

ARDIDEN LTD (ASX:ADV)

Research Note - 15 October 2025

COMPANY OVERVIEW

Ardiden Limited (ASX:ADV) is an Australian mineral exploration company incorporated in 2004 and listed on the ASX in October 2005. Headquartered in Perth, the company is primarily focused on its gold assets in northwest Ontario, Canada. Its flagship asset, the 100% owned Pickle Lake gold project, has an estimated 790k tonnes @ 4.3 g/t for 110k oz of gold (2019). This is relatively small, and the acquisition of LAC and its additional 1.67 Moz sees the new ADV entity hold an approximate 1.78 Moz of gold.

ACQUISITION OVERVIEW

Overview

On 10 October 2025, ADV announced a merger of equals with Lac Gold Limited (LAC). LAC is an unlisted gold exploration company, backed by a consortium of high-net-worth individuals, family offices, and resource industry professionals. LAC is the owner of the advanced-stage Rouyn Gold Project within the tier 1 Abitibi gold belt, hosting a substantial 15.8Mt@ 3.28 g/t Au for 1.67 Moz. The project is at a relatively shallow depth of only 400-750m and was acquired from Yorbeau Resource Inc. (TSX:YRB) in December 2024.

Transaction Details

ADV acquired 100% of the fully paid ordinary shares in LAC. In consideration, LAC shareholders received 0.891 ADV shares per LAC share, resulting in the issuance of 101,388,889 ADV shares. This share-for-share transaction structure had no cash components. Along with the announcement of the merger, ADV announced that it would be raising A\$10.0m through the issue of 50 million shares, implying a \$0.20 raise price, an 18.6% premium to the 30-day VWAP. Notably, the Executive and Managing Directors are contributing a collective A\$1.7m to the raise. The placement amount will be primarily used, alongside an A\$11.4m cash balance, to accelerate exploration across both Rouyn and Pickle Lake.

Assuming ADV and LAC shareholders did not participate in the placement, they would own 29.2% and 47.4% of the merged entity's shares outstanding, respectively. The pro-forma capital structure is outlined below:

	Shares (m)	Options (m)	Performance Rights (m)
Current issued capital	62.5	4.3	-
Shares to be issued to LAC Gold shareholders	101.4	-	-
Shares to be issued under the Placement	50.0	-	-
Performance Rights to be issued to directors	-	-	20.0
Total post-transaction	213.9	4.3	20.0

LAC Promissory Note

LAC's acquisition of the Rouyn gold project included a vendor financing agreement with Yorbeau Resources Inc., structured as a C\$20m Promissory Note dated 10 December 2024. The note carries an interest rate of 5%. 3 equal principal repayments of C\$6.67m are due 2, 3 and 4 years from the initial issue date, falling in December of 2026, 2027 and 2028.

The structure of the promissory note gives LAC and the merged company flexibility. It doesn't include any clauses that could trigger repayment if ownership changes or if other debts default. It also doesn't limit other business or financing activities not related to the Rouyn asset. Plus, the note can be repaid early, in part or in full, at any time without penalty.

Use of Funds

Within the first year of being a merged entity, the existing cash balance and funds raised through the placement have been allocated to:

Rouyn - A\$6.1m. Funds will be used for a 15,000-metre drilling program (in three 5,000-metre stages) to expand and upgrade the resource, especially in high-grade western zones. Additional funds will support an updated resource estimate, community engagement, and early economic and permitting studies.

Pickle Lake - A\$3.0m. Funds will support initial drilling at the South Limb prospect in the Eastern Hub, targeting areas south of the historic Dona Lake Gold Mine that were not tested in 2021. Additional funds will be used for a full review of existing geological and geophysical data to identify and prioritise new exploration targets across the Pickle Lake district.

LAC Promissory Notes - A\$7.4m. These funds would go towards paying the first instalment of the Yorbeau Resources promissory note early.

Other - A\$4.9m. A\$4.3m will go towards funding general, administrative and working capital requirements for the merged entity. The remaining A\$0.60m will go towards settling costs related to the placement.

