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**ARDIDEN LIMITED**

**ACN 110 884 252**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11.00am (WST)  
**DATE:** 18 November 2016  
**PLACE:** Suite 6, 295 Rokeby Road  
Subiaco WA 6008

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Arron Canicais, on (+61 8) 6555 2950.***

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## CONTENTS

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Business of the Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	8
Glossary	24
Schedule 1 – Issues of Equity Securities since 18 November 2015	26
Schedule 2 - Terms and Conditions of Conditional Performance Options	29
Schedule 3 - Key Terms and Conditions of the Ardiden Employee Incentive Option Plan	32
Proxy Form	Attached

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00am (WST) on 18 November 2016 at:

Suite 6, 295 Rokeby Road, Subiaco WA 6008.

### YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### VOTING ELIGIBILITY

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4.00pm (WST) on 16 November 2016.

### VOTING IN PERSON

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To vote in person, attend the Annual General Meeting at the time, date and place set out above.

### VOTING BY PROXY

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair of the meeting, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair of the meeting – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### ORDINARY BUSINESS

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##### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016, together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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##### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair of the meeting and the appointment of the Chair of the meeting as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair of the meeting to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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##### 3. RESOLUTION 2 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in*

accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement”

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR NEIL HACKETT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Neil Hackett, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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**5. RESOLUTION 4 – CONFIRM APPOINTMENT OF DIRECTOR – MR BRAD BOYLE**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Brad Boyle, a Director who was appointed as an additional director on 17 February 2016, retires and being eligible, is elected as a Director.”*

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**6. RESOLUTION 5 – CONFIRM APPOINTMENT OF DIRECTOR– DR MICHELLE LI**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Dr Michelle Li, a Director who was appointed as an additional director on 7 July 2016, retires and being eligible, is elected as a Director.”*

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**7. RESOLUTION 6 – ISSUE OF TRANCHE 1 CONDITIONAL PERFORMANCE OPTIONS TO DR MICHELLE LI**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,500,000 Conditional Performance Options to Dr Michelle Li (or her nominee) on the terms and conditions set out in Schedule 2 which includes the following performance hurdles that must be satisfied prior to being exercised:*

- (i) the Company reaches a total JORC compliant resource of all projects of 5 Mt; and*
- (ii) the volume weighted average price of Shares traded on ASX over 20 consecutive trading days after the date of grant of the Conditional Performance Options is not less than 5 cents,*

*and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Dr Michelle Li (or her nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the meeting; and
- (b) the appointment expressly authorises the Chair of the meeting to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**8. RESOLUTION 7 – ISSUE OF TRANCHE 2 CONDITIONAL PERFORMANCE OPTIONS TO DR MICHELLE LI**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,500,000 Conditional Performance Options to Dr Michelle Li (or her nominee) on the terms and conditions set out in Schedule 2 which includes the following performance hurdles that must be satisfied prior to being exercised:*

- (i) *the Company reaches a total JORC compliant resource of all projects of 5 Mt; and*
- (ii) *the volume weighted average price of Shares traded on ASX over 20 consecutive trading days after the date of grant of the Conditional Performance Options is not less than 8 cents,*

*and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Dr Michelle Li (or her nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair of the meeting to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 25,111,287 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and an associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 10. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,096,238 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and an associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 11. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 22,054,112 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and an associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 12. RESOLUTION 11 – APPROVAL OF EMPLOYEE INCENTIVE OPTION PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt the employee incentive scheme titled “Ardiden Employee Incentive Option Plan” and for the issue of securities under that Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (B) the appointment expressly authorises the Chair of the meeting to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**DATED: 18 OCTOBER 2016**

**BY ORDER OF THE BOARD**

**ARRON CANICAIS  
COMPANY SECRETARY**



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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://ardiden.com.au>.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the Company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

## 2.4 Proxy voting restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair of the meeting <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

<sup>1</sup> Refers to Key Management Personnel (other than the Chair of the meeting) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair of the meeting (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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## 3. RESOLUTION 2 – APPROVAL OF 10% PLACEMENT CAPACITY

### 3.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue quoted Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 2, the number of quoted Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 3.2 below).

