



**ARDIDEN**

# **ARDIDEN LIMITED**

**ABN 82 110 884 252**

**HALF-YEAR FINANCIAL REPORT**

**31 DECEMBER 2019**

For personal use only

**ARDIDEN LIMITED**  
**CORPORATE DIRECTORY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

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**DIRECTORS**

Neil Hackett (Non-Executive Chairman)  
Pauline Gately (Independent Non-Executive Director)  
Robin Longley (Managing Director (appointed 1 February 2020) and Chief Executive Officer)

**JOINT COMPANY SECRETARIES**

Steven Wood (appointed 21 November 2019)  
Silfia Morton (appointed 21 November 2019)

**REGISTERED AND PRINCIPAL OFFICE**

Level 1, 34 Colin Street  
WEST PERTH WA 6005

POSTAL ADDRESS  
PO Box 1240  
West Perth WA 6872

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Facsimile: (08) 9322 7602

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

**SHARE REGISTRY**

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth WA 6000, Australia

Telephone: (08) 9323 2000  
Facsimile: (08) 9323 2033

**AUDITORS**

Nexia Perth Audit Services Pty Ltd  
Level 3  
88 William Street  
Perth WA 6000

**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 2019**

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Your Directors present their report for Ardiden Limited ('Ardiden' or the 'Company') and its controlled entity ('Consolidated Entity' or 'Group') for the half-year ended 31 December 2019.

## 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:

Directors	Position
Neil Hackett	Non-Executive Executive Chairman (appointed 5 June 2012)
Pauline Gately	Independent Non-Executive Director (appointed 14 August 2018)
Robin Longley	Managing Director (appointed 1 February 2020) and Chief Executive Officer
Dr Michelle Li	Non-Executive Director (appointed 7 July 2016 and resigned on 1 February 2020)
Peter Spitalny	Non-Executive Director (appointed 29 June 2018 and resigned on 3 July 2019)

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 incorporated and domiciled in Australia. Ardiden Limited has prepared a consolidated financial report incorporating the entity it controlled during the period as follows:

Entity	Description
Ardiden Limited	- Parent entity
Ardiden Canada Ltd	- 100% 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. REVIEW OF OPERATIONS

### PICKLE LAKE GOLD PROJECT, Ontario (ADV 100% Ownership)

During the period, Ardiden advanced preparation for drilling programmes and undertook airborne geophysical surveys at its Pickle Lake Gold Project in Ontario Canada. Work during the period also included evaluation of historical exploration drilling results dating back to the 1970's at its Dorothy-Dobie and New Patricia Gold Properties (Figure 1), which also form part of the Pickle Lake Gold project.

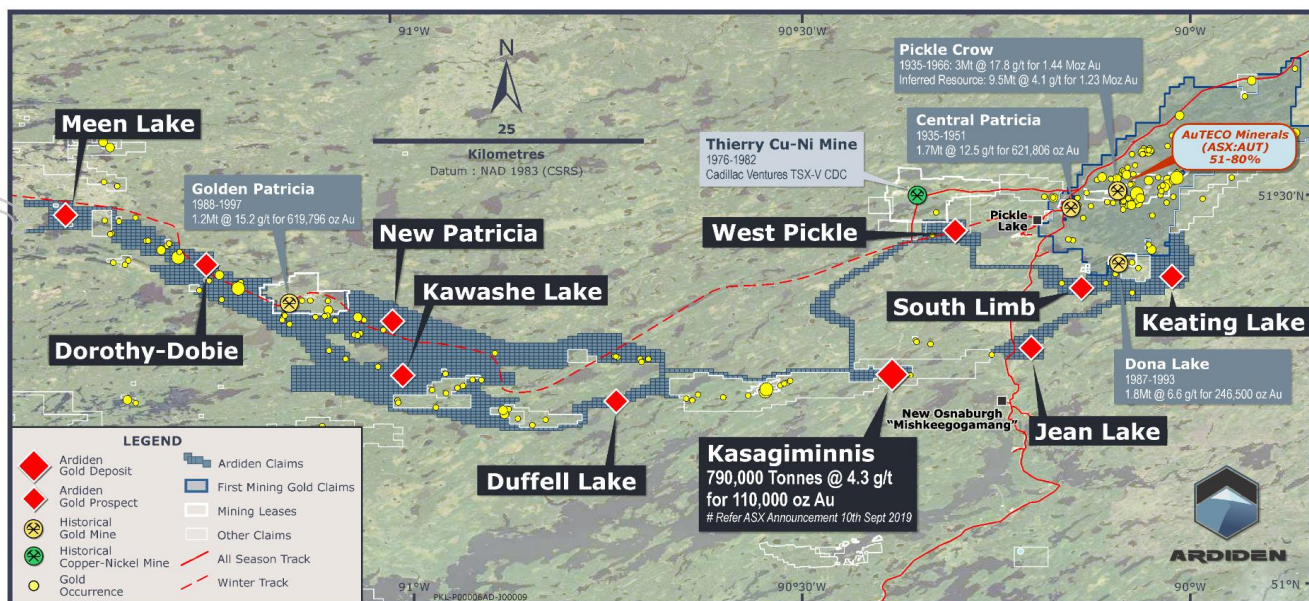
Significant high-grade gold drill intersections from validated historical drilling were announced during the period giving rise to an inferred 110,000oz JORC 2012 Compliant Maiden Resource at the Kasagiminnis Deposit (ASX: 10 September 2019).

