

**GLOBAL MINING CONSULTANCY APPOINTED TO REVIEW NELLY VANADIUM MINE****HIGHLIGHTS**

- **SRK Consulting, which has a global footprint, has been appointed to undertake a geological review of Nelly Vanadium Mine as part of the expedited due diligence process**
- **Working in tandem with HDY's experienced local geologists – Condor Prospecting ("Condor") – in Argentina, SRK Consulting's terms of reference comprise the following:**
  - **Site visit to: 1) view mineralised veins and, if feasible, determine extent of unexploited mineralisation and dimensions; 2) assess historic stockpiles around the open-pit, workings and processing plant; 3) geologically map the tenure to update earlier work**
  - **Review of all available historic public and private information including studies, maps, sections, assays, QAQC procedures and geological models**
  - **Based on the site visit and reconciling findings with historic studies, assess qualitatively and quantitatively the potential exploration upside for vanadium, gold, silver, copper, zinc, lead, molybdenum and bismuth<sup>1</sup>**
  - **Produce regular updates and a final report, with appropriate recommendations, within four weeks that can aid the Company's aim of estimating a mineral resource to the JORC (2012) code**
- **On receipt of SRK's final report, the Board anticipates due diligence on Nelly Vanadium Mine should be mostly complete, enabling steps to be put in motion to re-open the mine as soon as practical**

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**Hardey Resources Executive Chairman, Terence Clee commented:** *"We are delighted to have secured SRK Consulting's services to conduct an expedited geological review of Nelly Vanadium Mine in Argentina. Working closely with our experienced in-country geology team from Condor Prospecting, the Board looks forward to receiving regular updates as due diligence moves in to top gear over the next four weeks."*

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**Hardey Resources Limited's (ASX: HDY) ("HDY" or "the Company")** Board is pleased that it has been able to have two experienced groups progress the due diligence work on the Nelly Vanadium Mine in Argentina.

**SRK Consulting**

One of the key positives with SRK Consulting is it has a global footprint, which includes an office in Buenos Aires with an experienced team of geologists. In general, for mining projects, SRK Consulting undertakes services from exploration through feasibility, mine planning, and production to mine closure for most of the world's major explorers and miners.

A key asset is the seamless integration of its global services, which has made SRK Consulting a leading international practitioner for due diligence and feasibility studies – these are core competencies and key contributors to the business mix.

### Condor Prospecting

Condor is an established technical mining consultancy business based in Mendoza, Argentina, with an experienced team of geologists that have undertaken work for international resources funds and publicly-listed groups in Australia/Canada. Typical client assignments Condor undertakes comprise data management, due diligence, exploration, tenure management, EIA processes and desktop studies.