PROJECTS OVERVIEW

Rouyn Gold Project

Project Overview and Background. ADV's Flagship asset, the Rouyn Gold project, is located 4km south of Rouyn-Noranda, in the Quebec Province of Canada. Headquartered in prolific Cadillac-Larder Lake Break ('Cadillac Break'), the tier-one gold region is home to numerous multi-million ounce deposits – such as Agnico Eagle's LaRonde Complex, which has produced over 8 million ounces of gold since 1988. Lac Gold, through its subsidiary company Lac Gold (Rouyn) Inc., holds a 100% interest in the Rouyn Gold Project. The Project was acquired from Yorbeau Resources Inc. in December 2024 for a total acquisition cost of C\$25m, comprised of C\$5m upfront and C\$20m in a promissory note.

JORC. The Rouyn Gold Project contains 15,800,000 tonnes, at a grade of 3.28 g/t, holding an estimated 1.67 Moz. The current JORC resource has been determined from drilling at shallow depths of only 400–750 metres.

Cut-off Grade: 1.76g/t	Tonnes (Mt)	Grade (g/t)	Contained Au (koz)	Adjusted Ounces (koz)
Inferred	9.2	3.30	976	390.4
Indicated	6.6	3.24	690	483.0
Total	15.8	3.28	1,666	873.4

Exploration Activities. There has historically been large-scale drilling on the site, summing 2,428 holes for 436,678 metres of drilling. Drilling holes were undertaken at 150m target depth with spacings between 100-300 metres to drill approximately 5,000 metres. The current drilling has only taken place to 400-750 metres, which is significantly shallower than nearby mines such as LaRonde at 3,000 metres and Westwood mining at 2,000 metres. Following the merger, ADV plans to complete a 15,000 metre diamond drilling program to test resource extensions and infill targets.

Hole ID	From (m)	To (m)	Interval (m)	Grade (g/t)	Gram-Metres
AS-20-775	638	645.55	5.52	5.55	30.64
AS-20-775	729.4	734	4.6	4.86	22.36
AS-17-669W	560	565.5	3.99	3.33	13.29
AS-19-741W	558	562	3.83	3.42	13.10

Note: Mining highlights have been taken from Yorbeau Resources Inc. (TSX:YRB)'s TSX announcements, who sold the Rouyn Gold Project to LAC.

Pickle Lake Gold Project

Project Overview and Background. The Pickle Lake Gold Project is 100% owned by ADV. The district-scale project consists of a 1,088 km² tenement package endowed within the Uchi Geological Sub-Province, located in Northwestern Ontario, Canada, which has historically produced 30 Moz of gold to date. The project holds an estimated 110,000 oz and will be one of ADV's minor projects.

JORC. The Pickle Lake Gold Project contains 790,000 tonnes, at a grade of 4.3 g/t, holding an estimated 0.110 Moz. The mineral resource is located within a 2.5 km strike along the expansive tertiary structure at Dorothy. Drilling holes were undertaken at a 150-metre target depth with spacings between 100-300 metres to drill approximately 5,000 metres. Dorothy contains a series of parallel structures that run adjacent to the high-grade primary structure.

Cut-off Grade: 3g/t	Tonnes (Mt)	Grade (g/t)	Contained Au (koz)	Adjusted Ounces (koz)
Inferred	0.79	4.3	110	44
Total	0.79	4.3	110	44

Exploration Activities. On 7 August 2023, ADV announced the results from its exploration activities within the Pickle Lake Gold Project. Drill work commenced on a planned 3,250-metre shallow diamond drilling program, expanding their total drill program to 5,473 metres. The 34-hole diamond drill program was designed to test the extent of mineralisation. Drill results expanded the strike length of the Dorothy Prospect to 600 metres, confirming gold mineralisation in a new area at the West Prospect.

Hole ID	From (m)	To (m)	Interval (m)	Grade (g/t)	Gram-Metres
DR-23-20	56.66	60	3.34	3.22	10.75
DR-23-21	64	67.05	3.05	2.99	9.12
DR-23-12	52	55	3	2.15	6.45
DR-23-19	260.6	262.5	2.65	0.93	2.46

Resumption of Exploration. With no announcements released between 7 August 2023 and 8 September 2025, it's assumed that ADV had no additional exploration activities at its Pickle Lake Gold Project. However, ADV have now advised that they intend to recommence exploration through drone surveys and geological mapping, allowing them to prioritise drill targets as well as prioritise new exploration targets across the Pickle Lake district.

FINANCIALS

Cash Position and Debt Owed

ADV reported a strong cash balance of A\$11.4m and no debt as of the end of Q4 FY25.

