

ARDIDEN LIMITED

(Formerly Stratos Resources Limited)

ABN 82 110 884 252

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2014

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)
CORPORATE DIRECTORY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

DIRECTORS

James Thompson
Piers Lewis
Neil Hackett

JOINT COMPANY SECRETARIES

Piers Lewis
Neil Hackett

REGISTERED AND PRINCIPAL OFFICE

Level 1, 981 Wellington Street
West Perth WA 6005

Telephone: (08) 6555 2950
Facsimile: (08) 9321 3102

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
Perth WA 6000, Australia

Telephone: (08) 9415 4000
Facsimile: (08) 9473 2500

AUDITORS

PKF Mack
4th Floor
35 Havelock Street
West Perth WA 6005

SOLICITORS

Steinepreis Paganin
The Read Buildings
Level 4, 16 Milligan Street
Perth WA 6000

AUSTRALIAN SECURITIES EXCHANGE

Ardiden Limited shares (ADV) are listed on the Australian Securities Exchange.

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Your Directors present their report for Ardiden Limited ('the Company') and controlled entities ('Consolidated Entity' or 'Group') for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

1. DIRECTORS

The names of the Directors of the Company in office during the period and up to the date of this report are as follows:

- James Thompson
- Piers Lewis
- Neil Hackett

Directors were in office from the beginning of the period until the date of this report unless otherwise stated.

2. CORPORATE STRUCTURE

Ardiden Limited is a limited liability company that is incorporated and domiciled in Australia. Ardiden Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

Ardiden Limited	- Parent entity
Knights Landing Limited	- 100% owned controlled entity
Billiton Island Pte Ltd	- 100% owned controlled entity

3. NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal continuing activities during the period within the Consolidated Entity were exploration for and evaluation of mineral resources.

4. OPERATING AND FINANCIAL REVIEW

Project Review

Manitouwadge Graphite Project

During the period, the Company entered into an exclusive option to acquire 100% of a 3,400 Ha graphite project located north-east of the town of Manitouwadge in Ontario, Canada ("Manitouwadge Project").

The Manitouwadge Project has significant graphite potential. Initial metallurgical test work on samples taken from site indicates 55% of the graphite is sized large or jumbo flake size, which is the highest value and most sought after graphite flake size with its use in new technologies expected to rapidly expand over the next decade.

Key Points:

- Jumbo and Large Flake Potential: Reports commissioned from Activation Laboratories Ltd ("Actlabs") by the vendor for metallurgical work (on an initial 2kg grab sample) indicates that 16.2% of the graphite concentrate reported to the +425 µm size fraction (jumbo flake obtained without gravity or flotation), 10.3% of the sample reported to the -425 to +300µm (jumbo flake), 29% reported to a -300 to +180µm (large flake) size fraction and 11.1% reported to the -180 to +150µm (medium flake) size fraction. The Company expects jumbo and large flake graphite to be in demand due to its increasing use in new technologies such as batteries and electric vehicles.
- The Manitouwadge Project is an attractive deposit with significant graphite exploration potential: studies of the area by the Ontario Geological Survey ("OGS") indicate graphite showings of 5% (up to 20% locally) (ref: OGS report 5889). Aerial electromagnetic ("AEM") surveys flown for Noranda Inc. (when exploring for volcanic-hosted massive sulphide ("VHMS") deposits) indicate six significant conductors on the project that may be indicative of either VHMS or graphite deposits.

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

- **Excellent Infrastructure:** Canada is regularly rated as one of the leading global mining jurisdictions. The Manitouwadge Project has excellent access to sealed roads and logging roads. It is 50kms from the Trans-Canada Highway and 20kms from the nearest rail access point. The project is 30km north east of Manitouwadge and 120kms south west from Hearst both of which have experienced mining populations due to other mines in the area. There are also other graphite projects in the area including the world class Albany graphite deposit 50kms west of Hearst which is being developed by Zenyatta Ventures (which in 2013 won the award for the top performing mining company on the TSX- Venture Exchange).
- **Immediate Work Plan to Commence:** The Company and its advisors have commenced a review of historical information including geological reports and HLEM data. The plan is to shortly commence a channel sampling program which will seek to confirm graphite grades and grain size distribution in the existing trenches and then finalise drill locations for an initial due diligence drill program of approx. 600m (potentially expandable to 2,400m) which will target the EM anomalies. An application for a permit to allow drilling is in the process of being lodged on behalf of Ardiden.

