



31 January 2018

Quarterly Report for the quarter ended 31 December 2017 Mt Ridley Project, Albany – Fraser Range

OVERVIEW

Mount Ridley Mines Ltd (ASX: MRD) (or “the Company”) announced in the September Quarterly of 2017 that due to seasonal and access difficulties proposed exploration activities were postponed and in the process of being planned. The company has finalised its planning and 2018 exploration programs are due to commence:

- Geophysics surveys booked for late January at the Winston and Keith Prospects;
- Gold anomalism identified during the recently completed geochemistry survey in the search for Broken Hill Style Mineralisation. Infill and extension geochemistry has been planned on 50 x 100m spacing

A coincident nickel, copper and sulphur geochemistry target identified in 2017 which included infill air core drilling in April and May (ASX announcement 20 June 2017) confirmed and identified an area of interest at Keith’s. This target will form part of the HP MLTEM survey.

A planned 50m x 100m infill sample auger programme originally targeting Broken-Hill type lead-zinc mineralisation identified a low-level gold anomaly within the south west section of the auger geochemistry program. With background levels below detection recorded over a large portion of the geochemistry survey area, an anomalous zone of up to 11 ppb gold in soils has been identified in what appears to be a favourable magnetic complex. An infill auger survey with spacing of 100m x 50m will be conducted to confirm the anomalous values.

METAL	UNITS	METHOD	LAB	Max	Min	% >LOD
Au	ppm	AuME-TL43	ALS Perth	0.011	0.001	79%

The Company looks forward to further updates as results and modelling become available.

For and on behalf of the board

Mr Ashley Hood
Managing Director

Visit www.mtridleymines.com.au for additional information including past announcements.

Ongoing Work

- HPMLTEM surveys booked at Keith's and Winston's
- Infill auger geochemistry at the Broken Hill style area targeting gold anomalism planned
- RC drilling to test greatest geochemistry potential and any new bedrock EM features
- Down hole EM of new deeper drilling targeting.

CORPORATE

The Company held its AGM on 30 November 2017, with all resolutions passed unanimously.

As previously announced, the Company has also been negotiating a potential acquisition, with its securities being suspended from trading whilst it liaises with ASX in relation to this. The Company will provide the market with an update as soon as it is able.

LOAN TO OTHER ENTITY

The Company has entered into an unsecured Facility Agreement with an unrelated party in relation to the potential acquisition, pursuant to which it has advanced \$400,000. The material terms of the Facility Agreement are as follows:

Amount:	\$400,000 (AUD)
Interest Rate:	7.00%pa
Repayment Date	The earlier of 30 June 2018 or the date upon which the Company issues a notice to the Borrower

For and on behalf of the board

Mr Ashley Hood

Managing Director

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Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Tony Donaghy who is a Registered Professional Geoscientist (P.Geo) with the Association of Professional Geoscientists of Ontario (APGO), a Recognised Professional Organisation. Mr Donaghy is a technical advisor to the Company. Mr Donaghy has sufficient experience which is relevant to the style and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Donaghy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements Disclaimer

This announcement contains forward-looking statements that 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

CORPORATE INFORMATION

Board

Michael Pedley	Non-Executive Chairman
Ashley Hood	Managing Director
Guy Le Page	Non-Executive Director
Johnathon Busing	Company Secretary

Registered Office & Principal Place of Business

Unit 10
100 Hay Street
Subiaco WA 6008
Telephone: + 61 8 9381 2266

Forward Shareholder Enquiries to

Advanced Share Registry
PO Box 1156
Nedlands WA 6906
Telephone: + 61 8 9389 8033

Issued Share Capital

As at the date of this report, the total fully paid ordinary shares on issue were 1,521,433,243.



TENEMENT INFORMATION (ASX Listing Rule 5.3.3)

The table below shows the interests in tenements held by Mount Ridley Mines and is provided in accordance with ASX Listing Rule 5.3.3.

Location	Project Name	Tenement #	Ownership	Titleholder
Western Australia	Mt Ridley	EL63/1547	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/1564	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/1617	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/1719	100%	Mount Ridley Mines Limited

About Mt Ridley Mines Ltd

Mount Ridley Mines Ltd is a Perth based Australian Exploration Company focusing primarily on projects in the Albany Fraser Range region of Western Australia, 70kms north east of a major port in Esperance. The project has the potential to host major mineral deposits in base and precious metals including nickel, copper, cobalt, silver and gold.