Currently, drill planning, preparations and approvals are underway in anticipation of drilling along strike and at depth for the Kasagiminnis Deposit.

In addition, Ardiden announced on 5 March 2020 that it has expanded its landholding at the Pickle Lake Gold Project in Ontario, Canada to 502km<sup>2</sup> through securing additional tenure of highly prospective greenstone belts, which are contiguous and along strike of historical gold mines and known gold deposits.

In line with its long-term gold exploration and development strategy, Ardiden has continued to stake prospective ground and negotiate opportunities which complement its land holding at Pickle Lake and provide significant opportunity to increase shareholder value.

**ARDIDEN LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**



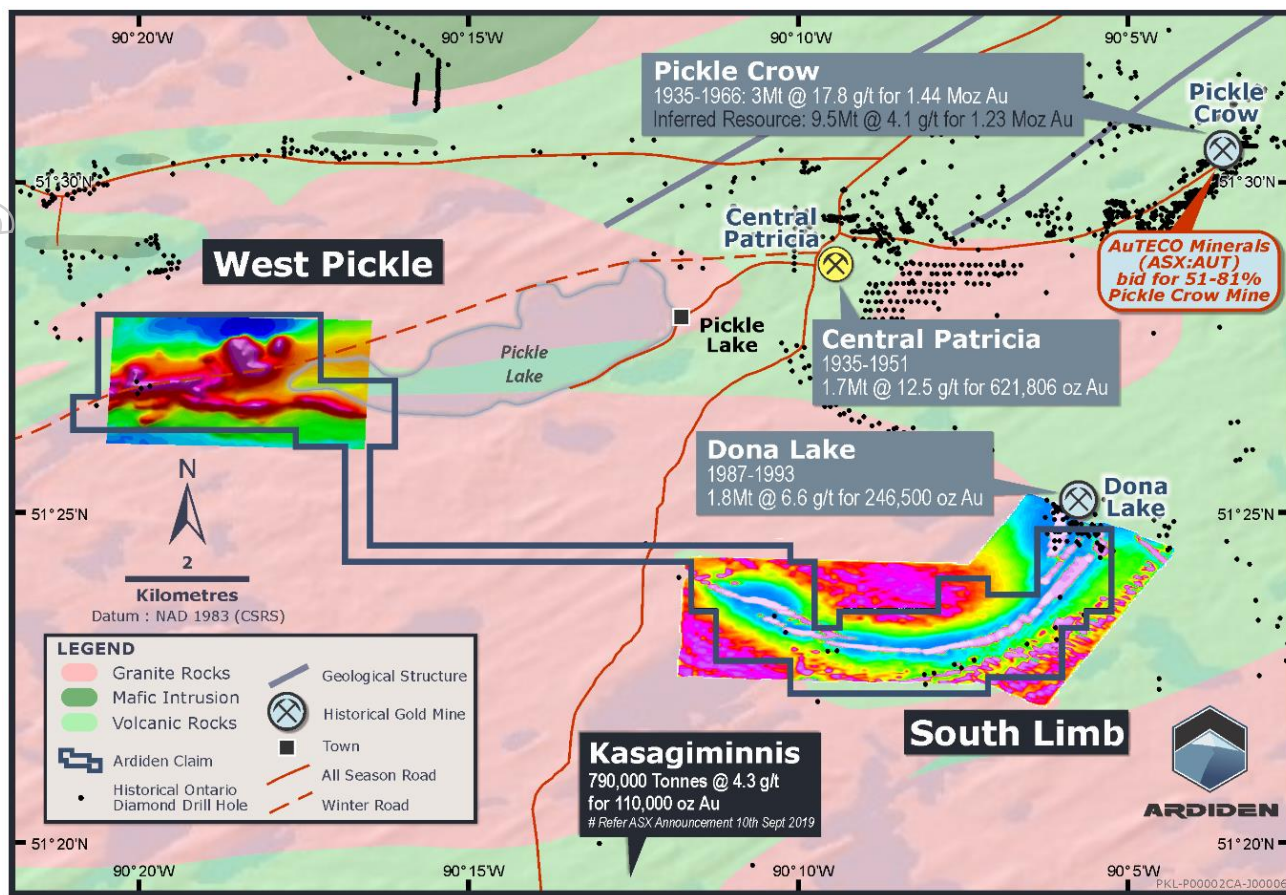
**Figure 1- Pickle Lake Gold Project: Gold Projects and Historical Mining Centres**

Ardiden's ongoing negotiations with the Mishkeegogamang First Nation Group aim to secure the Company's long-term relationship and formal agreement with the Group before commencing any drilling operations in the area.

