Mount Ridley Mines Limited

ABN 93 092 304 964

and its controlled entity

Half-year report for the half-year ended

31 December 2018

Corporate directory

Board of Directors

Mr Peter Christie	Non-Executive Chairman
Mr Ashley Hood	Managing Director
Mr Guy Le Page	Non-Executive Director

Company Secretary
Mr Johnathon Busing

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Auditors
HLB Mann Judd
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Share Registry
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ASX Code
MRD

Half-year report for the half-year ended 31 December 2018

Contents

Directors' report

The directors of Mount Ridley Mines Limited ("Mount Ridley" or "the Company") submit herewith the financial report of Mount Ridley Mines Limited and its subsidiary ("the Group") for the half-year ended 31 December 2018. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Names of Directors

The names of Directors who held office during or since the end of the half-year are:

Mr Peter Christie (appointed 8 October 2018)
Mr Ashley Hood
Mr Guy Le Page
Mr Michael Pedley (resigned 8 October 2018)

Review of operations

Mt Ridley Project, Albany - Fraser Range / Yilgarn Craton Orogen
During the first quarter, the company has the following updates regarding its core asset, the Mt Ridley Project in the Albany Fraser Province (WA).

The Company announced on 28 August 2018 that the planned recommencement of the AC drilling campaign at its 100% owned Mt Ridley Project, located 70km north east of Esperance (Western Australia) (ASX announcement 16 July) was postponed due to force majeure matters. A site visit then cleared the site ready for the recommencement of drilling on September 2018.

In addition, the Company reviewed its gravity and magnetic databases given the Creasy Group's Silver Knight Ni/Cu/Co discovery approximately 25km north east of the Nova Bollinger deposits within the Albany Fraser Orogen (AFO). The Company's geophysical team at Southern Geoscience identified several discrete magnetic and gravity signatures on the Mt Ridley project that will require further testing.

Larger coincident magnetic and gravity targets at Tyrells, The Lake, T19, T20, Keith's and Winston's were all proven to be coarse grained mafic to ultramafic gabbronorite 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 demonstrated that the IGO Nova Mine was not unique in the AFO, but exploration discovery potential within the AFO for similar systems as Nova remained significant.

Numerous geophysical surveys were deployed at Mt Ridley to identify potential targets in a challenging environment. Although the HPFLTEM survey did not identify any bed-rock conductors attributable to nickel sulphide mineralisation, the Company's technical team believed that the data successfully penetrated the lacustrine clays to a sufficient depth, and the MRD has confidence that should an ore system exist within the survey field, it would be identified. The Company will be using HPFLTEM to test the discrete magnetic and gravity anomalies that remain to be followed up.

On 24 September 2018, the Company engaged Challenge Drilling to undertake the renewed AC program. Under difficult drilling conditions, Challenge Drilling lived up to its name with bedrock basement being hit on all holes except one, at depth averaging 70-80m of poorly consolidated to unconsolidated sedimentary cover sequence over the prospective basement.

Samples collected during this quarter were submitted for assay at ALS Global;

- 4m composite samples to be assayed for gold (Au - TL43) downhole, to better understand the distribution of any gold in the regolith;
- End-of-hole 1m basement samples, to be assayed with a multi element (ME - MS 61 & Au - TL43) assay package to characterise any gold and associated lithologies and alteration.

On 31 October 2018, the Company announced that the air core drilling program resulted in a total of 79 air core holes with a total of 5,344m and 1,345 samples were collected and submitted to ALS laboratory for analysis.

The drilling intersected consistent Eocene transported cover in the area ranging in thickness from 57 to 63m and comprising:

- sandy soil and pedogenic calcrete (0 - 1m),
- lateritic soil (1 - 5m) and suspected to be host to auger gold anomalism
- aeolian sand (5-12m),
- sandy lignite (12 -23m),
- organic rich lake clays (23 -55m) with reduced sulphur,
- graphitic lignite (55-63m) with reduced sulphur.

Beneath the thick transported cover sequence, the drilling intersected paleo-saprolite consisting of clays and quartz rich zones. Fresh rock (basement) comprised quartz rich gneisses and quartz feldspar amphibole gneisses.