Hinton North Project

The Hinton North project is held under a separate option and is a development stage project. The project is in the foothills of the Rocky Mountains and has had approximately 7,000m of historical drilling. The project has a granted coal mining lease and a historical NI43-101 resource (not a JORC-compliant resource) of high quality thermal coal (HV C Bituminous). The coal is a multi-seam product that exhibits attractive characteristics with the main seams to be targeted showing potential for low sulphur, moderate ash and high energy values.

Yinchen Tin Project

The Yinchen Tin Project comprises 1,200 Ha of highly prospective area predominantly on the Western half of Belitung Island (see Figure 1 below). In most cases the tenements are surrounded by or adjacent to tenements owned by PT Timah, the major tin producer in Indonesia.

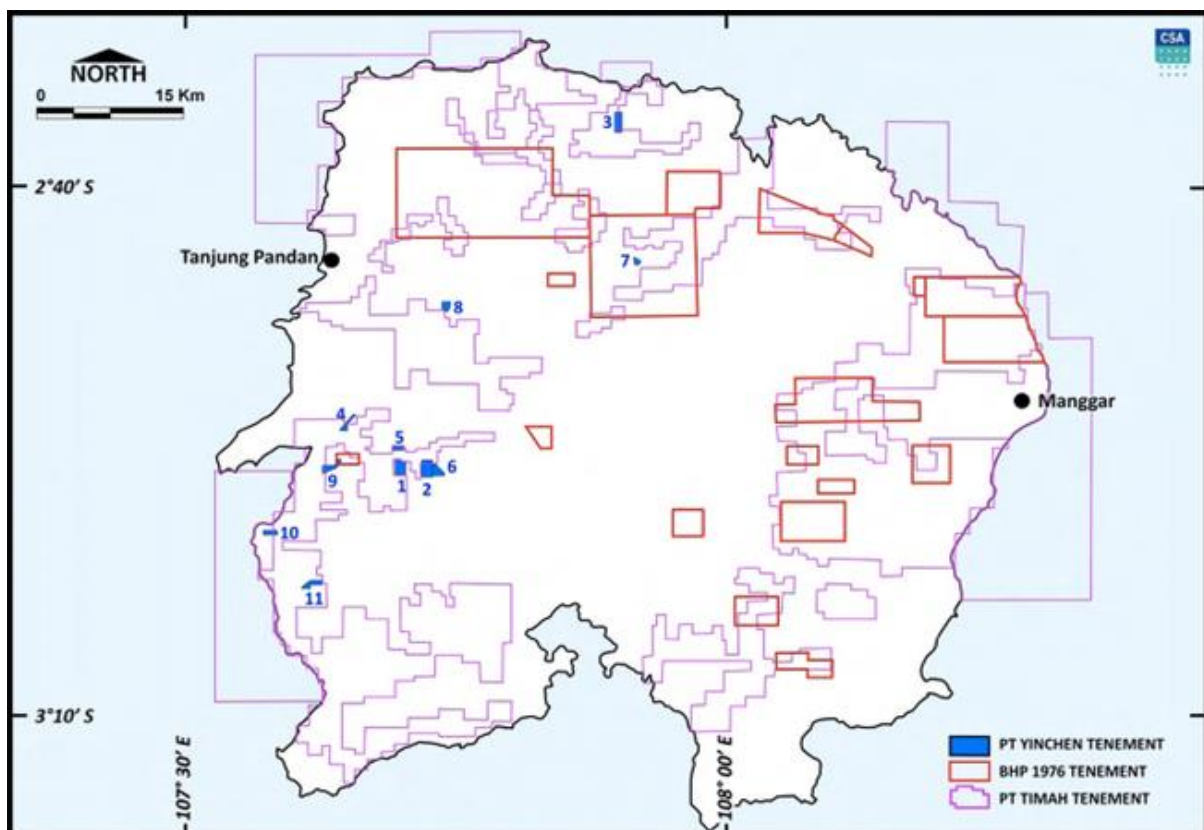


Figure 1 – Location of acquired tenements on Belitung Island in blue

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Many areas proximal to the tenements continue to be worked by small scale miners using primitive equipment. Given the historical production of tin from alluvial mining, Stratos intends utilising modern mining methods and technology in order to undertake exploration required to delineate a resource and reserve initially with a longer term focus on developing hard rock tin sources on the island.

