

REPORT HIGHLIGHTS POTENTIAL FOR TARGET MINERALISATION ACROSS FOUR PILBARA CONGLOMERATE-HOSTED GOLD PROJECTS

HIGHLIGHTS

- HDY's new geology consultant completed an updated study on the four Pilbara projects – Cheela, Bellary, Hammersley and Elsie North – which highlighted the potential for sub-surface target mineralisation for conglomerate-hosted gold and polymetallic deposits
- Overall, the geology consultant believes there is ample evidence – given widespread occurrences of Hardey Formation and Mount Roe Basalt – to verify material exploration upside for conglomerate hosted-gold mineralisation, especially for the Bellary project which is contiguous to Novo Resources¹ (TSX-V: NVO) ground near Tom Price
- Other findings that illustrate the projects' prospectivity and potential to contain mineralisation include:
 - Peers making significant gold mineralisation discoveries in the Pilbara associated with Lower Fortescue Group lithologies – Hardey Formation and Mount Roe Basalt; and
 - Favourable setting for conglomerate-hosted gold deposits comparable with similar geological and chronological settings in South Africa and India
- The Board is now reviewing plans to fast-track a high-level exploration program to garner a greater understanding of the underlying conglomerate gold-hosted mineralisation across the four projects
- Further, this updated overview is timely as the Board can confirm it has recently been approached by Australian and international groups interested in the four projects

Hardey Resources Executive Chairman, Terence Clee commented: *"While considerable resources have been devoted to closing out the two vanadium transactions, our geology consultants have been conducting reviews on the gold assets. This initial update on Cheela, Bellary, Hammersley and Elsie North is highly encouraging, particularly the prospect of sub-surface target mineralisation being apparent. More importantly, recent approaches by Australian and international groups is timely, with the Board seeking to optimise these assets through bringing in prospective strategic partners."*

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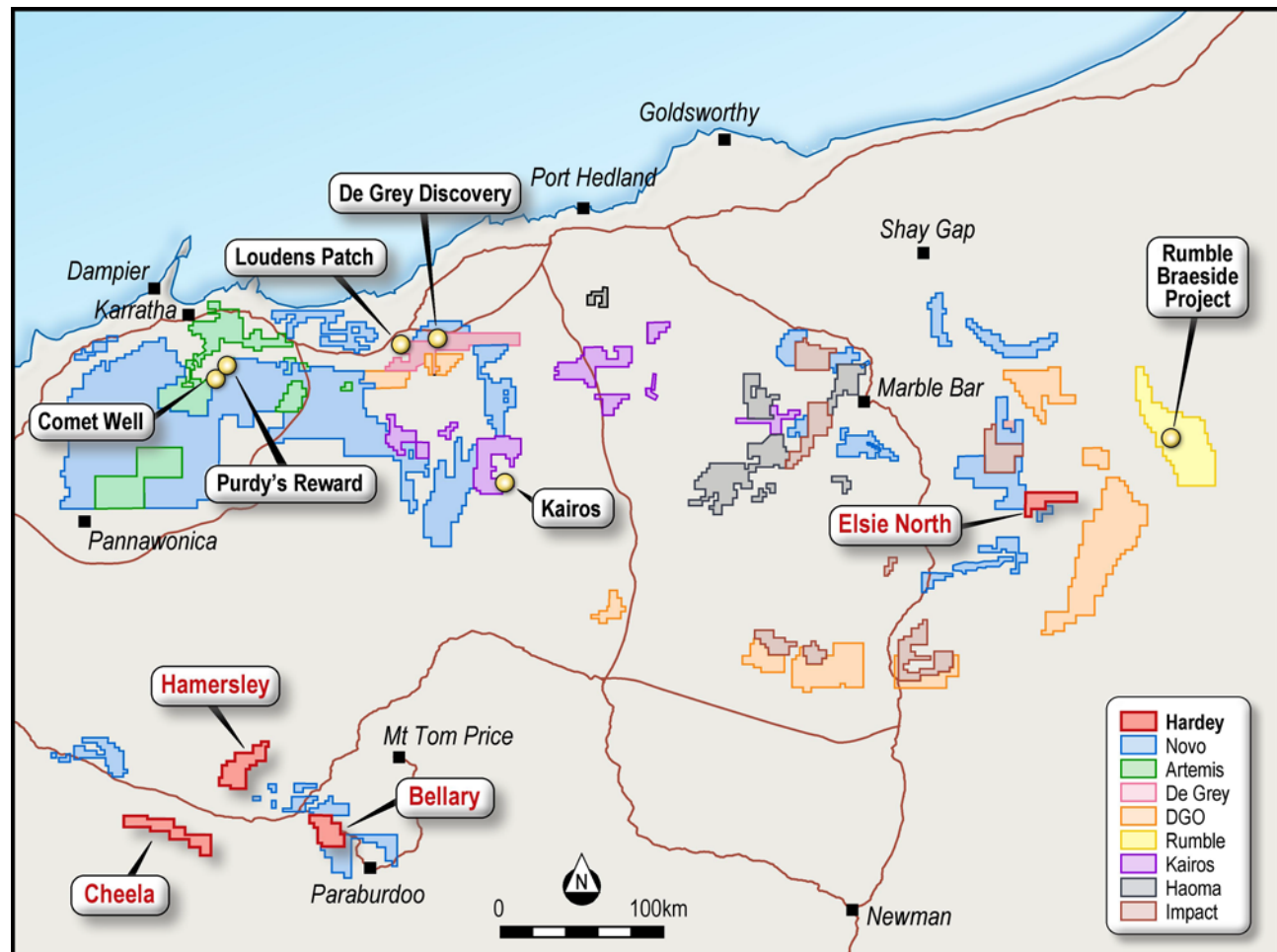
Hardey Resources Limited's (ASX: HDY) ("HDY" or "the Company") Board is pleased to present shareholders an update on its four conglomerate-hosted gold projects in the Pilbara region.

