total Graphite Carbon (TGC).

A petrographic review of the drill core samples from the Silver Star North prospect also confirmed the high quality potential of the graphite zones.

This analysis confirmed the presence of jumbo (>300 microns) and super jumbo (>500 microns) graphite flakes with some flakes measuring up to 4,200 microns. The presence of these jumbo and super-jumbo graphite flakes at the project has the potential to attract a significant price premium compared with the more commonly found fine and medium flake graphite.

Some of the high-grade graphite mineralisation zones intersected during the 2015 drilling program were identified some 50m below surface, which could reduce the potential to recover economic graphite ore.

The results obtained from the exploration and review program assist Ardiden to structurally orientate the

2015 drilling core and ground truthing the potential extensions and drill ready targets of the high-grade graphite mineralisation zones located at or close to surface.

Subsequent to the end of the quarter Ardiden confirmed the preparations and plans were being finalised for an upcoming drilling program at the Silver Star North prospect, which is due to commence late November 2016.

To view the report, please visit:
http://abnnewswire.net/lnk/W8208CHN

About Ardiden Ltd:

Ardiden Ltd. (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.

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