The 60% shareholding investment will be held by a Singapore based joint venture vehicle owned on an equal basis by Stratos and Metalcorp Group, the European based global commodities trader. A subsidiary of the Metalcorp Group, Tennant Metals, has been involved in the marketing and sales of tin product from Belitung Island for many years and is a major participant in the Asian market for tin. The remaining 40% shareholding is currently held by a local partner with long mining and processing experience on the island. The Metalcorp Group has agreed to provide an off-take agreement for 100% of the tin produced from the eleven (11) tenements and up to US\$5.00 million of trade finance. These arrangements are to be at market rates and are subject to final terms and conditions and definitive documentation.

5. FINANCIAL POSITION & OPERATING RESULTS

The financial results of the Group for the half-year ended 31 December 2014 are:

	31-Dec-14	30-Jun-14	% Change
Cash and cash equivalents (\$)	151,659	190,152	(20%)
Net assets (\$)	200,415	44,205	353%

	31-Dec-14	31-Dec-13	% Change
Revenue (\$)	114,108	3,783	2916%
Net loss after tax (\$)	(386,522)	(584,460)	(34%)
Loss per share (cents)	(0.14)	(0.25)	(45%)
Dividend (\$)	-	-	-

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 5 September 2014 the Company completed a share and option consolidation on the basis of every 20 shares/options to be consolidated into one share/option as approved by shareholders at the general meeting of shareholders held 3 September 2014.

On 7 October 2014 the Company entered into the following agreements (Option Agreements):

- (a) An exclusive option to acquire a 100% interest in a graphite project located in Ontario, Canada (Manitouwadge Project); and
- (b) An exclusive option to acquire a 100% interest in a thermal coal project located in Alberta, Canada (Hinton North Project).

These option agreements were approved by shareholders at the Company's Annual General Meeting on 28 November 2014.

On 1 December 2014 the Company announced its change of name to Ardiden Limited, which was approved by shareholders on 28 November 2014 at the Company's Annual General Meeting.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

7. EVENTS SUBSEQUENT TO REPORTING DATE

On 6 January 2015 the Company received encouraging initial beneficiation results from testwork conducted on samples from its Manitouwadge graphite project located in Ontario, Canada. The results, from the test work, indicate that simple, low cost gravity and flotation beneficiation techniques can result in graphite concentrate purity levels of up to 94.8% for jumbo flake and 94% for large flake.

On 2 February 2015 the Company secured significant new growth opportunity after completing the acquisition of the Manitouwadge graphite project.

On 5 February 2015 the Company successfully raised \$300,000 through a private placement to underpin an upcoming maiden drilling program at the recently acquired Manitouwadge Graphite Project. The share placement comprises 60 million shares at an issue price of 0.5c each. Directors have agreed to invest \$75,000 of the Placement, subject to shareholder and other regulatory approvals.

On 5 March 2015 the Company advised that a diamond drill rig was mobilised to site and the maiden drill program commenced at the Manitouwadge Graphite Project in Ontario, Canada. The program will comprise approximately 1,000m of diamond drilling and is expected to be completed within three weeks. Assays and beneficiation results are expected approximately 4-6 weeks after core samples have been forwarded to the lab.

There are no other matters or circumstances that have arisen since 31 December 2014 that have or may significantly affect the operations, results, or state of affairs of the Consolidated Entity in future financial years.

8. AUDITOR INDEPENDENCE

We have received the independence declaration from the auditor of Ardiden Limited, PKF Mack, a copy of which is attached to the Directors Report on page 6 of the financial report.

This report is made in accordance with a resolution of the Directors.