The effect of Resolution 2 will be to allow the Company to issue quoted Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 2 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2 for it to be passed.

### 3.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue quoted Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$22,112,891 based on the Shares on issue at 11 October 2016 and the last trading price of Shares on ASX prior to that date, being \$0.027 on 11 October 2016.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: ADV).

The exact number of quoted Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
  - (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
  - (d) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### 3.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 2:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 (five) ASX trading days of the date in paragraph 3.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

**(10% Placement Capacity Period).**

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 2 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2) incorporating the assumptions listed below the table.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable "A" in Listing Rule 7.1A.2)	Dilution			
	Issue Price (per Share)	\$0.0135 (50% decrease in current issue price)	\$0.027 (Current issue price)	\$0.054 (100% increase in current issue price)
818,995,965 (Current Variable A)	Shares issued – 10% voting dilution	81,899,597	81,899,597	81,899,597
	Funds Raised	\$1,105,645	\$2,211,289	\$4,422,578
1,228,493,948 (50% increase in Variable A)*	Shares issued – 10% voting dilution	122,849,395	122,849,395	122,849,395
	Funds Raised	\$1,658,467	\$3,316,934	\$6,633,867
1,637,991,930 (100% increase in Variable A)*	Shares issued – 10% voting dilution	163,799,193	163,799,193	163,799,193
	Funds Raised	\$2,211,289	\$4,422,578	\$8,845,156

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. The Current Variable A set out above is based on the number of Shares on issue on 11 October 2016, being 818,995,965.
2. The issue price set out above is the last trading price of Shares on ASX on 11 October 2016, being \$0.027.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. No Options are exercised into Shares before the date of issue of any Shares pursuant to ASX Listing Rule 7.1A.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to by reason of placements under the 10% Placement Capacity. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

- (i) the market price for Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's Seymour Lake Lithium Project, Root Lake Lithium Project, Root Bay Lithium Project and Manitouwadge Graphite Project and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its annual general meeting held on 27 November 2015 (**Previous Approval**).

The Company has issued 64,888,713 Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 18 November 2015, the Company otherwise issued a total of 211,608,835 Shares and 21,000,000 options which represents approximately 38.30% of the total diluted number of Equity Securities on issue in the Company on 18 November 2015, which was 607,387,130.

Further details of the issues of Equity Securities by the Company in the 12 months prior to the date of this Meeting is set out in Schedule 1.

### **3.4 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 2.

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## **4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR NEIL HACKETT**

### **4.1 General**

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election under clause 13.2 of the Constitution.

The Company currently has 4 Directors, accordingly 1 Director must retire.

Mr Neil Hackett is the Director who has been longest in office since his last election and therefore seeks re-election from Shareholders.

### **4.2 Qualifications and other material directorships**

Mr Neil Hackett joined the Company as Director in June 2012 and was appointed Chairman in December 2015. He holds a Bachelor of Economics from the University of Western Australia, Post-graduate qualifications in Applied Finance and Investment, and Financial Planning, and is a Graduate (Order of Merit) with the Australian Institute of Company Directors. Mr Hackett is an Affiliate of the Governance Institute of Australia and a Fellow of the Financial Services Institute of Australia. He is currently Non-Executive Director of ASX listed entity Azonto

Petroleum Limited and Chairman of WestCycle Inc and Company Secretary of ThinkSmart Ltd and Steel Blue Pty Ltd. Neil's experience includes 15 years in the funds management industry, 10 years of ASX200 Senior Executive roles and regulatory experience with the ASIC.

Other directorships in listed companies in the last 3 years:

- Azonto Petroleum Ltd (current);
- Modun Resources Ltd (resigned 11 March 2015); and
- JustKapital Litigation Partners Limited (resigned 28 February 2014).

#### **4.3 Independence**

If elected the Board considers Mr Hackett will be an independent Director.

#### **4.4 Board recommendation**

The Board (other than Mr Neil Hackett) recommends Shareholders vote in favour of Resolution 3. Mr Neil Hackett declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution.

