



ASX ANNOUNCEMENT

MOUNT RIDLEY PROJECT TO BE APPRAISED FOR RARE EARTH ELEMENT MINERALISATION AND PLACEMENT

1 July 2021

- *Following a review of available information, the Mount Ridley Project is to be appraised for rare earth elements (REE) mineralisation.*
- *Re-analysis of approximately 830 drill samples is underway to provide initial REE¹ data*
- *Mount Ridley has expanded its landholding and now holds approximately 3,400 square kilometres of tenements between Salmon Gums and Condingup.*
- *Mount Ridley has received commitments from professional investors via a placement of shares to raise \$981,138*

Mount Ridley Mines Limited (ASX: MRD), (“the Company” or “MRD”) is pleased to provide the following update;

REVIEW OF THE MOUNT RIDLEY PROJECT

In November 2020, MRD commenced a review of data for its namesake Mount Ridley Project and surrounding area.

The review concluded that areas of the Biranup and Nornalup geological provinces in south-eastern Western Australia have the potential for REE mineralisation, and in particular, the style of mineralisation referred to as Ionic Adsorption Clay (IAC-REE).

Globally, deposits of IAC-REE are most significant in southern China and are the world’s main source of heavy Rare Earth Elements.

MRD has many of the pulps from earlier drilling programmes stored and 830 samples are currently being analysed for the full suite of light and heavy rare earth elements (Total REE).

RARE EARTH IN THE GREAT SOUTHERN OF WESTERN AUSTRALIA

Salazar Gold Pty Ltd has been exploring the area since 2010. This resulted in the discovery of the Splinter IAC-REE occurrence which is 75 kilometres north-east of Mount Ridley’s Project.

¹ The following elements are among rare earths: cerium (Ce), dysprosium (Dy), erbium (Er), europium (Eu), gadolinium (Gd), holmium (Ho), lanthanum (La), lutetium (Lu), neodymium (Nd), praseodymium (Pr), promethium (Pm), samarium (Sm), scandium (Sc), terbium (Tb), thulium (Tm), ytterbium (Yb), and yttrium (Y).