**WEST PICKLE GOLD PROSPECT**

In November 2019, Ardiden announced the results of an airborne geophysical survey at its West Pickle Gold Prospect in which several priority targets for gold mineralisation were identified. The West Pickle Gold Prospect has received very little exploration attention to date, despite being situated directly along strike of the high-grade Central Patricia and the Pickle Crow gold Mine.

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**Figure 2 - West Pickle and South Limb Prospect Geophysics**

The geophysical survey highlighted hidden structural discontinuities and multiple possible conduits for hydrothermal fluids at West Pickle including:

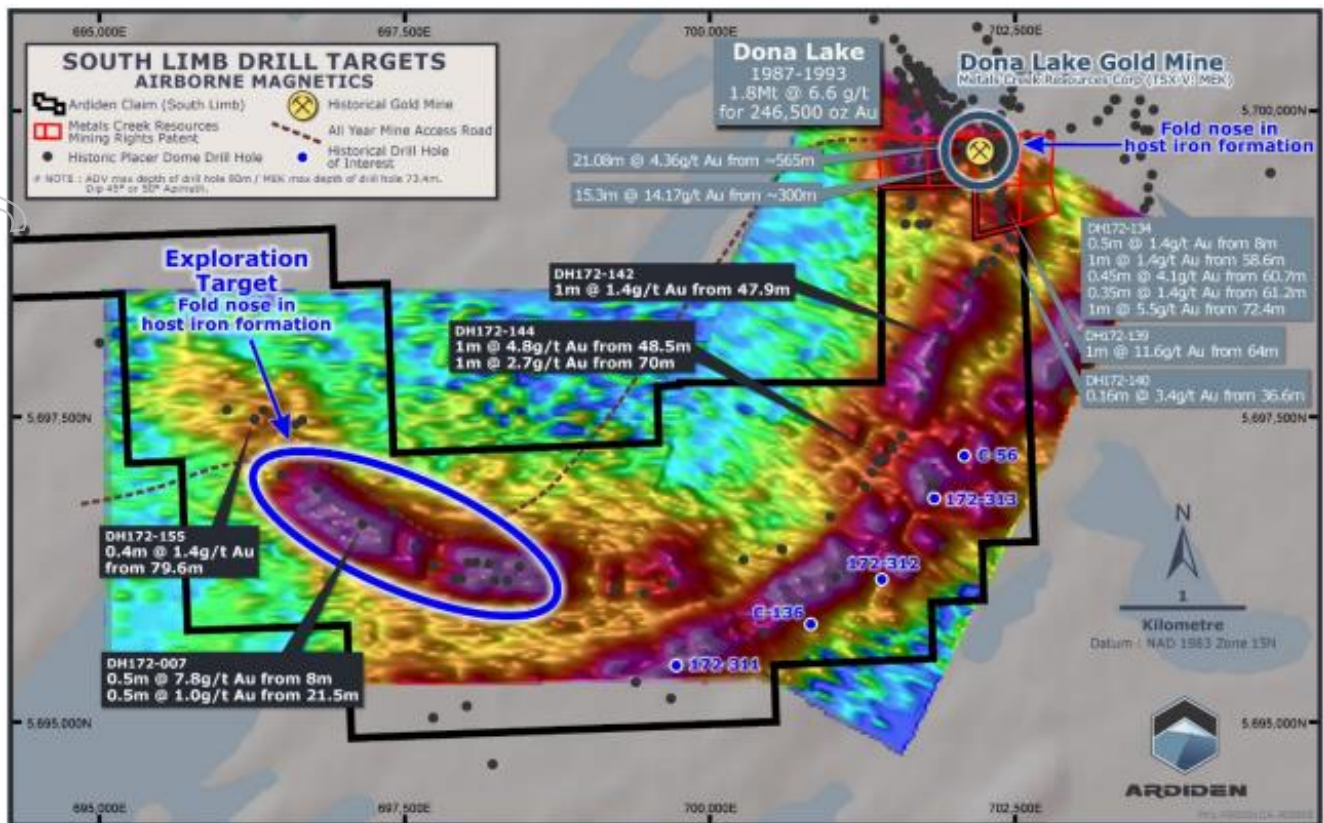
- Two large and highly conductive geophysical responses detected at West Pickle in proximity to iron formations. Strong conductors are typically associated with pyrrhotite and gold mineralisation along strike at the Central Patricia Mine.
- Multiple magnetic lows identified at West Pickle in prospective Iron Formations. Magnetic lows can indicate that gold-mineralising fluids may have altered the rock.
- The West Pickle area is structurally complex with folding and faulting discontinuities over the entire 5km strike of property, providing numerous prospective geological settings for gold mineralisation.