The Company is managed by a team of highly motivated professionals with significant expertise in mineral exploration, mining operations, finance and corporate management with a proven track record of successfully delivering value to shareholders.

Mount Ridley Mines Ltd is actively targeting nickel and copper sulphide deposits in the Albany Fraser Range Province of Western Australia, the site of Independence Groups Nova Nickel-Copper Deposit discovered by Sirius Resources NL. The Company currently has a tenement portfolio of approximately 1,000sq/kms in what is fast becoming the world's most exciting emerging nickel and copper province.

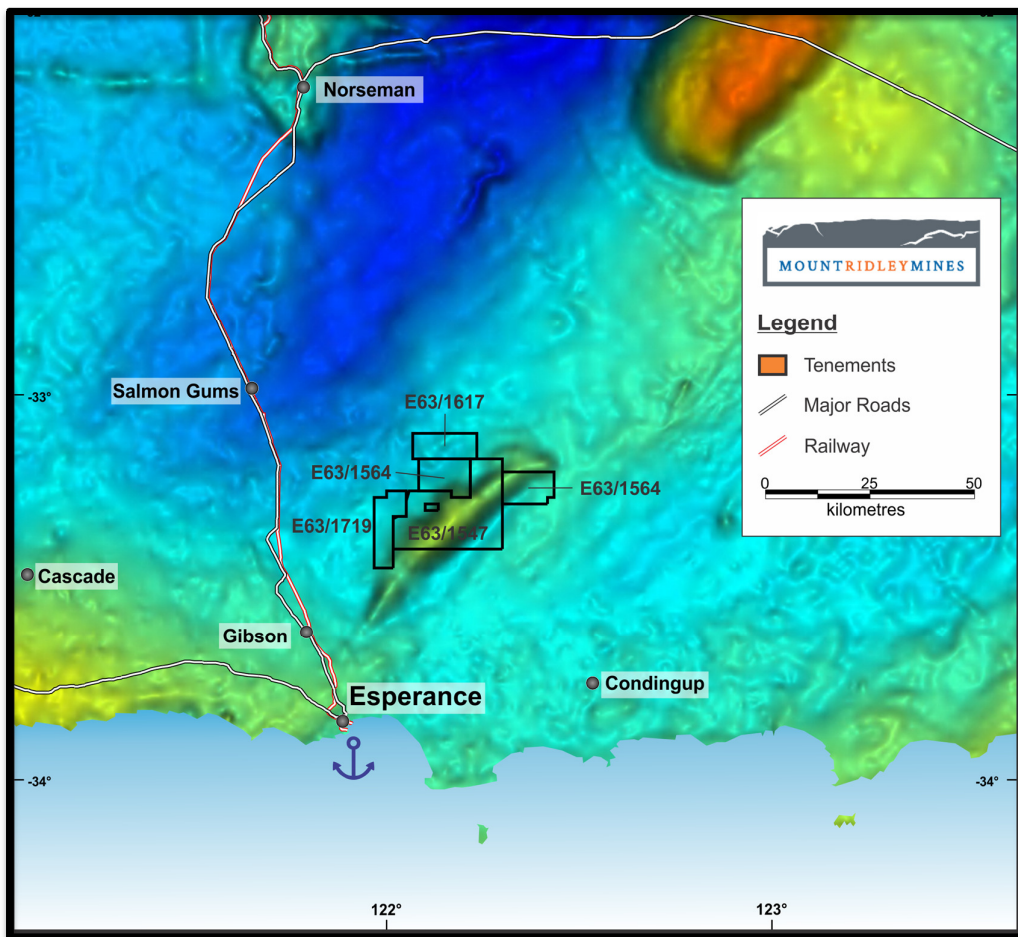


Figure 3: Location of Mount Ridley Mines - Mt Ridley Project.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MOUNT RIDLEY MINES LIMITED

ABN

93 092 304 964

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(85)	(968)
(b) development	-	-
(c) production	-	-
(d) staff costs	(47)	(92)
(e) administration and corporate costs	(142)	(168)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(268)	(1,215)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(400)	(400)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(400)	(400)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	50
3.2	Proceeds from unissued shares	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	50

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,753	2,650
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(268)	(1,215)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(400)	(400)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	50
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,085	1,085

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,085	1,753
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,085	1,753

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	73
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments for director fees: \$52,250
Payments for consulting and exploration: \$20,659

All payments are on normal commercial terms

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	650
9.2 Development	-
9.3 Production	-
9.4 Staff costs	55
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	805

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

Company Secretary

Date: 31 January 2018

Print name: Johnathon Busing

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.