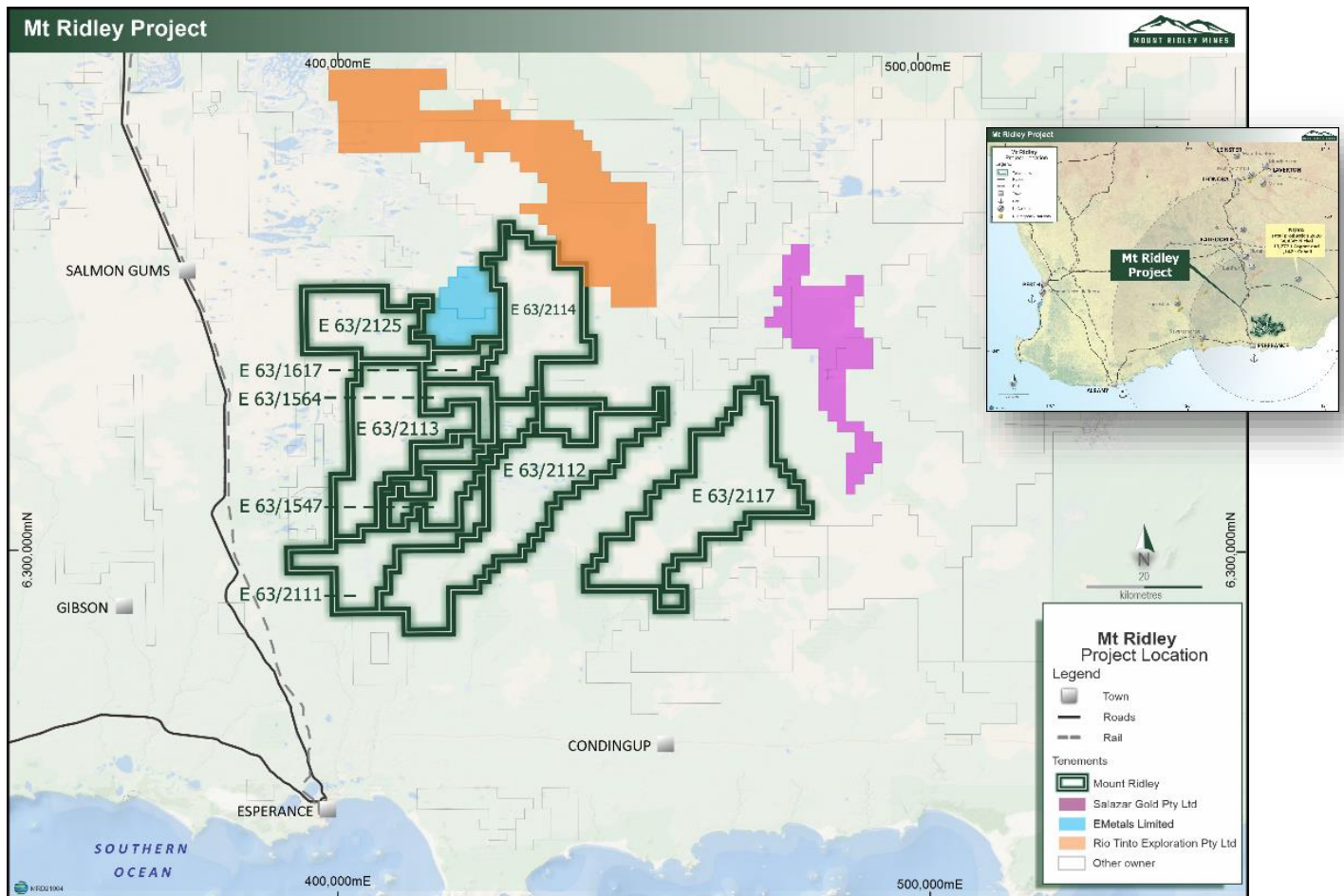


EMetals Limited (ASX: EMT) announced the completion of a REE-focused aircore drilling programme at its Cowalinya Project, which abuts MRD's tenements.

RARE EARTH ELEMENTS: USE AND IMPORTANCE

REE's are critical elements required when powering technology and are considered essential in the modern shift towards clean energy outcomes.

REE's make the world's strongest permanent magnets that are fundamentally important in the manufacturing of electric generators and hybrid vehicle power systems. Other uses include: as catalysts in rechargeable batteries and in high-end technology used in electronic products.



The Company acknowledges the Esperance Nyungar People, custodians of the Project area.



PLACEMENT TO FUND REE EXPLORATION

The Company is pleased to announce that it has received commitments from professional investors via a placement to raise \$981,138. Funds have been committed at a price of \$0.0015 per share.

Funds from the placement will be primarily used to fund primarily REE exploration activities at the Company's Mount Ridley Project (tenements E63 / 1547, E63 / 1564 and E63 / 1617).

RM Capital ("RM") acted as sole lead manager for the placement.

PLACEMENT STRUCTURE

The structure of the placement is as follows:

- 654,092,205 fully paid ordinary shares at \$0.0015 per share to be issued from the Company's capacity under ASX Listing Rule 7.1; and
- Free attaching unlisted option on a 1:1 basis exercisable at \$0.003 on or before 31 December 2025 to be issued subject to shareholder approval at a later date.

The Company has also agreed to pay a fee in shares to RM of 6% of the placement subject to shareholder approval at a meeting to be held at a later date. Should approval be received, the Company will issue a total of 39,245,532 shares to RM.

An Appendix 3B will be released immediately following this announcement and the Company will issue the securities as soon as possible.

This announcement has been authorised for release by the Company's board of Directors.

For further information, please contact:

Peter Christie	David Crook
Chairman	Technical Manager
+61 8 6165 8858	+61 8 6165 8858



ABOUT MOUNT RIDLEY MINES LIMITED

Mount Ridley is a company targeting demand driven metals in Western Australia.

Its namesake Mount Ridley Project, located within a Fraser Range sub-basin, was initially acquired for its nickel and copper sulphides potential and is now recognised as being prospective for ionic clay REE deposits.

The Company also holds approximately 18% of the Weld Range Iron Project in the mid-west of Western Australia. Drilling is progressively testing targets for direct-shipping iron ore. Areas of the tenements are also prospective for gold.

COMPETENT PERSON

The information in this report that relates to exploration strategy and results is based on information supplied to and compiled by Mr David Crook. Mr Crook is a consulting geologist retained by Mount Ridley Limited. Mr Crook is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the exploration processes undertaken to qualify as a Competent Person as defined in the 2012 Editions of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

CAUTION REGARDING FORWARD LOOKING INFORMATION

This announcement may contain forward-looking statements that may involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

References

Guillaume Estrade, Eva Marquis, Martin Smith, Kathryn Goodenough, Peter Nason, REE concentration processes in ion adsorption deposits: Evidence from the Ambohimirahavavy alkaline complex in Madagascar, Ore Geology Reviews, Volume 112, 2019,

Van Gosen, B.S., Verplanck, P.L., Seal, R.R., II, Long, K.R., and Gambogi, Joseph, 2017, Rare-earth elements, chap. O of Schulz, K.J., DeYoung, J.H., Jr., Seal, R.R., II, and Bradley, D.C., eds., Critical mineral resources of the United States— Economic and environmental geology and prospects for future supply: U.S. Geological Survey Professional Paper 1802,p. 01– 031, U.S. Geological Survey, Reston, Virginia: 2017

Salazar Gold Pty Ltd, Esperance Project Exploration Licences E63/1415, E63/1469, E63/1496, E69/2783, E69/2784, E69/2944 and E69/3010. Combined Annual Technical Report for the period 6 May 2013 to 5 May 2014. Prepared by: KA Rogers Date: 5 July 2014