**SOUTH LIMB GOLD PROSPECT**

During the period, the Company also confirmed it had undertaken a review of available historical data from its South Limb Gold Prospect, located immediately south of the Dona Lake Underground Gold Mine currently being assessed by TSX-V listed Metals Creek Resources (TSX-V: MEK). Ardiden owns 8km of favourable geological formation directly along strike from the Dona Lake Gold Mine.

Mined between 1987 and 1993, the underground Dona Lake Mine produced more than 246,500oz gold at 6.5 g/t Au to depths of 450m below surface. However, the surface footprint of the main lode was only 130m of strike length, emphasising the importance of depth testing below any anomalous near-surface values.

**ARDIDEN LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**



**Figure 3 - Drill target areas at the South Limb Gold Prospect**

From the historical data at South Limb, Ardiden has outlined multiple targets that may provide opportunities for similar deep mineralised gold systems. Drill targets are planned in a fold nose near DH 172-007 which reported 7.8g/t Au from 8m. Drill targets are also planned on the southern iron formation to test known sulphide mineralisation.

**SEYMOUR LAKE LITHIUM PROJECT (ADV: 100%)**

On 15 October 2019, Ardiden announced a non-binding Memorandum of Understanding (MOU) with neighbouring lithium developer, Rock Tech Inc (TSX-V: RCK), agreeing to combine efforts to work towards the development of a Lithium Project combining hard rock Spodumene mineral resources at Ardiden's Seymour Lake and Rock Tech's Georgia Lake Lithium Projects in northwest Ontario, Canada.

This announcement was the fruition of the Board's commitment to secure a partner or alliance to extract value from the Company's 100%-owned Seymour Lake Lithium Project and the strategic advantages of this, and the Company's other Lithium holdings in Ontario, the Root Lake and Wisa Lake spodumene Projects.

Ardiden and Rock Tech are working together to develop a Project to potentially supply Spodumene Concentrate at 6-7% Li<sub>2</sub>O, initially from a combination of their two Flagship Lithium Projects; Seymour Lake and Georgia Lake. Under the terms of the MOU, the companies will work together to:

- Undertake Technical Collaboration for the development of optimal transportation of mined spodumene material (DSO) from Seymour Lake to Georgia Lake.
- Design and evaluate the best suitable processing and supporting infrastructure facilities at Rock Tech's Georgia Lake Site.
- Progressively bring additional spodumene resources on-stream from other 100%-owned Ontario lithium projects.
- Develop options for joint value-adding strategies through potential development of downstream processing facilities at Thunder Bay, Ontario.

**ARDIDEN LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

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**CORPORATE**

***Appointment of Mr Robin Longley as Managing Director***

Ardiden announced the appointment of Mr Rob Longley as Managing Director on 3 February 2020. This appointment is consistent with the Company's strategic focus on maximising value from the Company's gold assets in the Tier 1 Mining jurisdiction of Ontario, Canada. Mr Longley was appointed Chief Executive Officer of Ardiden on 1 May 2019. Rob has played a significant role in consolidating the Company's assets, forming alliances with strategic partners in the area, and progressing Ardiden's gold growth strategy. With Mr Longley's appointment to the Board, Dr Michelle Li resigned as Non-Executive Director.

***AGM and Company Secretaries***

Ardiden's Annual General Meeting (AGM) of Shareholders was held in West Perth on 21 November 2019 and all resolutions were approved by shareholders. Following the AGM the Company announced the appointment of Steven Wood and Silfia Morton as Joint Company Secretaries, replacing Jessamyn Lyons and Neil Hackett in the role.

***Acuity Facility***

On 20 December 2019 the Company announced it had entered into a Controlled Placement Agreement ("CPA") with Acuity Capital. The CPA provides Ardiden with up to \$2 million of standby equity capital over a following 24-month period. Importantly, Ardiden retains full control of all aspects of the placement process: having sole discretion whether or not to utilise the CPA, the quantum of issued shares, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements on Ardiden to utilise the CPA, and the Company may terminate the CPA at any time, without cost or penalty. Acuity Capital and the CPA do not place any restrictions at any time on Ardiden raising capital through other methods. If Ardiden decides to utilise the CPA, the Company is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by Ardiden and a 10% discount to a Volume Weighted Average Price (VWAP) over a period of Ardiden's choosing (again at the sole discretion of Ardiden). As collateral for the CPA, Ardiden has placed 88 million shares from its LR7.1 capacity, at \$nil consideration to Acuity Capital (Collateral Shares) but may, at any time, cancel the CPA and buy back the Collateral Shares for no consideration (subject to shareholder approval if required).

