



MOUNT RIDLEY MINES

ASX ANNOUNCEMENT

20 APRIL 2018

**UNDERWRITING & PROMETHEUS
ACQUISITION UPDATE**



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MARKET UPDATE

Highlights

- **Mount Ridley Mines Ltd** (ASX: **MRD**) (or “the Company”) is pleased to announce it has executed an Underwriting Agreement for \$3.6 million with Perth based CPS Capital Group Pty Ltd, subject to certain conditions, including shareholder approval.
- The termination date within the Heads of Agreement to acquire 100% of the issued capital of Prometheus Developments Pte Ltd (“**Prometheus**”) has been extended from 31 March 2018 to 30 June 2018.
- Due Diligence on the proposed acquisition of **Prometheus** is progressing well, with no major issues identified to date.
- **Prometheus** is continuing to build strong local relationships at Diwalwal. **Prometheus** participated in a tribal welcoming ceremony two weeks ago. This is the first time a foreign exploration or mining company has been invited to participate in the district.
- Re-logging of core from previous drilling by Philippine Mining and Development Corporation (“PMDC”) in 2006 is scheduled to commence in the coming weeks.
- It is anticipated that underground development work will commence in the coming months in preparation for the commencement of underground diamond drilling.

MARKET UPDATE

Underwriting Agreement

The Company is proposing to complete a capital raising in connection with its ASX Listing Rule 11.1.2 acquisition of Prometheus which are both to be subject of shareholder approval at a General Meeting of the Company proposed for late May/early June 2018.

Accordingly, the Company is pleased to announce that it has executed an Underwriting Agreement with Perth based Australian Financial Services Licensee CPS Capital Group Pty Ltd (A.C.N. 088 055 636) ("CPS") for \$3.6 million via the issue of 600 million ordinary fully paid shares ("Shares") at \$0.006 each together with one for two free attaching options to acquire Shares at \$0.0125 each on or before 31 August 2019 ("Options"). This represents the full amount of the capital raising mentioned above.

Use of funds

The board intends to use the funds for ongoing exploration at the Company's 100% owned Mt Ridley Project (Albany-Fraser Range region, Western Australia), costs associated with the proposed acquisition of **Prometheus**, exploration on the Diwalwal Gold Project in accordance with the Pacominco Investment Agreement and JB Management Joint Venture Agreement announced to ASX on 13th February 2018 (ASX Announcement: MRD acquires high-grade Philippines Gold Project).

Approval/Capacity of shares to be issued

The Underwriting Agreement is conditional on, *inter alia*, shareholder approval at a General Meeting of the Company proposed for late May/early June 2018.

Timing of issue

The shares will be issued and funds available following shareholder approval at a General Meeting of the Company proposed for early June 2018.

Fees Payable

The Company will pay CPS, an underwriting fee equal to 6% of \$3,600,000 and issue a total of 300,000,000 Options, subject to shareholder approval.

MARKET UPDATE

Dilution effect of share issue (indicative)

	SHARES	OPTIONS
Current number of shares on issue	1,521,433,243	816,100,881
Shares to be issued to vendors*	1,546,319,000	-
Shares & options to be issued to corporate advisors*	42,857,143	-
Shares & options to be issued to retire Prometheus debts*	164,500,000	82,250,000
Shares & options prior to Underwriting Agreement	3,275,109,386	898,350,881
Total to be Issued pursuant to Underwriting agreement (subject to prior Shareholder and Regulatory Approvals)*	600,000,000	300,000,000
Shares & options to be issued to underwriter*	-	300,000,000
Total to be Issued pursuant to Underwriting Agreement (subject to prior Shareholder and Regulatory Approvals)	600,000,000	600,000,000
Dilution effect of shares and options issued pursuant to underwriting agreement**	18%	66%

* The issue of these shares and options is subject to shareholder approval.

** Assumes the issue of all of the abovementioned shares and options.

Heads of Agreement Extension

Mt Ridley Mines executed a Heads of Agreement (“HOA”) on 5th February 2018 to acquire 100% of the issued capital of Singapore based **Prometheus**. One of the conditions of this HOA is a completion date of 31 March 2018. On 31 March 2018 the parties agreed to extend this completion date to 30 June 2018. Please refer to the ASX Announcement dated 13 February 2018 for further details on the HOA.

Core-Relogging to Commence

The Company is intending to commence relogging of the previous 21 holes drilled by the PMDC on the Pacominco Investment Agreement area next week and will soon announce the appointment of technical personnel that will be responsible for supervising this phase of the exploration.

MARKET UPDATE

Tribal Welcoming Ceremony



FIGURE 2: PMDC, Pacominco, JB Management and Prometheus representatives with local community leaders at the Assembly of Cultural Leaders Showcase, March 2018.

On Sunday March 18, 2018 PACOMINCO/Prometheus attended the Assembly of Tribal Leaders – Cultural Showcase, hosted by UTCEL, (United Tribal Council of Elders Leaders) as welcome to the Ancestral Domain of the Mandaya, Manobo, Mangguangan and Dibabawon Tribes of Monkayo, Compostela Valley Province. The ceremony was held at the Tribal Hall in Monkayo and in attendance were representatives from the 21 Barangays, UTCEL Board members, local dignitaries, the Commanding officer of Philippines Army 25 Infantry Battalion, and members of the PMDC and Pacominco/Prometheus JV companies.

This was a significant and unique event as for the first time in 30 years an investor group has been invited to such a celebration and welcomed to the area. PACOMINCO/Prometheus assisted with donations for the construction of a toilet of the Tribal Hall and provision of food and subsistence for attendees at the ceremony.

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The ceremony included a formal welcome from the UTCEL, Tribal Dancers and a sacrificial ritual. There were a number of positive outcomes from the ceremony including recognition by PACAOMINCO/Prometheus of the Ancestral Domain of the Four Tribes of Monkayo, and importantly the support of the Tribes in the local area.

This support will be vital in going forward and will assist in our ongoing relations with the local community and the overall safety and security of our teams. Prometheus will undertake further work with UTCEL in developing a community engagement plan to ensure it aligns with the work being undertaken by **PMDC** and meets the objectives of the UTCEL Ancestral Domain Sustainability Development and Protection Plan. Prior to commencing work on site a further ceremony will be conducted with a small group of local tribal representatives from Mt Diwata Barangay.

Release of Suspension

The Company confirms that is in compliance with ASX Listing Rule 3.1 and requests its voluntary suspension is lifted.

For and on behalf of the board,



Mr Ashley Hood
Managing Director



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