

PRESS RELEASE

13 February 2018

MT RIDLEY MINES TO ACQUIRE HIGH GRADE PHILIPPINES EPITHERMAL GOLD PROJECT

Mount Ridley Mines Limited (ASX: MRD) ("Mount Ridley", "the Company") is pleased to announce it has reached an agreement to acquire Singapore-based Prometheus Developments Pte Ltd, which owns rights to the high grade Diwalwal epithermal gold project on the island of Mindanao in the Philippines.

Under the terms of the deal, Mount Ridley will issue approximately 1.59 billion fully paid ordinary shares in exchange for 100% of the issued capital of Prometheus, which has agreements in place allowing it to acquire an 80% economic interest in two mining tenements covering Diwalwal ("the Project").

Diwalwal is situated on the eastern side of Mindanao, along the Philippine fault and approximately 80 kilometres south of ASX-listed Medusa Mining Limited's Co-O gold mine. The Project has been the focus of artisanal mining for more than 30 years and a significant amount of gold – government estimates suggest 2.7 million ounces – has been extracted from two large, high-grade vein systems, Balite and Buenas-Tinago, over that period.

Prometheus has been working closely with government agency the Philippine Mining Development Corporation (PMDC) over the past 12 months with the objective of consolidating the Diwalwal tenements and bringing responsible mining to the region, which has suffered environmental contamination from the artisanal activity.

Mining engineer and Prometheus co-founder Kabir Osman, who will join Mount Ridley as Managing Director on completion of the deal, said: *"The Philippine government has been very clear in its desire to improve working and living standards in the area and bring mining practices in line with modern day expectations."*

"Therefore, we see our role as not only conducting responsible exploration and mining activities but ensuring the community and the Philippine government share in the growth of Diwalwal. More specifically our community programs will focus on more immediate needs such as employment, health, clean drinking water and education."

Despite Diwalwal's obvious mineral endowment, only 21 diamond holes have ever been drilled on the tenements as part of a program completed by the PMDC in 2006.

Prometheus is currently planning its own underground diamond program with a view to confirming the high-grade mineralisation encountered in the PMDC drilling and identifying additional economic mineralisation. Recent rock chip sampling on exposed mineralised veins from underground completed by the company have returned grades of up to 43 g/t gold.

Mount Ridley's acquisition of Prometheus is subject to the completion of due diligence, the receipt of shareholder approval at a meeting scheduled for April and the completion of a capital raising as well as other standards conditions for a transaction of this nature.



Further information on the transaction is contained in the ASX Announcement - Mt Ridley to acquire high-grade Philippines Gold Project dated 13 February 2018.

Investor and Media Enquiries:

Kabir Osman
Managing Director
Prometheus Developments
+61-411-321-195

Luke Forrestal
Senior Account Director
Media + Capital Partners
+61-411-479-144

Or

Guy Le Page
Director
Mt Ridley Mines
+61-412-220-159