**5. FINANCIAL POSITION & OPERATING RESULTS**

The financial results of the Group for the half-year ended 31 December 2019 are:

	<b>31-Dec-19</b>	<b>30-Jun-19</b>	<b>% Change</b>
Cash and cash equivalents (\$)	2,441,806	3,222,487	(24%)
Net assets (\$)	12,604,613	12,974,290	(3%)

	<b>31-Dec-19</b>	<b>31-Dec-18</b>	<b>% Change</b>
Revenue (\$)	17,920	49,316	(64%)
Net loss after tax (\$)	(474,106)	(648,663)	(27%)
Loss per share (cents)	(0.028)	(0.04)	(30%)

**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 period under review not otherwise disclosed in this report or in the financial report.

**ARDIDEN LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

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**7. EVENTS SUBSEQUENT TO REPORTING DATE**

On 6 January 2020, Ardiden announced the expansion of its landholding at the Pickle Lake Gold Project in Ontario, Canada, through an earn-in agreement with Exiro Minerals Corp over its New Patricia Gold Property. The acquisition of the New Patricia Gold Prospect more than doubles Ardiden's prospective geological setting directly along strike from the Golden Patricia Gold Mine and adjoins Ardiden's Dorothy-Dobie Gold Property.

On 20 January 2020, Ardiden established an op-out share sale facility for shareholders who hold less than \$500 worth of fully paid ordinary shares. The Company has provided the facility to all holders of unmarketable parcel to facilitate the sale of their shares without incurring any costs that might otherwise make a sale uneconomic. In addition, the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings, including mailing and printing costs.

On 3 February 2020, Ardiden announced the appointment of Mr Rob Longley as Managing Director, and with Mr Longley's appointment to the Board, Dr Michelle Li resigned as Non-Executive Director.

On 18 February 2020, Ardiden announced that an extensive review of historical drill hole data at its Pickle Lake Gold project in Ontario revealed numerous high-grade drill intercepts up to 472.8g/t over a 25km strike length. Ardiden reviewed data from its recent acquisition over the New Patricia Gold Property with Exiro Minerals Corp and also Ardiden's 100% owned Dorothy Dobie Gold Property.

On 5 March 2020, Ardiden also announced that it has expanded its landholding at the Pickle Lake Gold Project in Ontario, Canada culminating in a holding of 502km<sup>2</sup> through securing additional tenure of highly prospective greenstone belts, which are contiguous and along strike of historical gold mines and known gold deposits.

There are no other matters or circumstances that have arisen since 31 December 2019 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, Nexia Perth Audit Services Pty Ltd, a copy of which is attached to the Directors' Report on page 8 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: 11 March 2020



## Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Ardiden Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 31 December 2019, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

NPAS

**Nexia Perth Audit Services Pty Ltd**



**PTC Klopper**  
*Director*

Perth  
11 March 2020

**ARDIDEN LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Notes	31-Dec-19 \$	31-Dec-18 \$
Interest revenue		17,920	49,316
<b>Expenses</b>			
Administration, consulting and other expenses		(306,434)	(348,083)
Directors' fees		(83,249)	(233,168)
Foreign exchange loss		(9,206)	(6,450)
Impairment expense	2	-	(40,523)
Share-based payments	4	(93,137)	(69,755)
		<b>(474,106)</b>	<b>(648,663)</b>
Income tax expense		-	-
<b>Net loss for the period</b>		<b>(474,106)</b>	<b>(648,663)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		3,872	10,154
<b>Total other comprehensive loss for the period</b>		<b>(470,234)</b>	<b>(638,509)</b>
		<b><u>Cents</u></b>	<b><u>Cents</u></b>
<b>Loss per share attributable to the ordinary equity holders of the Company:</b>			
Basic and diluted loss per share		(0.028)	(0.04)

The accompanying condensed notes form part of these financial statements.

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**ARDIDEN LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Notes	31-Dec-19 \$	30-Jun-19 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		2,441,806	3,222,487
Trade and other receivables		49,372	70,012
<b>Total Current Assets</b>		<b>2,491,178</b>	<b>3,292,499</b>
<b>Non-Current Assets</b>			
Exploration and evaluation expenditure	2	10,108,249	9,698,934
Plant and equipment		83,559	77,313
<b>Total Non-Current Assets</b>		<b>10,191,808</b>	<b>9,776,247</b>
<b>TOTAL ASSETS</b>		<b>12,682,986</b>	<b>13,068,746</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		78,373	94,456
<b>Total Current Liabilities</b>		<b>78,373</b>	<b>94,456</b>
<b>TOTAL LIABILITIES</b>		<b>78,373</b>	<b>94,456</b>
<b>NET ASSETS</b>		<b>12,604,613</b>	<b>12,974,290</b>
<b>EQUITY</b>			
Issued capital	3	47,874,912	47,867,492
Reserves		445,883	348,874
Accumulated losses		(35,716,182)	(35,242,076)
<b>TOTAL EQUITY</b>		<b>12,604,613</b>	<b>12,974,290</b>

The accompanying condensed notes form part of these financial statements.