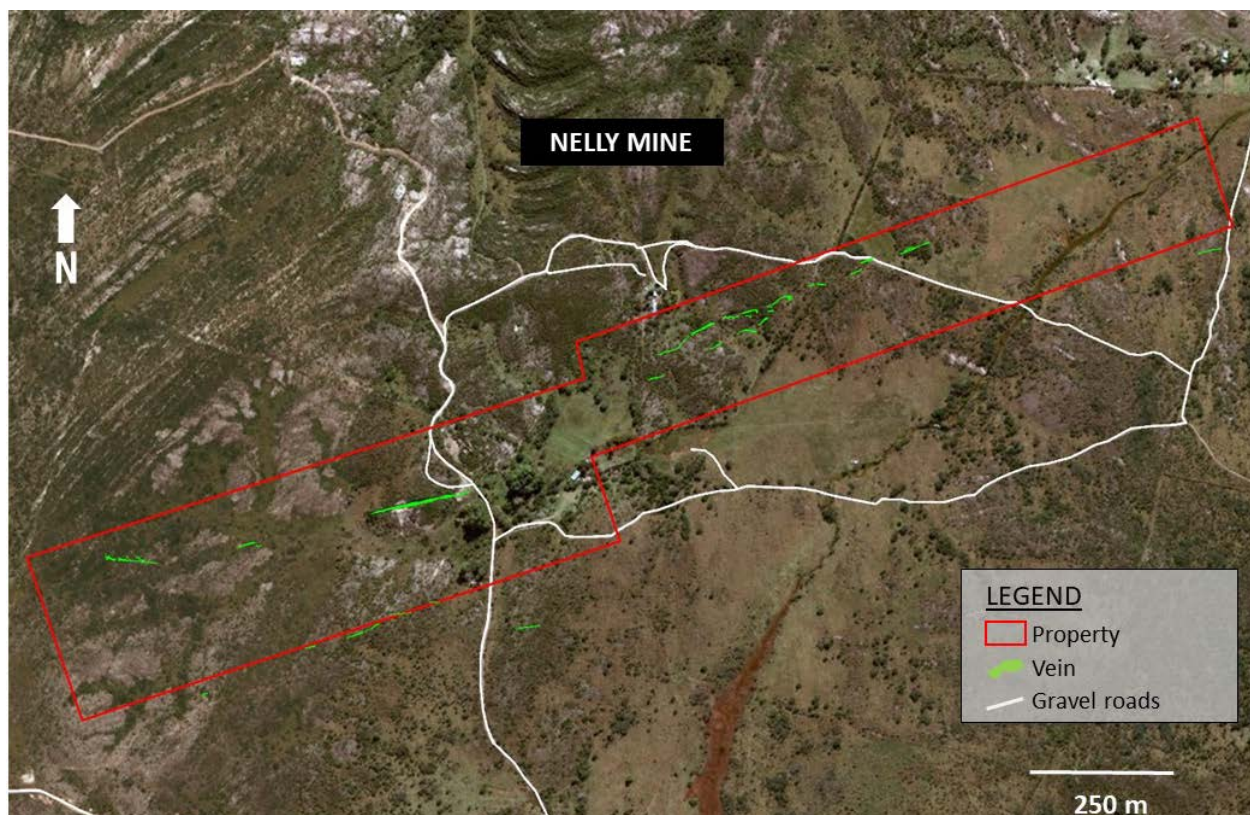
Further, Condor's team have considerable experience liaising with regional mining departments and an extensive network among third party mining service providers. They are the ideal local partner, with the necessary expertise and experience in Argentina, to support SRK Consulting as they expedite due diligence on Nelly Vanadium Mine.

### Terms of reference

Working collaboratively but with SRK Consulting taking the lead, the Board has requested a final report with recommendations within four weeks, with relatively broad terms of reference covering the following key issues:

- Assess the mineralised veins (Figure 1) identified in earlier studies<sup>1</sup> and, if practical, determine the dimensions, extent of unexploited mineralisation.

**FIGURE 1: MINERALISED VEINS HIGHLIGHTED AT NELLY VANADIUM MINE**



Source: HDY geology team

Review and take updated measurements on the legacy stockpiles around the open pit, processing plant and workings (Figure 2). Note, these stockpiles can potentially be a direct shipping ore vanadium product and monetised relatively quickly under Argentina's mining regulations.<sup>1</sup>