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### **5. RESOLUTIONS 4 AND 5 – CONFIRM APPOINTMENT OF DIRECTORS – MR BRAD BOYLE AND DR MICHELLE LI**

#### **5.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Brad Boyle, having been appointed on 17 February 2016 and Dr Michelle Li, having been appointed on 7 July 2016, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seek re-election from Shareholders.

#### **5.2 Qualifications and other material directorships**

Details of each Director's experience are shown below:

##### **Mr Brad Boyle**

Mr Boyle has had considerable experience working in the resource and energy sectors over the last 10 years, with a key focus on renewable energy. He has had extensive experience in industrial minerals including marketing to and negotiating off-take agreements with key end-users such as lithium-ion battery manufactures.

Mr Boyle is a driven and experienced CEO and Managing Director of Private and ASX-listed oil and gas and diversified mineral explorer companies and has established a global network of key stakeholders and strategic organisations with expertise in the renewable energy sector.



Mr Boyle was previously a director of ASX-listed company Triton Minerals Limited. Mr Boyle resigned from this position on 4 December 2015.

### **Dr Michelle Li**

Dr Li has more than 20 years of international mining experience, including senior executive roles with mining companies such as Grange Resources, Citic Pacific, Rio Tinto and Iluka Resources. She brings valuable technical and operational expertise to the Company as it advances its key lithium and graphite projects in Canada to the next stage.

Dr Li holds a PhD of metallurgical engineering from the University of Queensland, and also has a Bachelor degree and a Master's degree of mineral processing engineering from the China University of Mining Technology.

Dr Li's distinguished career has involved positions with leading global mining companies such as Rio Tinto in R&D roles and its iron ore expansion projects, Iluka Resources at its Eneabba operations, Grange Resources and Citic Pacific Mining.

Other directorships in listed companies in the last 3 years:

- Grange Resources Limited (current);
- Orion Metals Limited (resigned 21 March 2016); and
- Sherwin Iron Limited (resigned 5 December 2013).

## **5.3 Independence**

### **Mr Brad Boyle**

If elected, the Board does not consider that Brad Boyle will be an independent Director.

### **Dr Michelle Li**

Michelle Li has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the Board considers Dr Li will be an independent Director.

## **5.4 Board recommendation**

The Board (other than Brad Boyle in relation to Resolution 4) supports the re-election of Brad Boyle and recommends that Shareholders vote in favour of Resolution 4.

The Board (other than Michelle Li in relation to Resolution 5) supports the re-election of Michelle Li and recommends that Shareholders vote in favour of Resolution 5.

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## **6. RESOLUTIONS 6 AND 7 – ISSUE OF CONDITIONAL PERFORMANCE OPTIONS TO MICHELLE LI**

### **6.1 General**

The Company has agreed to grant, subject to obtaining Shareholder approval, a total of 5,000,000 Conditional Performance Options the subject of Resolutions 6 and 7 (**Related Party Conditional Performance Options**) to Dr Michelle Li (**Related Party**) (or her nominee) on the terms and conditions set out below.

Resolutions 6 and 7 seek Shareholder approval for the grant of the Related Party Conditional Performance Options to Dr Michelle Li (or her nominee).

### **6.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Conditional Performance Options constitutes giving a financial benefit and Dr Michelle Li is a related party of the Company by virtue of being a Director.

The Directors (other than Dr Li who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Conditional Performance Options because the issue is a form of remuneration for the Related Party which is considered reasonable in the circumstances of the Company and the Related Party, including taking into consideration the responsibilities involved in the office of the Related Party as a Director.

