

ASX ANNOUNCEMENT

06 March 2018

Manager of Company Announcements  
ASX Limited  
Level 40, Central Park  
152-158 St George's Terrace  
PERTH  
WA 6000

*By E-Lodgement*

### CONVERSION OF PERFORMANCE SHARES

**Hardey Resources Limited ("Hardey" or "the Company") (ASX: HDY)** advises that 111,111,111 Performance Shares have been converted into fully paid ordinary shares of the Company. On 21 November 2017, 111,111,111 Performance Shares were issued as part of the consideration for the acquisition of Hardey Resources Pty Ltd. The issue of these securities was approved by shareholders at a General Meeting held 15 November 2017.

The Performance Shares converted to 111,111,111 fully paid ordinary shares upon the Company's Maiden Inferred Mineral Resource (as defined by The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) detailed in the announcement lodged with ASX on 20 February 2018.

The Section 708A(5)(e) notice and Appendix 3B in respect to the securities issued are attached.

For and on behalf of the Board



Sarah Smith  
(Company Secretary)

**NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT**

The Company provides a notice for the purposes of section 708A(5)(e) of the Corporations Act 2001.

The Shares above are part of a class of securities quoted on ASX and may be subject to a subsequent offer for sale. The Company issued the Shares above without a disclosure document to investors under Part 6D.2 of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act; and
- (b) section 674 of the Corporations Act.

There is no excluded information, as defined in sections 708A(7) and 708A(8) of the Corporations Act, as at the date of this notice.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

HARDEY RESOURCES LIMITED (formerly ELYSIUM RESOURCES LIMITED)

ABN

45 115 593 005

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |                            |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued  | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 111,111,111                |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

## Appendix 3B

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>Nil – Shares issued on conversion of Performance Shares</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Conversion of Performance Shares issued as consideration for the acquisition of Hardey Resources Pty Ltd as per announcement lodged with ASX on 24 October 2017 (<b>Acquisition</b>).</p> <p>The Performance Shares converted into ordinary shares on the satisfaction of the following Milestone as per the Heads of Agreement for the Acquisition: “Announcement to ASX by Hardey of delineation of an Inferred Mineral Resource (as defined by The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of at least 50,000 ounces of gold on the Hardey Projects within three years of their date of issue” (Refer to ASX Announcement released 20 February 2018 for further details).</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>

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+ See chapter 19 for defined terms.

6b	The date the security holder resolution under rule 7.1A was passed	15 November 2017		
6c	Number of +securities issued without security holder approval under rule 7.1	Nil		
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil		
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	111,111,111 ordinary shares  Date of General Meeting of Shareholders: 15 November 2017		
6f	Number of +securities issued under an exception in rule 7.2	n/a		
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A		
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A		
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<div style="display: flex; justify-content: space-between;"> <div>7.1</div> <div>148,786,094</div> </div> <div style="display: flex; justify-content: space-between;"> <div>7.1A</div> <div>101,574,063</div> </div>		
7	+Issue dates  <small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small>  <small>Cross reference: item 33 of Appendix</small>	06 March 2018		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;">Number</td> <td style="width: 50%; padding: 2px;">+Class</td> </tr> </table>	Number	+Class
Number	+Class			

+ See chapter 19 for defined terms.

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8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	1,019,315,630	Fully paid ordinary shares
		470,384,146	Listed Options (\$0.02; 30 April 2020) (EYMOC)

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<sup>+</sup> See chapter 19 for defined terms.

	Number	+Class
9	45,525,000	Options exercisable at \$0.06 cents each expiring 19 August 2020
	940,000	Options exercisable at \$1.40 each expiring 30 April 2018
	3,401,578	Options exercisable at \$0.044 each expiring 1 October 2020
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	There is currently no dividend policy for the Company

## Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	

+ See chapter 19 for defined terms.

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18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a	

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+ See chapter 19 for defined terms.



	broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	<sup>+</sup> Issue date	

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>+</sup>securities  
(tick one)

(a) ☒ <sup>+</sup>Securities described in Part 1

☐

(b) ☐ All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

## Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders – To be advised when issued

36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories – To be advised when issued

1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"><li>• the date from which they do</li><li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li><li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li></ul>					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

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+ See chapter 19 for defined terms.

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Company secretary

Date: 06 March 2018

Print name:

Sarah Smith

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	79,650,016 (post April 2017 consolidation)
<b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	12,800,000 shares issued 16 August 2017 (SPP) November 2016 – 6,750,000 (post April 2017 consolidation) November 2016 – 1,873,800 (post April 2017 consolidation) December 2016 – 22,000,000 (post April 2017 consolidation) 300,000,000 shares issued 21 July 2017 (approved by shareholders on 21 April 2017) 26,000,000 ordinary shares issued 21 July 2017 (approved by shareholders on 15 November 2017) 53,000,006 ordinary shares issued on 30 October 2017 (approved by shareholders on 15 November 2017) 11,111,111 ordinary shares issued on 30 October 2017 (approved by shareholders on 15 November 2017) 113,666,659 ordinary shares issued on 17 November 2017 (approved by shareholders on 15 November 2017) 277,777,777 ordinary shares issued on 15 November 2017 (approved by shareholders on 15 November 2017) 111,111,111 ordinary shares issued on 02 March 2018 (conversion of performance shares approved by shareholders on 15 November 2017)

+ See chapter 19 for defined terms.

<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>“A”</b>	1,015,740,630

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	152,361,094
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> <li>Under an exception in rule 7.2</li> <li>Under rule 7.1A</li> <li>With security holder approval under rule 7.1 or rule 7.4</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li><i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li><i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li><i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	3,575,000 shares issued 30 November 2017
<b>“C”</b>	3,575,000
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<b>“A” x 0.15</b> <i>Note: number must be same as shown in Step 2</i>	152,361,094
<b>Subtract “C”</b> <i>Note: number must be same as shown in Step 3</i>	3,575,000
<b>Total</b> [“A” x 0.15] – “C”	148,786,094

+ See chapter 19 for defined terms.

## Appendix 3B

### New issue announcement

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	<i>Note: this is the remaining placement capacity under rule 7.1</i>
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+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,015,740,630
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	101,574,063
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	
<b>“E”</b>	Nil

+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	101,574,063
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	Nil
<b>Total</b> [“A” x 0.10] – “E”	101,574,063 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.