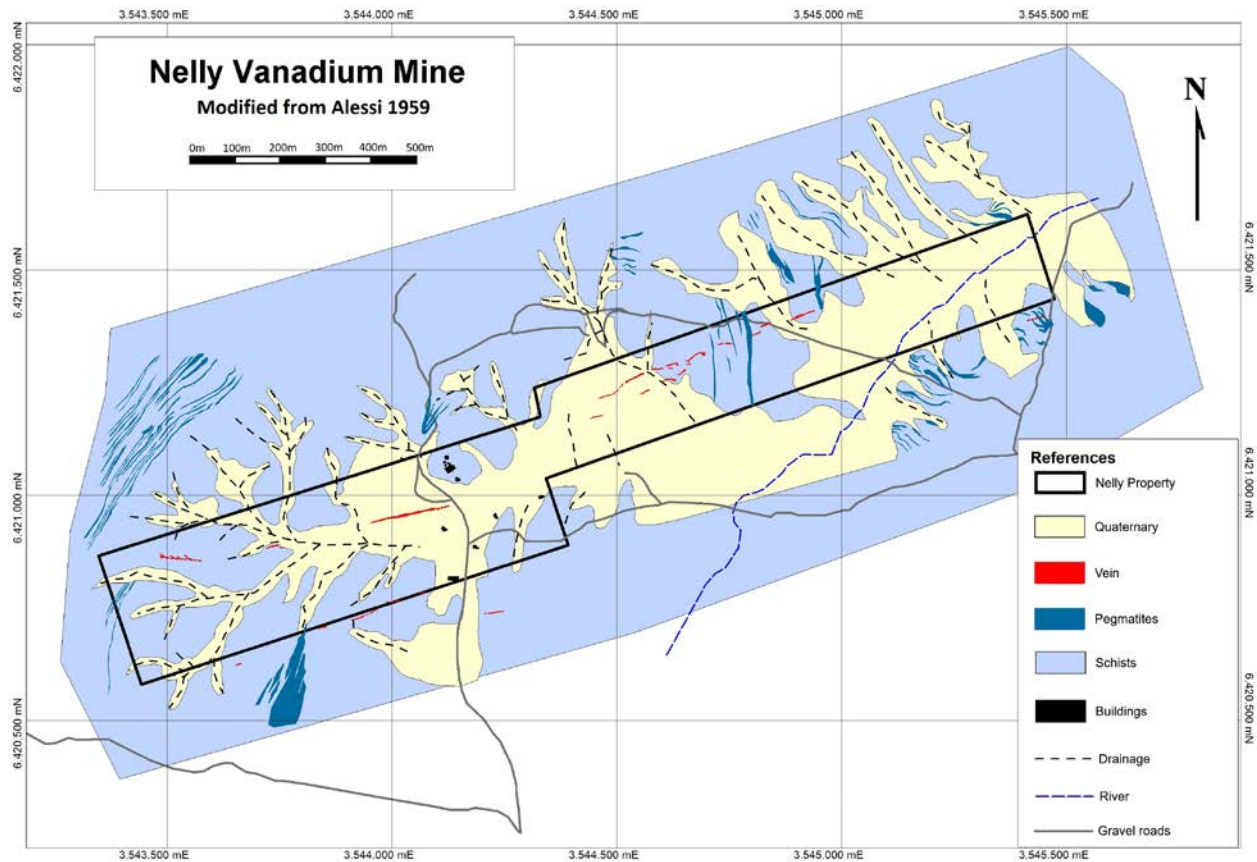
FIGURE 2: LEGACY STOCKPILES AROUNDS NELLY VANADIUM MINE



Source: HDY geology team

- Undertake geological mapping to update maps from the 1950s, notably, Alessi's work<sup>2</sup> (Figure 3).

FIGURE 3: LEGACY GEOLOGICAL MAP OF NELLY VANADIUM MINE



Source: Alessi 1959

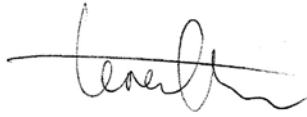
- Reviewing then summarising available information from public and private sources which includes research papers, sections, assays, maps, QAQC procedures as well as geological models.

The objective of the final report, which should complete most of the necessary due diligence, is to reconcile all desktop findings with the site visit. Specifically, this should form the basis of an assessment to determine qualitatively and quantitatively the potential upside for vanadium, gold, silver, copper, zinc, lead, molybdenum and bismuth mineralisation at NVM.<sup>1</sup> In turn, this process can ultimately aid with the Company's goal of estimating a mineral resource to the JORC (2012) code.

**Next steps**

Site visit to be arranged and first update from the combined geology team.

For and on behalf of the Board



Terence Clee  
Executive Chairman

**REFERENCES:**

- 1) HDY ASX Release 3 and 13 July 2018
- 2) Geological study of the Nelly Mine, Alessi 1959