### **6.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Conditional Performance Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### **6.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Related Party Conditional Performance Options:

- (a) the related party is Dr Michelle Li and she is a related party of the Company by virtue of being a Director;
- (b) the Related Party Conditional Performance Options will be issued to Dr Michelle Li (or her nominee);
- (c) the maximum number of Related Party Conditional Performance Options to be issued to the Related Party (or her nominee) is:
  - (i) 2,500,000 Tranche 1 Conditional Performance Options pursuant to Resolution 6; and
  - (ii) 2,500,000 Tranche 2 Conditional Performance Options pursuant to Resolution 7;
- (d) the Related Party Conditional Performance Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it intended that issue of the Related Party Conditional Performance Options will occur on the same date;
- (e) the Related Party Conditional Performance Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (f) the Related Party Conditional Performance Options will be issued on the terms and conditions set out in Schedule 2 which includes the following performance hurdles that must be satisfied prior to being exercised:

Tranche 1:

- (i) *the Company reaches a total JORC compliant resource of all projects of 5 Mt; and*
- (ii) *the volume weighted average price of Shares traded on ASX over 20 consecutive trading days after the date of grant of the Conditional Performance Options is not less than 5 cents.*

Tranche 2:

- (i) *the Company reaches a total JORC compliant resource of all projects of 5 Mt; and*
- (ii) *the volume weighted average price of Shares traded on ASX over 20 consecutive trading days after the date of grant of the Conditional Performance Options is not less than 8 cents.*

- (g) no funds will be raised from the issue of the Related Party Conditional Performance Options as the issue is being made to provide a performance linked incentive component in the remuneration package for the Related Party to motivate and reward the performance of the Related Party in her role as a Director.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Conditional Performance Options to the Related Party (or her nominee) as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Conditional Performance Options to the Related Party (or her nominee) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **7. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SHARES**

### **7.1 General**

On 17 June 2016 the Company issued 25,111,287 Shares at \$0.032 per Share to raise \$803,561 (before costs of the issue).

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **7.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 25,111,287 Shares were issued;
- (b) the issue price was \$0.032 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to clients of Sanlam Private Wealth. None of these subscribers are related parties of the Company;
- (e) \$803,561 (before costs of the issue) were raised; and
- (f) the funds raised from this issue will be used to accelerate the impending exploration and drilling program at the Seymour Lake Lithium Project, Root Lake Lithium Project and Ardiden's 100%-owned Manitouwadge Jumbo Flake Graphite Project in Ontario, Canada and for general working capital.

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## **8. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES**

### **8.1 General**

On 26 July 2016 the Company issued a total of 8,096,238 Shares – being 7,596,238 Shares to Landore Resources Canada Inc., the vendor of the Root Lake Lithium Project (**Root Lake Project**) pursuant to the terms of the acquisition agreement for the Root Lake Project and 500,000 Shares to Mr Michael Stares, a consultant of the Company, for services rendered in relation to the acquisition of the Root Lake Project.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

Summaries of ASX Listing Rule 7.1 and ASX Listing Rule 7.4 are set out in Section 7.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **8.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification of the 7,596,238 Shares referred to in Section 8.1:

- (a) 7,596,238 Shares were issued;
- (b) the deemed issue price was \$0.02 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Landore Resources Canada Inc., the vendor of the Root Lake Project pursuant to the terms of the acquisition agreement for the Root Lake Project, Landore Resources Canada Inc. is not a related party of the Company; and
- (e) no cash was raised under this issue as the Shares the subject of the Ratification were issued as part of the consideration of the Root Lake Project.

### **8.3 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification of the 500,000 Shares referred to in Section 8.1:

- (a) 500,000 Shares were issued;
- (b) the deemed issue price was \$0.025 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Shares were issued to Mr Michael Stares, a consultant of the Company who is not a related party of the Company; and
- (e) no cash was raised under this issue as the Shares the subject of the Ratification were issued as consideration for services rendered in relation to the acquisition of the Root Lake Project.

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## **9. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF SHARES**

### **9.1 General**

On 22 August 2016 the Company issued 22,054,112 Shares to Stockport Exploration Inc., the vendor of the Seymour Lake Lithium Project (**Seymour Project**) pursuant to the terms of the acquisition agreement for the Seymour Project.

Resolution 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

Summaries of ASX Listing Rule 7.1 and ASX Listing Rule 7.4 are set out in Section 7.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **9.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 22,054,112 Shares were issued;
- (b) the deemed issue price was \$0.011 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Stockport Exploration Inc., the vendor of the Seymour Project under the terms of the acquisition agreement for the Seymour Project. Stockport Exploration Inc. is not a related party of the Company; and
- (e) no cash was raised under this issue as the Shares the subject of the Ratification were issued as part of the consideration of the Seymour Project.

