

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

31 July 2018

Quarterly Report for the quarter ended 30 June 2018
Mt Ridley Project, Albany – Fraser Range

OVERVIEW

Mount Ridley Mines Ltd (ASX: MRD) (or “the **Company**”) is pleased to provide the following update of activities for the Quarter ended 30 June 2018.

The Company continued to focus on its core asset the Mt Ridley Project in the Albany Fraser Range Province (WA). The Company announced on the 26 April 2018 that a gold in soils geochemistry program was recently completed. The Company has released assay results from this program on 10 May 2018, confirming the broad spaced area of anomalous gold discovered last field season. The anomaly has been strengthened with multiple new peak readings with a maximum value of 24 ppb Au. A total of 1,396 auger geochemistry samples were collected to define this anomalous zone.

In relation to the same announcement on 26 April 2018, the HP MLTEM geophysics survey was completed with the final data also announced on 10 May 2018, with some broad mid to late time anomalous conductivity zones detected in the initial survey, extension lines were completed to check and confirm that these were not related to discrete bedrock conductors targeted for magmatic nickel-copper style mineralisation. It appears the anomalous features identified are related to a greater regional NE-SW striking structural conductive zone coincident with a major regional cross-cutting structural feature observed in the regional magnetics and gravity data, and most likely corresponds to a major conductive saline water and/or clay filled regional fault zone.

Following the encouraging announcements on 26 April 2018 and 10 May 2018 mentioned above, the Company announced on 5 June 2018 a comprehensive AC drilling program consisting of 100 holes was planned on a nominal 100 metre x 250 m spacing to cross the north/south magnetic setting in an east/west traverse direction. The AC holes were planned to bedrock to resolve underlying geology and locate the source of the surface gold geochemistry. Sampling will comprise 4 metre composite samples assayed for gold downhole, to better understand the distribution of gold in the regolith, and end of hole 1.0m samples assayed with a multi (50) element assay package to characterize any gold and associated lithologies and alteration.

On 19 June 2018, The Company announced the recently commenced AC program had completed approximately 15% of the planned holes to basement. To date the geology observed in end-of-hole basement samples in several holes is interpreted to comprise variably silicified biotite and amphibole-bearing orthogneisses, with disseminated pyrite replacing amphibole within the silicified and altered gneiss. Sampling has been completed on all holes drilled to date, comprising:

- 4m composite samples to be assayed for gold downhole, to better understand the distribution of any gold in the regolith; and
- End-of-hole 1m samples when in basement, to be assayed with a multi (50) element assay package to characterise any gold and associated lithologies and alteration.

Due to problems with deeper than anticipated cover and issues with hole blockages due to running sands and swelling clays, drilling was temporally postponed because of insufficient capacity of the drill on site.

A replacement larger capacity AC/RC drill rig has been sourced and was mobilised to site after the end of the quarter. The larger drill rig also has RC hammer capacity on hand to drill further into basement within those holes that may encounter more of the silicified and pyrite-bearing basement lithologies.

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

CORPORATE

PROMETHEUS ACQUISITION

On 7 May 2018, The directors of the Company announced that the Heads of Agreement with Prometheus Developments Pte Ltd was terminated by mutual consent with the parties agreeing that an Initial Public Offering (“IPO”), based on the level of expenditure required, is the preferred transaction pathway.

The underwriting with CPS Capital Group as announced on 26 April 2018 was also terminated by mutual agreement. The board of Mt Ridley would like to thank CPS Capital Group for their support.

For and on behalf of the board

Mr Ashley Hood

Managing Director

TEL: +61-8-9481-0544

FAX: +61-8-9481-0655

WEB: www.mtridleymines.com.au

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

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")

30 June 2018

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	(298)	(1,349)
(b) development	-	-
(c) production	-	-
(d) staff costs	(93)	(233)
(e) administration and corporate costs	(126)	(381)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	23
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	1,119
1.8 Other (Bond Refund)	-	9
1.9 Net cash from / (used in) operating activities	(511)	(812)

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	-	-

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)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(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	1,994	2,645
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(511)	(812)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(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	1,483	1,483

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	1,483	1,994
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)	1,483	1,994

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A'000**

93

-

Payments for director fees: \$62,139
Payments for consulting and exploration: \$30,518

All payments are on normal commercial terms

7. Payments to related entities of the entity and their associates

- 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

**Current quarter
\$A'000**

-

-

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: 30 July 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.