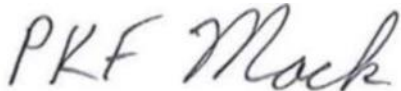


Piers Lewis
Director

Perth, Western Australia
Dated: 16 March 2015

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ARDIDEN LIMITED

In relation to our review of the financial report of Ardiden Limited for the half year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF MACK



SHANE CROSS
PARTNER

16 MARCH 2015
WEST PERTH,
WESTERN AUSTRALIA

Tel: 61 8 9426 8999 | Fax: 61 8 9426 8900 | www.pkf.com.au
PKF Mack | ABN 74 254 453 660
4th Floor, 35 Havelock Street | West Perth | Western Australia 6005 | Australia
PO Box 609 | West Perth | Western Australia 6872 | Australia

PKF Mack is a member of the PKF International Limited network of legally independent member firms. PKF Mack is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF Mack does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Notes	31-Dec-14 \$	31-Dec-13 \$
Interest revenue		6,630	3,783
Other income	2	107,478	-
Expenses			
Administration, consulting and other expenses		(143,721)	(78,458)
Borrowing costs		(5,864)	(21,643)
Directors fees		(63,000)	(103,500)
Exploration and evaluation expenditure		-	(81,473)
Fair value loss on investments		(706)	(217,539)
Foreign exchange (loss) / gain		(596)	-
Loss on sale of investments		(273)	(28,825)
Provision for impairment expense	3	(117,649)	-
Share based payments	7	(168,821)	(56,805)
Loss before income tax expense		(386,522)	(584,460)
Income tax expense		-	-
Net loss for the period		(386,522)	(584,460)
Other comprehensive income, net of tax		-	-
Total other comprehensive loss for the period		(386,522)	(584,460)
		<u>Cents</u>	<u>Cents</u>
Loss per share attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share from continuing operations		(0.14)	(0.25)

The accompanying condensed notes form part of these financial statements.

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2014**

	Notes	31-Dec-14	30-Jun-14
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		151,659	190,152
Trade and other receivables		24,999	834
Financial assets		131	7,399
Total Current Assets		176,789	198,385
Non-Current Assets			
Exploration and evaluation expenditure	3	692,417	694,717
Total Non-Current Assets		692,417	694,717
TOTAL ASSETS		869,206	893,102
LIABILITIES			
Current Liabilities			
Trade and other payables		180,235	103,573
Equity liability for project acquisition	4	488,556	424,824
Provisions		-	60,500
Financial liabilities	5	-	260,000
Total Current Liabilities		668,791	848,897
TOTAL LIABILITIES		668,791	848,897
NET ASSETS		200,415	44,205
EQUITY			
Issued capital	6	29,995,935	29,622,024
Reserves	7	1,627,515	1,458,694
Accumulated losses		(31,423,035)	(31,036,513)
TOTAL EQUITY		200,415	44,205

The accompanying condensed notes form part of these financial statements.

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Issued Capital	Options Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
At 1 July 2013	29,622,024	1,337,666	(30,313,170)	646,520
Comprehensive income:				
Loss for the period	-	-	(584,460)	(584,460)
Total comprehensive loss for the period	-	-	(584,460)	(584,460)
Transactions with owners in their capacity as owners:				
Securities issued during the period	-	121,028	-	121,028
Capital raising costs	-	-	-	-
Total equity transactions	-	121,028	-	121,028
At 31 December 2013	29,622,024	1,458,694	(30,897,630)	183,088
	Issued Capital	Options Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
At 1 July 2014	29,622,024	1,458,694	(31,036,513)	44,205
Comprehensive income:				
Loss for the period	-	-	(386,522)	(386,522)
Total comprehensive loss for the period	-	-	(386,522)	(386,522)
Transactions with owners in their capacity as owners:				
Securities issued during the period	373,911	168,821	-	542,732
Capital raising costs	-	-	-	-
Total equity transactions	373,911	168,821	-	542,732
At 31 December 2014	29,995,935	1,627,515	(31,423,035)	200,415

The accompanying condensed notes form part of these financial statements.

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Notes	31-Dec-14	31-Dec-13
		\$	\$
Cash flows used in operating activities			
Payments to suppliers and employees		(154,088)	(194,719)
Interest received		5,780	3,783
Net cash flows used in operating activities		(148,308)	(190,936)
Cash flows used in investing activities			
Payments for exploration expenditure		(146,794)	(241,591)
Proceeds from research and development rebate	3	113,487	-
Proceeds from sale of financial assets		7,122	20,826
Net cash flows used in investing activities		(26,185)	(220,765)
Cash flows from financing activities			
Proceeds from financial liabilities		-	110,000
Proceeds from issue of securities and securities subscriptions		136,000	-
Net cash flows from financing activities		136,000	110,000
Net decrease in cash and cash equivalents		(38,493)	(301,701)
Cash and cash equivalents at the beginning of the period		190,152	523,041
Cash and cash equivalents at the end of the period		151,659	221,340

The accompanying condensed notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards AASB 134 'Interim Financial Reporting', as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report, and any public announcements made by the Company during the half-year period in accordance with the continuous disclosure requirements of the Corporation Act 2001.