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## **10. RESOLUTION 11 – APPROVAL OF EMPLOYEE INCENTIVE OPTION PLAN**

### **10.1 General**

Resolution 11 seeks Shareholders approval for the adoption of the employee incentive scheme titled Ardiden Employee Incentive Option Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in Section 7.1 above. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3

years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

As the Plan was last approved in 2013, the Company is seeking Shareholder approval of the Plan pursuant to Resolution 11.

If Resolution 11 is passed, the Company will be able to issue Incentive Options under the Plan to eligible participants over a period of 3 years from the date of approval without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Any future issues of Shares under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

## **10.2 Previous issues**

Shareholders should note that the following issues of Incentive Options have previously been made under the Plan:

- On 28 November 2014 the Company issued 21,000,000 unlisted conditional performance options to Directors as approved by shareholders at the annual general meeting of shareholders held 28 November 2014. These options have an expiry date of 28 November 2017 and are subject to a 20 day VWAP of not less than 1.6 cents.
- On 23 February 2015 the Company issued 9,000,000 unlisted conditional performance options to unrelated parties as approved by shareholders at the annual general meeting of shareholders held 28 November 2014. These options have an expiry date of 28 November 2017 and are subject to a 20 day VWAP of not less than 1.6 cents.
- On 22 October 2015 the Company issued 11,500,000 unlisted conditional performance options to unrelated parties. These options have an expiry date of 28 November 2017 and are subject to a 20 day VWAP of not less than 1.6 cents.

The Company does not operate any other employee incentive schemes as at the date of this Notice.

## **10.3 Key terms and conditions of the Plan**

A summary of the key terms and conditions of the Plan is set out in Schedule 3. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary (Mr Arron Canicais). Shareholders are invited to contact the Company if they have any queries or concerns.

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## GLOSSARY

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**10% Placement Capacity** has the meaning given in Section 3.1.

**\$** means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the listing rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)* for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Ardiden Limited (ACN 110 884 252).

**Conditional Performance Option** means an option to acquire a Share on the terms and conditions set out in Schedule 2.

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.



**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of the consolidated group.

**Incentive Option** means an Option issued under the Plan.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option, Incentive Option or a Conditional Performance Option as the context requires.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Plan** has the meaning given in Section 7.1.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

**WST** means Western Standard Time as observed in Perth, Western Australia.

**SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 18 NOVEMBER 2015**

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 11/01/2016 Appendix 3B – 11/01/2016	16,000,000	Shares <sup>3</sup>	Holders of Performance Options	\$0.05	Cash  Amount raised = \$80,000 (\$80,000 spent, Seymour Lake Lithium project development and general working capital)
Issue – 22/01/2016 Appendix 3B – 22/01/2016	19,000,000	Shares <sup>3</sup>	Holders of Performance options	\$0.05	Cash  Amount raised = \$95,000 (\$95,000 spent, Seymour Lake Lithium project development and general working capital)
	1,749,988	Shares <sup>3</sup>	Non-related consultants	\$0.011	Non-cash  Consideration in lieu of payment for services provided to the Company for a total value of \$19,950  Current value <sup>8</sup> = \$47,250
Issue – 12/02/2016 Appendix 3B – 12/02/2016	6,500,000	Shares <sup>3</sup>	Holders of Performance Options	\$0.05	Cash  Amount raised = \$32,500 (\$32,500 spent, Seymour Lake Lithium project development and general working capital)
Issue – 04/04/2016 Appendix 3B – 04/04/2016	48,076,923	Shares <sup>3</sup>	Non-related party sophisticated investors	\$0.026	Cash  Amount raised = \$1,250,000  (\$925,000 spent, Seymour Lake Lithium Project, Root Lake Lithium Project and Manitouwadge project development and general working capital)  Proposed use of remaining funds = Seymour Lake Lithium Project, Root Lake Lithium Project and Manitouwadge project development and general working capital <sup>6</sup>
Issue – 09/05/2016 Appendix 3B – 09/05/2016	131,574	Shares <sup>3</sup>	Non-related consultants	\$0.038	Non-cash  Consideration in lieu of payment for services provided to the Company for a total value of \$5,000  Current value <sup>8</sup> = \$3,289
Issue – 17/06/2016 Appendix 3B – 17/06/2016	90,000,000	Shares <sup>3</sup>	Non-related party sophisticated investors	\$0.032	Cash  Amount raised = \$2,880,000  (Not yet spent, to be used on Seymour Lake Lithium

