HARDEY
RESOURCES LIMITED

ASX ANNOUNCEMENT 24 August 2018

For personal use only

ACQUISITION OF NELLY VANADIUM MINE AND SIX HIGHLY-PROSPECTIVE PROJECTS IN QUEENSLAND & NORTHERN TERRITORY TO COMPLETE

Hardey Resources Limited's (ASX: HDY) ("HDY" or "the Company") Board is pleased to announce that at the Extraordinary General Meeting held on 24 August 2018, shareholders approved the acquisition of 100% of the issued capital of Nelly Vanadium Pty Ltd (NVPL) and Vanadium Mining Pty Ltd (VanMin).

NVPL is the owner of the highly prospective Nelly Vanadium Mine (NVM) in San Luis province, Argentina, while VanMin owns six high-quality vanadium projects across Queensland and Northern Territory.

Completion

HDY entered into a separate Heads of Agreement (HOA) on 3rd & 18th July 2018 to acquire NVPL and VanMin respectively, subject to various conditions precedent being satisfied under each HOA. Pursuant to these Agreements, this has now materialised.

Consequently, with shareholder approval secured and the Board satisfied due diligence has been finalised, the acquisition of 100% of the issued capital of NVPL and VanMin can now complete. As final consideration payment HDY will issue NVPL and VanMin shareholders the following:

- 737,500,000 (NVPL) & 550,000,000 (VanMin) fully paid ordinary shares; and
- 737,500,000 (NVPL) & 550,000000 (VanMin) listed options to acquire shares (exercisable at $0.02 on or before 30 April 2020)

As a result of the new share and option issues, the pro forma capital structure for HDY upon completion of both acquisitions is set out below:

	Fully Paid Ordinary Shares	Options
Current	1,361,815,830	861,810,924[1]
Consideration – Nelly Vanadium P/L	737,500,000	737,500,000[2]
Consideration – Vanadium Mining P/L	550,000,000	550,000,000[2]
Total	**2,649,315,830**	**2,149,310,924**

Notes:

1. The terms of the current options on issue are as follows:
   a. 812,884,346 listed options exercisable at $0.02 on or before 30 April 2020 (ASX: HDYOC);
   b. 45,525,000 options exercisable at $0.06 on or before 19 August 2020; and

c. 3,401,578 options exercisable at $0.044 on or before 1 October 2020.

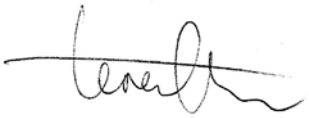
2. Consideration options are listed options exercisable at $0.02 on or before 30 April 2020 (ASX: HDYOC).

Next steps

The geology team in Argentina are now progressing the application to reactivate the mining licence for NVM and studying the process to monetise the legacy stockpiles to generate near-term cashflow.

In Australia, the focus for the Queensland and Northern Territory projects is to utilise historic data, if possible, to model JORC (2012) compliant inferred vanadium pentoxide resources.

For and on behalf of the Board



Terence Clee
Executive Chairman

For personal use only