Cash Burn and Runway

ADV's cash burn in the last quarter, Q4 FY25 was \$55k, although it is important to note that the company earned \$224k in interest that offset operating cash outflows. Excluding the impact of the interest income, the company's last quarter would have had a cash burn of \$179k. ADV has noted that their cash burn is expected to increase dramatically as they look to use funds acquired through the capital raise and merger to increase exploration and development of the Pickle Lake Project and the Rouyn Project.

Exploration Expenditure

ADV spent \$29k in the latest quarter on exploration and evaluation activities, slightly up from \$28k spent in Q3 FY25. Over the past four quarters, a general decline in exploration and evaluation expenditure can be observed, which is attributable to the fact ADV has not advanced their Pickle Project as they prepare to merge with LAC.

In '000s of AUD	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25
Exploration and Evaluation Expenditure	44	90	28	29

Capital Structure

Below is ADV's current pre-acquisition capital structure:

Share Price	\$0.33
Ordinary Shares Outstanding	62.5m
Market Capitalisation	\$20.6m
Cash	\$11.4m
Enterprise Value	\$9.2m
Options and Performance Rights Outstanding	24.3m
Diluted Shares Outstanding	86.8m

Shareholder Analysis

	Percentage Ownership
Treasurly Services Group Pty Ltd	8.13%
Churchill Strategic Investments Group Pty Ltd	6.40%
Coraline Holdings Pty Ltd	2.24%
Citicorp Nominees Pty Limited	1.81%
Moutier Pty Ltd	1.60%
Tropical Investments Wa Pty Ltd	1.42%
Xaler Pty Ltd	1.26%
Damietta Pty Ltd	1.24%
Arms Capital Pty Ltd	1.19%
Corporate Starboard Pty Ltd	1.18%
Total	26.47%

Insider Ownership

Jeremy Robinson, one of the company's Non-Executive Directors, has a significant 6.4% stake in the company through Churchill Strategic Investments Group Pty Ltd, which he is the sole director of. Michelle Roth, another Non-Executive Director, is the only other insider to own a stake in the company at 0.23%.

	Percentage Ownership
Jeremy Robinson	6.40%
Michelle Roth	0.23%
Total	6.63%

Relative Valuation

Given its adjusted ounces of 917,400 and a gold price of A\$6,000/oz, we estimate that the market value of ADV's global JORC resource is ~A\$5.5 billion. On an EV/Ounce basis, the market is currently valuing ADV's resources at A\$10.03 per ounce which is significantly below the gold sector median of approximately A\$253/oz.

	Metric
Adjusted Ounces	917,400
Adjusted Grade (g/t)	1.78
Market Value of Adjusted Ounces (at \$6,000/oz)	\$5.50 billion
EV/Ounce (\$)	10.03
Gold Sector Median EV/Ounce (\$/oz)	253

MANAGEMENT

Leadership from ADV

Michelle Roth – Non-Executive Director (Formerly Non-Executive Chairman Since 2023). Michelle Roth is an entrepreneur and business leader who founded and headquartered Roth Investor Relations in 1987. Michelle has seen success in global consulting through numerous investment cycles, formulating comprehensive shareholder engagement solutions. Her mining clients have primarily operated in North America, Australia, Africa, Europe and South America. These mines explored gold, silver, copper, nickel and diamond mining projects. Michelle has served in a variety of roles within the Manalapan Township. She also has an MBA in finance. In FY25, Michelle received a total of \$128,000 in remuneration (FY24 - \$80,000).

Jeremy Robinson - Non-Executive Director (Since 2023). Mr Robinson is an experienced resources executive with 20 years of experience, ranging from Managing Director to Business Development positions. He is currently the principal of Churchill Strategic Investments Group, which finances multiple junior explorers and developers across the TSX and ASX. In FY25, Jeremy Robinson received \$108,000 in remuneration (FY24 - \$56,088).

Tara Robson - Non-Executive Director (Formerly ADV CEO Since 2024). Mrs Robson has over 25 years of experience working with companies in the small to mid-cap sector. Tara has held senior roles with Sipa Resources, Brockman Resources and Anvil Mining Limited. She has extensive expertise in equity and project financing, joint ventures, royalties and the acquisition and divestment of mineral assets. Mrs Robson also has extensive experience working with a variety of listed companies on the ASX, TSC and HKEX. Prior to her appointment as Interim CEO, Tara held the position of CFO from 2021. In FY25, Tara Robson received \$388,054 in remuneration (FY24 - \$405,598).