					Project, Root Lake Lithium Project and Manitouwadge project development and general working capital) <sup>6</sup>
Issue – 01/07/2016 Appendix 3B – 01/07/2016	10,000,000	Performance Options <sup>4</sup>	Directors to the Company as approved at the general meeting dated 1 July 2016	\$0.00448	Valuation undertaken used the Black Scholes method equated to a total value of \$44,790. <sup>7</sup>
	10,000,000	Performance Options <sup>5</sup>	Directors to the Company as approved at the general meeting dated 1 July 2016	\$0.00523	Valuation undertaken used the Black Scholes method equated to a total value of \$52,308. <sup>7</sup>
	1,000,000	Performance Options <sup>5</sup>	Non-related parties as approved at the annual general meeting dated 1 July 2016	\$0.00523	Valuation undertaken used the Black Scholes method equated to a total value of \$5,231. <sup>7</sup>
Issue – 26/07/2016 Appendix 3B – 26/07/2016	7,596,238	Shares <sup>3</sup>	Non-related consultants	\$0.02	Non-cash  Issued as part consideration to the vendors of the Root Lake Lithium Project for the acquisition the project as announced to ASX on 11 July 2016  Current value <sup>8</sup> = \$205,098
	500,000	Shares <sup>3</sup>	Non-related consultants	\$0.025	Non-cash  Consideration in lieu of payment for services provided to the Company for a total value of \$12,500  Current value <sup>8</sup> = \$13,500
Issue – 22/08/2016 Appendix 3B – 22/08/2016	22,054,112	Shares <sup>3</sup>	Non-related consultants	\$0.011	Non-cash  Issued as part consideration to the vendors of the Seymour Lake Lithium Project as announced to ASX on 3 June 2016.  Current value <sup>8</sup> = \$595,461

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded on the date of issue of the relevant Equity Securities.
2. Performance Options, exercisable at \$0.005 each, on or before 28 November 2017. The full terms and conditions were disclosed in the notice of Annual General Meeting announced to ASX on 30 October 2014.
3. Fully paid ordinary shares in the capital of the Company, ASX Code: ADV (terms are set out in the Constitution).
4. Performance Options, exercisable at \$0.02 each, on or before 31 December 2017. The full terms and conditions were disclosed in the notice of General Meeting announced to ASX on 30 May 2016.
5. Performance Options, exercisable at \$0.04 each, on or before 1 July 2019. The full terms and conditions were disclosed in the notice of General Meeting announced to ASX on 30 May 2016.

6. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
7. The value of Performance Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).
8. In respect of Shares the value is based on the closing price of the Shares (\$0.027) on the ASX on 11 October 2016.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF CONDITIONAL PERFORMANCE OPTIONS TO DR MICHELLE LI

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

Subject to paragraphs (i) and(k), the amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 1 July 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time between the date of grant of the Options and the Expiry Date on and from that date on which the following performance hurdles are satisfied:

Tranche 1:

- (i) the Company reaches a total JORC compliant resource of all projects of 5 Mt; and
- (ii) the volume weighted average price of Shares traded on ASX over 20 consecutive trading days after the date of grant of the Conditional Performance Options is not less than 5 cents.

