

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

31 October 2018

Quarterly Report for the quarter ended 30 September 2018
Mt Ridley Project, Albany - Fraser Range / Yilgarn Craton Orogen

OVERVIEW

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

The Company continued to focus on its core asset being the 100% owned Mt Ridley Project located 70km north east of Esperance in the Albany - Fraser Range Province (Western Australia). The Company announced on 28 August 2018 that the planned recommencement of the AC drilling campaign (ASX announcement 16 July 2018) at Mt Ridley was postponed due to drilling difficulty.

MRD has reviewed the Company’s gravity and magnetic databases given the recently announced discovery at Creasy Group’s Silver Knight Ni/Cu/Co discovery approximately 25km north east of the Nova Bollinger deposits also within the Albany - Fraser Orogen (AFO). The Company’s geophysical team at Southern Geoscience have identified several discrete magnetic and gravity signatures on the Mt Ridley project that require further testing.

Larger coincident magnetic and gravity targets at Tyrells, The Lake, T19, T20, Keith’s and Winston’s to date have all proven to be coarse grained mafic to ultramafic gabbro-norite and peridotite intrusive rocks containing disseminated to blebby magmatic sulphides of pyrrhotite, chalcopyrite and pentlandite. The presence of magmatic sulphides in such varitextured zones is typical of nickel sulphide systems and is seen as significant, demonstrating a magmatic nickel sulphide system has formed within the project area.

The Creasy Group announcement also demonstrates that the IGO Nova Mine is not unique in the AFO and exploration discovery potential within the AFO for similar systems as Nova, remains significant.

Mt Ridley will take knowledge gained from the Nova and Silver Knight discoveries and will focus the next round of exploration on smaller discrete magnetic and gravity coincident features with the objective of identifying conduit zones suitable for sulphide accumulation.

On 24 September 2018, the Company recommenced AC drilling at Mount Ridley and the preliminary results were released subsequent to the end of the quarter on 30 October 2018.



Image 1. Challenge Drilling AC rig in action at Mount Ridley's auger gold geochemical anomaly drilling program

CORPORATE

On 11 September 2018, the Company announced the new registered office, principal place of business address and contact details of the Company and all of its subsidiaries.

Following the end of the quarter, Mr Peter Christie replaced Mr Michael Pedley as Chairman and Mr Ashley Hood relinquished the Managing Director role but remains a Non-Executive Director.

For and on behalf of the board

Mr Ashley Hood

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

Peter Christie	Non-Executive Chairman
Ashley Hood	Non-Executive Director
Guy Le Page	Non-Executive Director
Johnathon Busing	Company Secretary

Registered Office

Ground Floor
168 Stirling Highway
Nedlands WA 6009
Telephone: + 61 8 6165 8858

Principal Place of Business

Unit 1
100 Hay Street
Subiaco WA 6008

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 1,749,648,229.

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 September 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	(230)	(230)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(79)	(79)
	(e) administration and corporate costs	(10)	(10)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (Bond Refund)	-	-
1.9	Net cash from / (used in) operating activities	(314)	(314)

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	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	(5)	(5)
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 (placement application funds)	354	354
3.10	Net cash from / (used in) financing activities	349	349

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,483	1,483
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(314)	(314)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	349	349
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,518	1,518

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	1,518	1,518
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)	1,518	1,518

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**

79

-

Payments for director fees: \$48,583

Payments for consulting and exploration: \$29,963

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	280
9.2	Development	-
9.3	Production	-
9.4	Staff costs	30
9.5	Administration and corporate costs	70
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	380

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 October 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.