The drill holes returned low Au values in downhole composites and EOH samples. It was concluded that the air core drill program did not intersect any mineralisation or proximal paleo- regolith gold patterns that can be described as the source for gold anomalism intersected in the previous shallow auger program. Trace element geochemistry highlighted anomalous concentration of elements As, Pb, Ce and La in fresh bedrock.

Elevated As values (up to 100 ppm) were outlined in the northern part of the area on Lines 1, 2 & 3 and the anomaly is open to the north towards a strong magnetic high. The EOH sample for Drill hole MRAC797 returned anomalous values for Pb (360ppm), Ce (>500ppm) and La (449ppm).

Coincident anomalous patterns of the elements As, Pb, Ce and La had strong spatial correlation with an interpreted NNE trending fault zone. The fault zone has been outlined from the Magnetics (1VD & Total Magnetic intensity) images for the area.

Geological logging of air core holes on Lines 5 - 8 established that the fault zone is also a lithological contact between sulphide (pyrite) bearing quartz rich gneisses (east) and garnetiferous quartz amphibole gneisses (west).

As-Pb-La-Ce anomalism is encouraging because it is usually found in shear zones associated with hydrothermal alteration for structurally controlled epigenetic gold mineralisation.

The drilled area contained a thick cover or depression consisting of organic rich sediments and coal seams. Gold and base metals mineralisation underneath such cover must be blind to near surface geochemical techniques. Therefore, the auger gold anomaly must have been sourced from somewhere else.

Further exploration will be targeted towards the identification of a near surface source for the gold anomalism identified in the near surface lateritic soil blanket. It is suspected that the gold in the laterite has been dispersed laterally over the area from a source which is either a long lived auriferous shear zone (fault) and/or near surface (<20m) mineralised bedeck and quartz veins.

The shear zone, identified from magnetics and confirmed by geochemistry, is a positive step. The next step is to use geophysics to identify near surface (<=20m) basement highs in the depression (cover) and then drill shallow holes to identify gold anomalism in bedrock/saprolite/quartz veins.

The Company is planning a broader spaced planned air core program of approximately 1,000m drilling within the As, Pb, Ce and La anomalous area associated with the projected faulting in search of the source of the surface auger gold geochemistry anomaly.

Corporate

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

The Company announced on 8 October 2018 that Mr Peter Christie was appointed as Non-Executive Chairman of the Company.

Mr Christie is a qualified accountant and tax agent with over 25 years of public accounting experience. He has a Bachelor of Business from Curtin University.

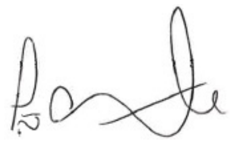
On the same date, Mr Michael Pedley tendered his resignation as a Non-Executive Chairman to pursue other business interests. MRD would like to thank Mr Pedley for his contribution to the Company.

Auditor's independence declaration

Section 307C of the Corporations Act 2011 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year report. This independence Declaration is set out on page 4 and forms part of this Directors' Report for the half year ended 31 December 2018.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors



Mr Peter Christie
Chairman
Perth, 15 March 2019

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Mount Ridley Mines Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia	**L Di Giallonardo**
15 March 2019	**Partner**

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INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Mount Ridley Mines Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Mount Ridley Mines Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mount Ridley Mines Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter - material uncertainty related to going concern

We draw attention to Note 1 in the half-year financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
15 March 2019

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes comply with the *Corporations Act 2001*, Accounting Standards (including AASB 134 *'Interim Financial Reporting'*) and other mandatory professional reporting requirements, and give a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors

Mr Peter Christie
Chairman
Perth, 15 March 2019

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2018

	Note	Consolidated Half-year ended 31 Dec 2018 $	Consolidated Half-year ended 31 Dec 2017 $
Revenue from continuing operations	4	111,350	21,361
Reversal of impairment of loan	9	400,000	-
Fair value adjustment on loan conversion	14	126,754	-
Consulting fees		(60,413)	(112,823)
Compliance and regulatory expenses		(53,231)	(69,582)
Depreciation		(4,500)	(4,773)
Exploration expenses		(347,291)	(115,935)
Occupancy costs		(4,800)	(7,200)
Directors' fees		(79,667)	(95,000)
Administrative expenses		(72,130)	(145,580)
Share based payments – Directors & Officers		-	(155,320)
Loan impairment expenses	8	(125,000)	-
Fair value loss on FVTPL equity investments	14	(74,406)	-
Loss before income tax		**(183,334)**	**(684,852)**
Income tax benefit	4	-	1,118,929
Profit/(Loss) for the period		**(183,334)**	**434,077**
Other comprehensive income, net of income tax		-	-
Total comprehensive Income/(Loss) for the period		**(183,334)**	**434,077**
Earnings/(Loss) per share:			
Basic and diluted (cents per share)		(0.011)	0.03

The accompanying notes form part of this financial report.