PILBARA CONGLOMERATE-HOSTED GOLD PROJECTS

High profile neighbours

HDY has four conglomerate-hosted gold projects in the Pilbara region that are within the Lower Fortescue Group – Bellary, Elsie North, Hammersley and Cheela. Of these, Bellary and Elsie North are contiguous to high profile NVO's ground (Figure 1).

FIGURE 1: BELLARY, ELSIE NORTH, HAMMERSLEY AND CHEELA PROJECTS



Source: HDY geology consultant

Target mineralisation

One of the most interesting remarks from the geology consultants review was the potential for sub-surface target mineralisation, particularly the Bellary project which is contiguous to NVO's tenure. The geology consultant has recommended closer scrutiny of this project, given it has numerous conglomerate-hosted gold formations.

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The clear positive observations from the report, however, demonstrate there is material exploration upside across the four projects, considering:

- Peers, such as NVO¹, making significant gold mineralisation discoveries in the Pilbara associated with Lower Fortescue Group lithologies – Hardey Formation and Mount Roe Basalt; and
- The favourable setting for conglomerate-hosted gold deposits comparable with similar geological and chronological settings in South Africa and India.

The main takeaway from the report was the clear requirement to progress with an advanced exploration program as soon as possible.

Strategic partners

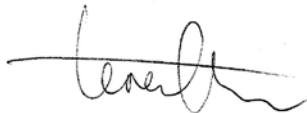
This report's finding is timely as the Board has recently been approached by Australian and international groups interested in the four projects. A clear priority of the Board's is to optimise the Pilbara conglomerate-gold hosted assets through leveraging the expertise of a high calibre strategic partner, particularly the Bellary project.

Next steps

The clear priority for the Board is developing the newly acquired vanadium projects, while at the same time optimising legacy assets. This twin objective is being progressed to maximise value for shareholders.

For the conglomerate-hosted gold assets under review, particularly the Bellary project, the key next steps are commencing the high level exploration program and opening discussions with prospective strategic partners.

For and on behalf of the Board



Terence Clee
Executive Chairman

References

- 1) TSX NVO Release 8 August 2018