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**ARDIDEN LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Issued Capital	Share-based Payment Reserves	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b>At 1 July 2019</b>	<b>47,867,492</b>	<b>326,297</b>	<b>22,577</b>	<b>(35,242,076)</b>	<b>12,974,290</b>
Loss for the period	-	-	-	(474,106)	(474,106)
Other comprehensive income for the period	-	-	3,872	-	3,872
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>3,872</b>	<b>(474,106)</b>	<b>(470,234)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Securities issued during the period	27,420	-	-	-	27,420
Share-based payments	-	93,137	-	-	93,137
Capital raising costs	(20,000)	-	-	-	(20,000)
<b>Total equity transactions</b>	<b>7,420</b>	<b>93,137</b>	<b>-</b>	<b>-</b>	<b>100,557</b>
<b>At 31 December 2019</b>	<b>47,874,912</b>	<b>419,434</b>	<b>26,449</b>	<b>(35,716,182)</b>	<b>12,604,613</b>
	Issued Capital	Share-based Payment Reserves	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b>At 1 July 2018</b>	<b>47,817,992</b>	<b>158,623</b>	<b>-</b>	<b>(34,056,019)</b>	<b>13,920,596</b>
Loss for the period	-	-	-	(648,663)	(648,663)
Other comprehensive income for the period	-	-	10,154	-	10,154
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>10,154</b>	<b>(648,663)</b>	<b>(638,509)</b>
Securities issued during the period	36,000	-	-	-	36,000
Share-based payments	-	69,755	-	-	69,755
Capital raising costs	-	-	-	-	-
<b>Total equity transactions</b>	<b>36,000</b>	<b>69,755</b>	<b>-</b>	<b>-</b>	<b>105,755</b>
<b>At 31 December 2018</b>	<b>47,853,992</b>	<b>228,378</b>	<b>10,154</b>	<b>(34,704,682)</b>	<b>13,387,842</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 2019**

Notes	31-Dec-19	31-Dec-18
	\$	\$
<b>Cash flows used in operating activities</b>		
Payments to suppliers and employees	(388,748)	(617,085)
Interest received	17,920	49,316
<b>Net cash flows used in operating activities</b>	<b>(370,828)</b>	<b>(567,769)</b>
<b>Cash flows used in investing activities</b>		
Tenement acquisition costs	-	(52,942)
Payments for exploration expenditure	(381,895)	(2,268,600)
Payments for plant and equipment	(9,587)	(39,007)
Payment for a security deposit	-	(36,947)
<b>Net cash flows used in investing activities</b>	<b>(391,482)</b>	<b>(2,397,496)</b>
<b>Cash flows from financing activities</b>		
Payment of share issue costs	(20,000)	-
<b>Net cash flows used in financing activities</b>	<b>(20,000)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(782,310)</b>	<b>(2,965,265)</b>
Cash and cash equivalents at the beginning of the period	3,222,487	6,919,138
Effects of exchange rate changes on cash and cash equivalents	1,629	11,414
<b>Cash and cash equivalents at the end of the period</b>	<b>2,441,806</b>	<b>3,965,287</b>

The accompanying condensed notes form part of these financial statements.

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**ARDIDEN LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

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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 should 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 an historical cost basis, 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 are presented in Australian dollars, unless otherwise noted.

### **Accounting Policies**

The accounting policies adopted in the current half-year are consistent with those adopted and disclosed in the Group's 2019 annual report for the year ended 30 June 2019 except for the adoption of AASB 16 *Leases* ("AASB 16").

The Group has adopted AASB 16 using the modified retrospective approach from 1 July 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provision in the standard.

### **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under - residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**ARDIDEN LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

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**Practical expedients applied**

In applying AASB16 for the first time, the Group has used the following practical expedients permitted by the standard:

- Reliance on previous assessment on whether leases are onerous;
- The accounting for operating leases with a remaining term of less than 12 months as at 1 July 2019 as short-term leases;
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- The use of hindsight in determining the leases term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying AASB117 and IFRIC4 *Determining whether an Arrangement contains a Lease*.

As the Group does not have any leases, AASB 16 'Leases' had no impact on the current period.