Condensed consolidated statement of financial position as at 31 December 2018

		Consolidated	
		31 Dec 2018	30 Jun 2018
	Note	$	$
Current assets			
Cash and cash equivalents		1,299,411	1,483,434
Trade and other receivables	8	97,409	45,914
Financial instruments	14	553,642	-
Total current assets		**1,950,462**	**1,529,348**
Non-current assets			
Exploration and evaluation expenditure	5	782,690	782,690
Property, plant and equipment		64,630	69,130
Total non-current assets		**847,320**	**851,820**
Total assets		**2,797,782**	**2,381,168**
Current liabilities			
Trade and other payables	10	186,717	144,591
Unissued shares	13	38,333	-
Total current liabilities		**225,050**	**144,591**
Total liabilities		**225,050**	**144,591**
Net assets		**2,572,732**	**2,236,577**
Equity			
Issued capital	6	24,736,121	24,216,632
Reserves	7	1,701,897	1,701,897
Accumulated losses		(23,865,286)	(23,681,952)
Total equity		**2,572,732**	**2,236,577**

The accompanying notes form part of this financial report.

Condensed consolidated statement of changes in equity
for the half-year ended 31 December 2018

	Issued capital $	Option reserve $	Accumulated losses $	Total $
Balance at 1 July 2017	**23,140,753**	**1,493,456**	**(22,890,727)**	**1,743,482**
Profit for the period	-	-	434,077	434,077
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**434,077**	**434,077**
Issue of ordinary shares	1,209,000	-	-	1,209,000
Share issue costs	(133,127)	-	-	(133,127)
Share based payments	-	208,441	-	208,441
Balance at 31 December 2017	**24,216,626**	**1,701,897**	**(22,456,650)**	**3,461,873**
Balance at 1 July 2018	**24,216,632**	**1,701,897**	**(23,681,952)**	**2,236,577**
Loss for the period	-	-	(183,334)	(183,334)
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**(183,334)**	**(183,334)**
Issue of ordinary shares	525,603	-	-	525,603
Share issue costs	(6,114)	-	-	(6,114)
Balance at 31 December 2018	**24,736,121**	**1,701,897**	**(23,865,286)**	**2,572,732**

The accompanying notes form part of this financial report.

Condensed consolidated statement of cash flows for the half-year ended 31 December 2018

	Consolidated	
	Half-year ended	
	31 Dec 2018 $	31 Dec 2017 $
Cash flows from operating activities		
Payments to suppliers and employees	(232,406)	(598,669)
Payments for exploration and evaluation	(392,709)	(657,515)
Interest received	8,270	12,580
Rental bond refund	-	8,781
Net cash (used in) operating activities	(616,845)	(1,234,823)
Cash flows from investing activities		
Loan provided to Prometheus Developments Pty Ltd	-	(400,000)
Loan provided to third party	(125,000)	-
Net cash (used in) investing activities	(125,000)	(400,000)
Cash flows from financing activities		
Proceeds from equity instruments of the Company	525,603	50,000
Proceeds from equity instruments yet to be issued	38,333	-
Payment for share issue costs	(6,114)	-
Net cash provided by financing activities	557,822	50,000
Net decrease in cash and cash equivalents	**(184,023)**	**(1,584,823)**
Cash and cash equivalents at the beginning of the period	1,483,434	2,644,976
Cash and cash equivalents at the end of the period	**1,299,411**	**1,060,153**

The accompanying notes form part of this financial report.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2018

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with annual financial statements of the Company for the year ended 30 June 2018 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by the directors on 15 March 2019.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2018 annual financial report for the financial year ended 30 June 2018 and the corresponding half-year financial report except for the impact of the new and revised Standards and Interpretations effective 1 July 2018 as outlined below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

For the purpose of preparing the half-year financials report, the half-year has been treated as a discrete reporting period.