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2014 annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of New or Revised Accounting Standards and Interpretations

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. The Group has not early adopted any accounting standards or interpretations.

The adoption of all new and revised standards and interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years.

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the consolidated entity's assets and the discharge of its liabilities in the normal course of business.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The consolidated entity has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The consolidated entity has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

Going Concern

As disclosed in the financial report, the Group recorded an operating loss of \$386,522 (31 Dec 2013: \$584,460), and a cash outflow from operating and investing activities of \$174,493 and a working capital deficiency position of \$492,002 however the board notes that \$488,556 of the trade and other payables balance relates to an accrual for the acquisition of the Yinchin asset which will be settled via an equity issue in the following period.

The Board considers that the consolidated entity is a going concern and recognises that additional funding is required to ensure that the consolidated entity can continue to fund the Group's operations for the 12 month period from the date of this financial report.

The Directors believe after consideration of the above matters, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable and is a going concern because of the following factors:

- On 5 February 2015 the Company successfully raised \$300,000 through a private placement to underpin an upcoming maiden drilling program at the recently acquired Manitouwadge Graphite Project;
- The ability to issue additional capital under the Corporations Act 2001 and ASX Listing Rule 7.1 or otherwise; and,
- The consolidated entity's commitment to exploration expenditure is discretionary and expenditure requirements are minimal.

Accordingly, the Directors believe that subject to prevailing equity market conditions, the Company will obtain sufficient funding to enable the consolidated entity to continue as going concerns and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

Should the Company be unable to obtain sufficient funding as outlined above, there is material uncertainty which may cast significant doubt over the consolidated entity's ability to continue as a going concern.

Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and an amount different to those stated in the financial statements. The financial statements do not include any adjustments related to the recoverability and classification of asset carrying amounts or the amount of liabilities that might resolve should the company be unable to continue as a going concern and meet its debts as and when they fall due.

Research and Development Tax Incentive

Research and Development Tax Incentives are initially recognised on receipt. The Group has applied the principles of AASB 120 Accounting for Government Grants in the treatment of Research and Development Tax Incentives received. Receipt of the Research and Development Tax Incentive is recognised in exploration expenditure to the extent that the costs to which the claim relate are also recognised as exploration expenditure, where the costs to which the claim relate were expensed, receipt of the incentive is recognised in other income.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

2. OTHER INCOME

	31-Dec-14	31-Dec-13
	\$	\$
Forgiveness of creditors	60,500	-
Gain on extinguishment of financial liability (Refer Note 6)	46,978	-
	107,478	-

3. EXPLORATION AND EVALUATION EXPENDITURE

	31-Dec-14	30-Jun-14
	\$	\$
Expenditure brought forward	694,717	-
Expenditure incurred	228,836	694,717
Research and development refund (i)	(113,487)	-
Provision for impairment expense	(117,649)	-
Expenditure carried forward (ii)	692,417	694,717

The ultimate recoupment of the mining tenements, exploration and evaluation expenditure carried forward is dependent upon the successful development and commercial exploitation and/or sale of the relevant areas of interest, at amounts at least equal to book value.

- (i) During the period the Company lodged and received a research and development rebate claim for the 2012/13 financial year.
- (ii) This balance includes shares to the value of \$488,556 which are required to be issued as part of the Yinchen Tin project. This amount is recognised as a liability at 31 December 2014, refer Note 4.

4. EQUITY LIABILITY FOR PROJECT ACQUISITION

	31-Dec-14	30-Jun-14
	\$	\$
Current		
Equity liability for project acquisition	488,556	424,824
	488,556	424,824

Equity liability for project acquisition relates to a payable of \$400,000 USD in ordinary Ardiden Limited shares that is payable upon completion of the acquisition of the Yinchen Tin project.