**Financial Position**

The half-year financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's and Group's assets and the discharge of their liabilities in the normal course of business.

As disclosed in the financial report, the Group recorded an operating loss for the period of \$474,106 (2018: \$648,663) and a cash outflow from operating activities of \$370,828 (2018: \$567,769) for the half-year ended 31 December 2019 and at reporting date had a working capital surplus of \$2,412,805 (30 June 2019: \$3,198,043).

The Directors are confident that the Group will be able to continue its operations as a going concern. The Directors believe it is appropriate to prepare the financial report on a going concern basis because:

- The Company has the ability to issue additional equity under the *Corporation Act 2001* and ASX Listing Rule 7.1 or otherwise should this be required; and
- The Company's commitment to exploration expenditure is discretionary and expenditure requirements are minimal.

**2. EXPLORATION AND EVALUATION EXPENDITURE**

	<u>31-Dec-19</u>	<u>30-Jun-19</u>
	\$	\$
<b>Expenditure brought forward</b>	<b>9,698,934</b>	<b>7,332,693</b>
Expenditure incurred	409,315	2,406,764
Impairment expense	-	(40,523)
<b>Expenditure carried forward</b>	<b>10,108,249</b>	<b>9,698,934</b>

The ultimate recoupment of the mining tenements and exploration and evaluation expenditures 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 2019**

**3. ISSUED CAPITAL**

	31-Dec-19		30-Jun-19	
	\$	No	\$	No
<b>(a) Fully paid ordinary shares</b>	47,874,912	1,778,520,218	47,867,492	1,681,380,218

**(b) Movement reconciliation**

	No of Shares	\$
<b>Opening balance at 1 July 2019</b>	<b>1,681,380,218</b>	<b>47,867,492</b>
Shares issued to vendor for the acquisition of Pickle Lake Gold Project <sup>1</sup>	9,140,000	27,420
Collateral shares issued to Acuity Capital in December 2019 <sup>2</sup>	88,000,000	-
Share issue costs	-	(20,000)
<b>Closing balance at 31 December 2019</b>	<b>1,778,520,218</b>	<b>47,874,912</b>

<sup>1</sup> In July 2019, Ardiden (ADV) exercised its options to acquire 100% of the Pickle Lake Gold Project as part of the options agreement.

<sup>2</sup> On 20 December 2019 the Company announced it had entered into a Controlled Placement Agreement ("CPA") with Acuity Capital. The CPA provides ADV with up to \$2 million of standby equity capital over the coming 24-month period. ADV retains full control of all aspects of the placement process: having sole discretion as to whether or not to utilise the CPA, the quantum of issued shares, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements on ADV to utilise the CPA and ADV may terminate the CPA at any time, without cost or penalty. Acuity Capital and the CPA do not place any restrictions at any time on ADV raising capital through other methods. If ADV does decide to utilise the CPA, ADV is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by ADV and a 10% discount to a Volume Weighted Average Price (VWAP) over a period of ADV's choosing (again at the sole discretion of ADV). As collateral for the CPA, ADV has placed 88 million shares from its LR7.1 capacity, at \$nil consideration to Acuity Capital (Collateral Shares) but may, at any time, cancel the CPA and buy back the Collateral Shares for no consideration (subject to shareholder approval). The Collateral Shares were issued on 21 December 2019.

**4. SHARE BASED PAYMENT RESERVE**

**(a) Equity settled share-based payments**

	31-Dec-19		30-Jun-19	
	\$	No	\$	No
<b>Options reserve</b>	419,434	79,000,000	326,297	89,000,000
	<b>419,434</b>	<b>79,000,000</b>	<b>326,297</b>	<b>89,000,000</b>

**(b) Movement reconciliation**

	No of Options	\$
<b>Opening balance at 1 July 2019</b>	<b>89,000,000</b>	<b>326,297</b>
Options issued during the period	10,000,000	2,246
Options vesting expense during the period	-	90,891
Options expired during the period	(20,000,000)	-
<b>Closing balance at 31 Dec 2019</b>	<b>79,000,000</b>	<b>419,434</b>

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

- 12,500,000 unlisted options expiring 31 December 2021 at an exercise price of \$0.02.
- 12,500,000 unlisted options expiring 31 December 2021 at an exercise price of \$0.0225.
- 12,500,000 unlisted options expiring 31 December 2021 at an exercise price of \$0.025.
- 15,750,000 unlisted options expiring 30 November 2021 at an exercise price of 0.023.
- 15,750,000 unlisted options expiring 30 November 2021 at an exercise price of 0.03.
- 10,000,000 unlisted options expiring 1 November 2021 at an exercise price of 0.01.



**ARDIDEN LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

The Company recognised share-based payment expenses of \$93,137 during the half-year period ended 31 December 2019 (31 December 2018: \$69,755).

