



AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

7 December 2020

COMPLETION OF WELD RANGE WEST ACQUISITION

Mount Ridley Mines Ltd (ASX: **MRD**) (or “the **Company**”) is pleased to advise that following shareholder approval at its Annual General Meeting held on 30 November 2020 (Meeting) the Company has completed the acquisition of the Weld Range West project announced on 14 October 2020.

To complete the transaction, the Company has issued 300,000,000 Shares to the Vendor’s nominees, confirmed within the Appendix 2A lodged today.

The ASX has also granted the Company a waiver of ASX Listing Rules 7.3.4 and 14.7 (Waiver) to allow up to 150,000,000 Shares (Deferred Consideration Shares), to which the Vendors or their nominees will become entitled on satisfaction of the milestones set out in the Acquisition Announcement, to be issued upon satisfaction of the milestones (Milestones) set out below:

- 50,000,000 Shares upon declaration of an inferred Mineral Resource of not less than 5 million tonnes of iron ore at 62.5% Fe grade in accordance with the JORC Code of 2012 within the earlier of 12 months from commencement of drilling on the Weld Range Project and 60 months from the date of the Annual General Meeting;
- 50,000,000 Shares upon achievement of 1 million tonnes cumulative of shipped Iron Ore production from the Weld Range Project at an operating margin of greater than US\$15 per dry metric tonne shipped within the earlier of 24 months from commencement of mining on the Project and 60 months from the date of the Annual General Meeting; and
- 50,000,000 Shares upon achievement of 2 million tonnes cumulative of shipped Iron Ore production from the Project at an operating margin at greater than US\$15 per dry metric tonne shipped within the earlier of 36 months from commencement of mining on the Project and 60 months from the date of the Annual General Meeting.

The Waiver was granted on the following conditions:

- the Deferred Consideration Shares are issued within 60 months of the Meeting;
- the Milestones are not varied;
- for any annual reporting period during which any of the Deferred Consideration Shares have been issued or any of them remain to be issued, the Company’s annual report sets out the number of Deferred Consideration Shares issued in that annual reporting period, the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued; and



- in any half year or quarterly report for a period during which any of the Deferred Consideration Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Deferred Consideration Shares issued during the reporting period, the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued; and
- the Company announces the conditions of the waiver.

The Deferred Consideration Shares were included in the Company's Appendix 3B (Performance Shares) announced on 14 October 2020.

The Company has also issued the transaction fee of 50,000,000 shares to RM Corporate Finance Pty Ltd and the attaching unlisted options to the placement included in the Company's Appendix 3B announced on 14 October 2020

For and on behalf of the board

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