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

5. FINANCIAL LIABILITIES

	31-Dec-14	30-Jun-14
	\$	\$
Current		
Convertible notes payable (September 2013)	-	110,000
Convertible notes payable (March 2014)	-	150,000
	-	260,000

On 4 September 2014 after obtaining approval at the general meeting on 3 September 2014, the Company issued 284,888,766 convertible notes for a total value of \$284,889, comprising \$260,000 in convertible notes payable (above), \$10,000 in consulting fees and \$14,889 in interest. The Company also issued 284,888,766 unlisted options at \$0.01 per share, expiring 30 November 2015. These options were free attaching options associated with the Company's convertible notes, refer note 6 for further detail on the valuation of the free attaching options.

On 16 September 2014 the Company issued 56,977,753 post consolidation shares at \$0.005 per share on conversion of the Company's convertible notes, as approved by shareholders at the general meeting of shareholders held 3 September 2014, refer note 6 for further detail.

For further detail on the terms and conditions relating to the above convertible notes, refer to the 30 June 2014 annual report.

6. ISSUED CAPITAL

	31-Dec-14		30-Jun-14	
	\$	No.	\$	No.
(a) Fully paid ordinary shares	29,995,935	321,655,096	29,622,024	4,749,545,144

(b) Movement in ordinary shares	\$	No.	Issue price
Balance at 30 June 2014	29,622,024	4,749,545,144	
Share consolidation (i)	5/09/2014	-	(4,512,067,801)
Issue of shares on conversion of convertible notes (ii)	16/09/2014	284,889	56,977,753
Gain on extinguishment of financial liability (ii)	16/09/2014	(46,978)	-
Issue of shares via the share purchase plan (iii)	9/10/2014	106,000	21,200,000
Issue of shares to private investors (iii)	9/10/2014	30,000	6,000,000
Balance at 31 December 2014	29,995,935	321,655,096	

(i) On 5 September 2014 the Company completed a share and option consolidation on the basis of every 20 shares/options to be consolidated into one share/option as approved by shareholders at the general meeting of shareholders held 3 September 2014.

(ii) On 16 September 2014 the Company issued 56,977,753 post consolidation shares at \$0.005 per share on conversion of the Company's convertible notes, as approved by shareholders at the general meeting of shareholders held 3 September 2014. However, the fair value of these shares on grant date was \$0.004, resulting in a gain on extinguishment of the convertible notes of \$46,978.

(iii) On 9 October 2014 the Company completed its share purchase plan and raised \$106,000 via the issue of 21,200,000 shares at \$0.005 per share. On the same date the Company also issued 6,000,000 shares at \$0.005 per share to private investors to raise an additional \$30,000.

(c) Share Options

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

- 19,744,441 unlisted options expiring 30 November 2015 at an exercise price of 2 cents each.
- 18,750,000 unlisted options expiring 30 November 2015 at an exercise price of 6 cents each.
- 21,000,000 unlisted options expiring 28 November 2017 at an exercise price of 0.5 cents each.

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

7. RESERVES

	31-Dec-14		30-Jun-14	
	\$	No.	\$	No.
(a) Option reserve	1,627,515	59,494,438	1,458,694	485,000,000
(b) Movement in Reserve				- average exercise price (cents)
Balance at 30 June 2014		1,458,694	485,000,000	
Free attaching option per convertible note (i)	4/09/2014	56,889	104,421,918	0.1
Free attaching option per convertible note (i)	4/09/2014	98,317	180,466,848	0.1
Option consolidation (ii)	5/09/2014	-	(731,394,328)	-
Performance options (iii)	28/11/2014	13,615	21,000,000	0.5
Balance at 31 December 2014		1,627,515	59,494,438	
Exercisable			59,494,438	

- (i) On 4 September 2014 the Company issued 284,888,766 unlisted options at \$0.001 per share, expiring 30 November 2015. These options were attaching options associated with the Company's convertible notes. These options have been valued using the Black-Scholes option-pricing model. The following table gives the assumptions made in determining the fair value of options on grant date:

FREE ATTACHING OPTIONS		
	Pre Consolidation	Post Consolidation
Grant date	4 Sept 2014	4 Sept 2014
Number of options	284,888,766	14,244,441
Expiry date	30 Nov 2015	30 Nov 2015
Estimated volatility	132%	132%
Risk-free interest rate	2.61%	2.61%
Exercise price	\$0.001	\$0.02
Price of shares on grant date	\$0.001	\$0.02
Value per option	\$0.0005	\$0.01
Total value	\$155,206	\$155,206