Leadership from LAC

Andrew Stocks - Managing Director (co-founded Lac Gold in 2024). Andrew is a mining engineer with 35+ years' leadership in corporate functions, mine development and operations. Prior to founding Lac Gold, Andrew was a Director of Mining Operations at Rivet Group, a specialised transport and logistics services company based in Victoria. Prior to that, Andrew held executive positions at various companies including Vango Mining, Iron Road Limited and Equinox Mining Services. He holds a Bachelor of Engineering in Mining from the University of Wollongong.

Matthew Keegan - Executive Director (co-founded Lac Gold in 2024). Matthew Keegan is a mining sector executive with a background in operational and corporate roles spanning over 25 years. His commodity experience includes gold, nickel, iron ore and coking coal. Mr Keegan was formerly the executive chair of CoalMont which focused on developing the Michel Creek Hard Coking Coal Project in the Elk Valley, Canada. Prior to that, he was an investment manager at international private equity firm The Sentient Group, founding director of ASX-listed Iron Road, senior mining analyst at AME Mineral Economics, and operational geology roles for various companies including Rio Tinto, Barrick and Western Mining.

Ian Hume - Non-Executive Chair (since 2025). Mr Ian Hume's career in the resources industry stretches back several decades, primarily in the fields of managed fund investments, capital raising and project development. Mr Hume was a Founding Partner of The Sentient Group, a manager of closed-end private equity funds specialising in global investments in the natural resource industries.

Management Compensation

<i>In AUD</i>	Salary and Fees	Superannuation	Cash Bonus	Share-Based Compensation	Total Compensation
FY25	526,505	50,162	-	156,383	733,050
FY24	1,032,006	53,547	-	31,839	1,117,392
FY23	824,225	38,834	-	22,181	885,240

INVESTMENT ANALYSIS

Investment Thesis

Significant Resource Base at a Low Valuation. The merger with Lac Gold has transformed Ardiden into a dual-project gold explorer controlling an estimated 1.78 Moz of gold across its assets. Despite this substantial resource, the company's enterprise value per ounce is only about A\$10.03, which is low relative to peers. Such a marked undervaluation suggests considerable upside potential. As the market recognises ADV's enlarged gold inventory, a re-rating of the share price could occur to better reflect the underlying asset value. In essence, investors are currently paying a discounted price for each ounce of ADV's gold in the ground, providing scope for meaningful returns if that valuation gap closes over time.

Multiple Near-Term Catalysts, Fully Funded for Growth. The company is entering an active exploration phase with clear catalysts in the next 6-12 months. Ardiden has planned a 15,000-metre drilling program at Rouyn to extend and infill the resource, alongside renewed exploration at Pickle Lake's high-priority targets. Results from these programs – such as drilling assays, a Mineral Resource update for Rouyn, and potentially a maiden scoping study - are expected to generate steady news flow through 2026. Crucially, ADV is well-capitalised to execute these plans: the recent A\$10m equity raise plus an existing \$11.4m cash balance give total funding of over A\$21m for exploration and development initiatives. With funding in place and drilling underway, each successful milestone could act as a catalyst to significantly uplift the share price in the near term.

Investment Risks

Limited Recent Progress Despite High Overheads. A key concern is ADV's execution track record prior to the Lac Gold merger. The company had a conspicuous lull in exploration activity in FY24–25. For instance, no significant drilling updates were released between August 2023 and September 2025. Correspondingly, quarterly exploration outlays shrank to minimal levels (only ~A\$20k spent on exploration in Q1 FY25). Meanwhile, ADV continued to incur substantial corporate costs: in FY2024 the board and management's remuneration totalled over A\$1.1m and still exceeded A\$730k in FY2025. Such an imbalance (high administrative burn with little project advancement) suggests a risk that capital could be drained by salaries and overheads rather than core exploration. If the merged entity does not markedly ramp up exploration progress, investor confidence could erode - especially given past spending patterns – potentially limiting share price appreciation regardless of the quality of the company's assets.

INVESTMENT RECOMMENDATION

Given the significantly low EV/Ounce and the absence of significant red flags that would work against the company experiencing a re-rating, we recommend ADV as a buy.

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