On 1 November 2019, the Company issued 10,000,000 unlisted conditional performance options to Rob Longley in his capacity as CEO at the time. These options have an expiry date of 1 November 2021 and are subject to the following performance hurdles that must be satisfied prior to being exercised:

1. **Tranche 1** – a grant of 5 million options with a strike price of 1.00 cent per share, with an expiry date two (2) years from the date of issue. The vesting hurdles for these options include a minimum 10 day VWAP of 1.00 cent for the listed Ardiden shares and defining at least 300,000 ounces of gold at grade 4.0g/t or above of a JORC compliant resource, collectively across any or all Canadian projects or as otherwise agreed, or the identification and securing of additional mineral projects that will give rise to suitable JORC compliant resources.
2. **Tranche 2** – a grant of 5 million options with a strike price of 1.00 cent per share, with an expiry date two (2) years from the date of issue. The vesting hurdles for these options include a minimum 10 day VWAP of 1.00 cent for the listed Ardiden shares and defining at least 500,000 ounces of gold at grade 4.0g/t or above of a JORC compliant resource or equivalent mineral concentrates as otherwise agreed, or the identification and securing of additional mineral projects that will give rise to suitable JORC compliant resources.

These options have been valued using a barrier option-pricing model. Refer table below.

<b>CONDITIONAL PERFORMANCE OPTIONS</b>		
	<b>Tranche 1</b>	<b>Tranche 2</b>
Grant date	18 Oct 2019	18 Oct 2019
Number of options	5,000,000	5,000,000
Expiry date	30 Nov 2021	30 Nov 2021
Estimated volatility	178%	178%
Risk-free interest rate	1.46%	1.46%
Exercise price	\$0.01	\$0.01
Price of shares on grant date	\$0.004	\$0.004
Value per option	\$0.0027	\$0.0027

## 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 in assessing performance and determining the allocation of resources. The Group is managed on the basis it is a mineral exploration company operating in the geographical region of Canada. The mineral assets are considered one business segment and the minerals currently being targeted include gold and lithium.

## 6. EVENTS SUBSEQUENT TO REPORTING DATE

On 6 January 2020, Ardiden announced the expansion of its landholding at the Pickle Lake Gold Project in Ontario, Canada, through an earn-in agreement with Exiro Minerals Corp over its New Patricia Gold Property. The acquisition of the New Patricia Gold Property will more than double Ardiden's prospective geological setting directly along strike from the Golden Patricia Gold Mine and adjoins Ardiden's Dorothy-Dobie Gold Property.

On 20 January 2020, Ardiden established an op-out share sale facility for shareholders who hold less than \$500 worth of fully paid ordinary shares. The Company has provided the facility to all holders of unmarketable parcels to facilitate the sale of their shares without incurring any costs that might otherwise make a sale uneconomic. In addition, the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings, including mailing and printing costs.

**ARDIDEN LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

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On 3 February 2020, Ardiden announced the appointment of Mr Rob Longley as Managing Director, and with Mr Longley's appointment to the Board, Dr Michelle Li resigned as Non-Executive Director.

On 18 February 2020, Ardiden announced an extensive review of historical drill hole data at its Pickle Lake Gold project in Ontario which has revealed numerous high-grade drill intercepts up to 472.8g/t over a 25km strike length. Ardiden reviewed data from its recent acquisition over the New Patricia Gold Property with Exiro Minerals Corp and also Ardiden's 100% owned Dorothy Dobie Gold Property.

On 5 March 2020, Ardiden announced that it has expanded its landholding at the Pickle Lake Gold Project in Ontario, Canada to 502km<sup>2</sup> through securing additional tenure of highly prospective greenstone belts which are contiguous and along strike of historical gold mines and known gold deposits.

There are no other matters or circumstances that have arisen since 31 December 2019 that have or may significantly affect the operations, results, or state of affairs of the Consolidated Entity in future financial years.

**7. COMMITMENTS & CONTINGENT LIABILITIES**

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

**8. DIVIDENDS**

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

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**ARDIDEN LIMITED**  
**DIRECTORS' DECLARATION**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

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The Directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 9 - 17:
  - 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 2019 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 a resolution of the Board.



Neil Hackett  
Non-Executive Chairman

Perth, Western Australia  
Dated: 11 March 2020

## Independent Auditor's Review Report to the members of Artiden Limited

### Report on the Interim Financial Report

#### Conclusion

We have reviewed the accompanying interim financial report of Artiden Limited (the Company and its subsidiary (the Group)) which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period ended on that date, other selected explanatory notes and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### Directors' Responsibility for the Interim Financial Report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors determine are necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Artiden Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Ardiden Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



**Nexia Perth Audit Services Pty Ltd**



**PTC Klopper**  
*Director*

Perth  
11 March 2020