Tranche 2:

- (i) the Company reaches a total JORC compliant resource of all projects of 5 Mt; and
- (ii) the volume weighted average price of Shares traded on ASX over 20 consecutive trading days after the date of grant of the Conditional Performance Options is not less than 8 cents.

until the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Adjustment for rights issue**

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(l) **No adjustment for bonus issues of Shares**

In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, an Option does not confer the right to a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are not transferable. The Options may be subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## SCHEDULE 3 – KEY TERMS AND CONDITIONS OF THE ARDIDEN EMPLOYEE INCENTIVE OPTION PLAN

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**Eligible Participants:** The Board may grant Incentive Options to any full or part time employee or executive director of the Company or an associated body corporate.

**Offers:** Incentive Options may be granted by the Board at any time.

**Limitations on Offers:** The Company must take reasonable steps to ensure that the number of Shares to be received on exercise of Incentive Options offered under an offer when aggregated with:

- (a) the number of Shares that would be issued if each outstanding offer for Shares, units of Shares or options to acquire Shares under the Plan or any other employee share scheme of the Company were to be exercised or accepted; and
- (b) the number of Shares issued during the previous 5 years from the exercise of Incentive Options issued under the Plan (or any other employee share plan of the Company extended only to Eligible Participants),

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with ASIC Class Order 03/184.

**Consideration:** Each Incentive Option issued under the Plan will be issued for nil cash consideration.

**Underlying security:** Each Incentive Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.

**Exercise Price and Expiry Date:** The exercise price and expiry date for Incentive Options granted under the Plan will be determined by the Board prior to the grant of the Incentive Options.

**Exercise Restrictions:** The Incentive Options granted under the Plan may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Incentive Options (**Exercise Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Incentive Options.

**Lapsing of Incentive Options:** Subject to the terms of the Offer made to a Participant, an unexercised Incentive Option will lapse:

- (a) on its Expiry Date;
- (b) if any Exercise Condition is unable to be met; and
- (c) subject to certain exceptions, on the eligible participant ceasing employment with the Company.

**Disposal of Options:** Incentive Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise or the Board in its absolute discretion approves.

**Trigger Events:** The Company may permit Incentive Options to be exercised prior to satisfaction of Exercise Conditions by waiving such Exercise Conditions where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.



**Share Restriction Period:** Shares issued on the exercise of Incentive Options may be subject to a restriction that they may not be transferred or otherwise dealt with until a Restriction Period has expired, as specified in the offer for the Incentive Options.

**Participation rights in Rights Issues and Bonus Issues:** There are no participating rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options. The Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.

**Effect of rights issues:** If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option Exercise Price shall be reduced according to the formula specified in the Listing Rules.

**Effect of bonus issues:** In the event of a bonus issue of Shares being made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

**Reorganisation:** The terms upon which Incentive Options will be granted will not prevent the Incentive Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.

**PROXY FORM**

**APPOINTMENT OF PROXY  
ARDIDEN LIMITED  
ACN 110 884 252**

**ANNUAL GENERAL MEETING**

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby

appoint

Name of proxy

OR  the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11.00am (WST), on 18 November 2016 at Suite 6, 295 Rokeby Road Subiaco, Western Australia, and at any adjournment thereof.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 6, 7 and 11 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 6, 7 and 11 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

<b>Voting on business of the Meeting</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Director – Neil Hackett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Confirm appointment of Director – Brad Boyle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Confirm appointment of Director – Michelle Li	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Issue of Tranche 1 Conditional Performance Options to Michelle Li	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Issue of Tranche 2 Conditional Performance Options to Michelle Li	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 - Ratification – Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 - Ratification – Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 - Ratification - Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 - Approval of Employee Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

**Signature of Shareholder(s):**

**Individual or Shareholder 1**

Sole Director/Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

**Date:** \_\_\_\_\_

**Contact name:** \_\_\_\_\_

**Contact ph (daytime):** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_

**Consent for contact by e-mail in relation to this Proxy Form:** YES  NO

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## Instructions for completing Proxy Form

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1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Artiden Limited, Suite 6/295 Rokeby Road, Subiaco WA 6008; or
  - (b) facsimile to the Company on facsimile number +61 8 6166 0261; or
  - (c) email to the Company at [arron@smallcapcorporate.com.au](mailto:arron@smallcapcorporate.com.au),

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**