- (ii) On 5 September 2014 the Company completed a share and option consolidation on the basis of every 20 shares/options to be consolidated into one share/option as approved by shareholders at the general meeting of shareholders held 3 September 2014.
- (iii) On 28 November 2014 the Company issued 21,000,000 unlisted conditional performance options 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. These options have been valued using the Black-Scholes option-pricing model. The following table gives the assumptions made in determining the fair value of options on grant date:

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

CONDITIONAL PERFORMANCE OPTIONS	
Grant date	28 Nov 2014
Number of options	21,000,000
Expiry date	28 Nov 2017
Estimated volatility	132%
Risk-free interest rate	2.43%
Exercise price	\$0.005
Price of shares on grant date	\$0.008
Value per option	\$0.006
Probability	10%
Total value	\$13,615

The Company has recognised the entire value of the conditional performance options in the current period, with no additional costs to be recognised in future years.

8. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Unobservable inputs for the asset or liability.

The financial assets within the statement of financial position of \$131 as at 31 December 2014 (30 June 2014: \$7,399) are positioned in level 1 of the fair value hierarchy.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

9. FINANCIAL REPORTING BY SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Operating segments are identified by Management based on the mineral resource and exploration activities in Australia, Indonesia and Canada. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

The Group has four reportable segments based on the geographical areas of the mineral resource and exploration activities in Australia, Indonesia and Canada. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

(i) SEGMENT PERFORMANCE

	Canada (Manitouwadge)	Canada (Hinton North)	Indonesia	Australia	Total
Year ended 31 December 2014	\$	\$	\$	\$	\$
Revenue					
Interest revenue	-	-	-	6,630	6,630
Other income	-	-	-	107,478	107,478
Total segment revenue	-	-	-	114,108	114,108

Reconciliation of segment result to net loss before tax

Amounts not included in segment result but reviewed by the Board

- Provision for impairment expense	-	-	(117,649)	-	(117,649)
------------------------------------	---	---	-----------	---	------------------

Unallocated items

- Administration, consulting and other expenses					(143,721)
- Borrowing costs					(5,864)
- Director fees					(63,000)
- Fair value loss on investments					(706)
- Foreign exchange (loss) / gain					(596)
- Loss on sale of investments					(273)
- Share based payments					(168,821)

Net loss before tax from continuing operations

(386,522)

	Canada (Manitouwadge)	Canada (Hinton North)	Indonesia	Australia	Total
Year ended 31 December 2013	\$	\$	\$	\$	\$
Revenue					
Interest revenue	-	-	-	3,783	3,783
Total segment revenue	-	-	-	3,783	3,783

Reconciliation of segment result to net loss before tax

Amounts not included in segment result but reviewed by the Board

- Exploration expenditure written off	-	-	(81,473)	-	(81,473)
---------------------------------------	---	---	----------	---	-----------------

Unallocated items

- Administration, consulting and other expenses					(78,458)
- Borrowing costs					(21,643)
- Director fees and benefit expense					(103,500)
- Fair value loss on investments					(217,539)
- Loss on sale of investments					(28,825)
- Share based payments					(56,805)

Net loss before tax from continuing operations

(584,460)

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

(ii) SEGMENT ASSETS	Canada	Canada	Indonesia	Australia	Total
	(Manitouwadge)	(Hinton North)			
	\$	\$	\$	\$	\$
As at 31 December 2014					
Segment assets as at 1 July 2014	-	-	694,717	-	694,717
Segment asset increases/(decreases)					
- Exploration and evaluation	132,054	71,807	24,975	-	228,836
- Research and development refund	-	-	(113,487)	-	(113,487)
- Provision for impairment expense	-	-	(117,649)	-	(117,649)
	132,054	71,807	488,556	-	692,417

Reconciliation of segment assets to total assets:

Other assets	176,789
Total assets from continuing operations	869,206

	Canada	Canada	Indonesia	Australia	Total
	(Manitouwadge)	(Hinton North)			
	\$	\$	\$	\$	\$
As at 30 June 2014					
Segment assets as at 1 July 2013	-	-	-	-	-
Segment asset increases/(decreases)					
- Exploration and evaluation	-	-	694,717	-	694,717
	-	-	694,717	-	694,717

Reconciliation of segment assets to total assets:

Other assets	198,385
Total assets from continuing operations	893,102

(iii) SEGMENT LIABILITIES	Canada	Canada	Indonesia	Australia	Total
	(Manitouwadge)	(Hinton North)			
	\$	\$	\$	\$	\$
As at 31 December 2014					
Segment liabilities as at 1 July 2014	-	-	424,824	424,073	848,897
Segment liability increases/(decreases)	45,375	22,333	63,732	(311,546)	(180,106)
	45,375	22,333	488,556	112,527	668,791

Reconciliation of segment liabilities to total liabilities:

Other liabilities	-
Total liabilities from continuing	668,791

	Burkina Faso	PNG	Indonesia	Australia	Total
	\$	\$			
	\$	\$	\$	\$	\$
As at 30 June 2014					
Segment liabilities as at 1 July 2013	-	26,936	-	253,191	280,127
Segment liability increases/(decreases)	-	(26,936)	424,824	170,882	568,770
	-	-	424,824	424,073	848,897

Reconciliation of segment liabilities to total liabilities:

Other liabilities	-
	848,897

10. COMMITMENTS

There are no operating lease or exploration commitments as at the date of this report.

11. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting period.

12. DIVIDENDS

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

13. EVENTS SUBSEQUENT TO REPORTING DATE

On 6 January 2015 the Company received encouraging initial beneficiation results from testwork conducted on samples from its Manitouwadge graphite project located in Ontario, Canada. The results, from the test work, indicate that simple, low cost gravity and flotation beneficiation techniques can result in graphite concentrate purity levels of up to 94.8% for jumbo flake and 94% for large flake.

On 2 February 2015 the Company secured significant new growth opportunity after completing the acquisition of the Manitouwadge graphite project.

On 5 February 2015 the Company successfully raised \$300,000 through a private placement to underpin an upcoming maiden drilling program at the recently acquired Manitouwadge Graphite Project. The share placement comprises 60 million shares at an issue price of 0.5c each. Directors have agreed to invest \$75,000 of the Placement, subject to shareholder and other regulatory approvals.

On 5 March 2015 the Company advised that a diamond drill rig was mobilised to site and the maiden drill program commenced at the Manitouwadge Graphite Project in Ontario, Canada. The program will comprise approximately 1,000m of diamond drilling and is expected to be completed within three weeks. Assays and beneficiation results are expected approximately 4-6 weeks after core samples have been forwarded to the lab.

There are no other matters or circumstances that have arisen since 31 December 2014 that have or may significantly affect the operations, results, or state of affairs of the Consolidated Entity in future financial years.

ARDIDEN LIMITED (FORMERLY STRATOS RESOURCES LIMITED)

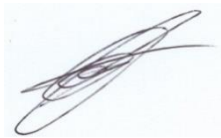
**DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

The Directors of the company declare that:

- 1) The financial statements and notes, as set out on pages 7-19
 - a. Comply with Accounting Standard AASB 134: Interim Financial Reporting, Corporations Act 2001 and the Corporations Regulations 2001; and
 - b. Give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date.

- 2) In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with resolution of the board.



Piers Lewis
Director

Perth, Western Australia
Dated: 16 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ARDIDEN LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ardiden Limited (the Company) and the consolidated entities (the consolidated entity) which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at 31 December 2014, or during the half year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditor of Ardiden Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Tel: 61 8 9426 8999 | Fax: 61 8 9426 8900 | www.pkf.com.au

PKF Mack | ABN 74 254 453 660

4th Floor, 35 Havelock Street | West Perth | Western Australia 6005 | Australia

PO Box 609 | West Perth | Western Australia 6872 | Australia

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

Conclusion

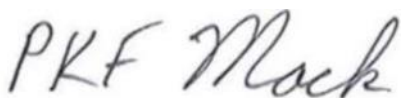
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ardiden Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which confirmed that the consolidated entity incurred a net loss after tax of \$386,522 during the half year ended 31 December 2014. These conditions, along with other matters as set out in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company and consolidated entity's ability to continue as a going concern and therefore, the Company and consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the consolidated entity and the Company does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company and/or the consolidated entity not continue as a going concern.



PKF MACK



SHANE CROSS
PARTNER

16 MARCH 2015
WEST PERTH,
WESTERN AUSTRALIA