Going concern basis

The condensed consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the half-year ending 31 December 2018, the Group incurred a loss of $183,334 (31 December 2017: profit of $434,077) and a net cash outflow from operating activities of $616,845 (31 December 2017: $1,234,823). At 31 December 2018, the Group had current assets of $1,950,462 (30 June 2018: $1,529,348).

Based on the Group's existing cash resources of $1,299,411 (30 June 2018: $1,483,434), the ability to modify expenditure outlays, if required, and to source additional funds, the directors consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered appropriate for the Group's 31 December 2018 half-year consolidated financial statements.

The board of directors is aware, having prepared a cash flow forecast, of the Group's working capital requirements and the need to access additional equity funding or asset divestment if required within the next 12 months. In the event that the Group is not able to raise additional funds or divest its assets, there exists a material uncertainty that may cast significant doubt whether the Group will be able to continue as a going concern and therefore, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial statements.

Significant accounting judgements and key estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these half-yearly statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2018, except for the impact of the new Standards and Interpretations effective 1 July 2018 as outlined below.

Adoption of new and revised Standards

Standards and Interpretations applicable to 31 December 2018

In the half-year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2018.

As a result of this review, the Group has adopted AASB 9 and AASB 15 from 1 July 2018. The application of AASB 15 has had no material impact on profit or loss or net assets.

Due to the transition methods chosen by the Group in applying AASB 9, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standards.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting model.

Financial instruments are classified as either held at amortised cost or fair value.

Financial instruments are carried at amortised cost if the business model concept can be satisfied.

All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (FVOCI).

The AASB 9 impairment model is based on expected loss at day 1 rather than needing evidence of an incurred loss, this is likely to cause earlier recognition of bad debt expenses. Most financial instruments held at fair value are exempt from impairment testing.

The Group has adopted AASB 9 at the date of initial application, being 1 July 2018 and has elected not to restate comparative information. Accordingly, the information presented for 31 December 2017 and 30 June 2018 has not been restated. The Group has also designated its equity investments at Fair Value Through Profit or Loss ("FVTPL").

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative years.

Standards and Interpretations in issue not yet adopted
The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to the Group accounting policies.

2. Segment information

The Group operates in one business segment and one geographical segment, namely the mineral exploration industry in Australia. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. Also, based on quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Group has therefore decided to aggregate all its reporting segments into one reportable operating segment.

The revenue and results of this segment are those of the Group as a whole and are set out in the condensed consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities are those of the Group and are set out in the condensed consolidated statement of financial position.

3. Dividends

No dividends were paid or declared for the half-year ended 31 December 2018 and the directors have not recommended the payment of a dividend.

4. Revenue and income tax benefit

	Half-year ended 31 Dec 2018 $	Half-year ended 31 Dec 2017 $
Revenue from continuing operations		
Interest income	36,350	12,580
Other income	75,000	8,781
	111,350	**21,361**
Income tax benefit		
Research and development refund	**-**	**1,118,929**

5. Exploration and evaluation expenditure

	Half-year ended 31 Dec 2018 $	Year ended 30 June 2018 $
Exploration and evaluation phase:		
Carrying value at beginning of the period	782,690	782,690
Carrying value at end of the period	**782,690**	**782,690**

Recoverability of the above carrying amount is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

6. Issued capital

	31 Dec 2018 $	30 Jun 2018 $
2,047,036,114 fully paid ordinary shares (30 June 2018: 1,521,433,243)	**24,736,121**	**24,216,632**

Fully paid ordinary shares	Half-year ended 31 Dec 2018		Year ended 30 Jun 2018	
	No.	$	No.	$
Balance at beginning of period	1,521,433,243	24,216,632	1,219,183,243	23,140,753
Issue of shares (i)	228,214,986	228,215	-	-
Issue of shares (ii)	297,387,885	297,388	-	-
Issue of shares (iii)	-	-	20,000,000	80,000
Issue of shares (iv)	-	-	282,250,000	1,129,000
Share issue costs	-	(6,114)	-	(133,121)
	2,047,036,114	**24,736,121**	**1,521,433,243**	**24,216,632**

(i) Issue of fully paid ordinary shares on 18 October 2018 at $0.001 each pursuant to a placement to sophisticated and institutional investors of the Company.

(ii) Issue of fully paid ordinary shares on 16 November 2018 at $0.001 each pursuant to rights issue.

(iii) Issue of fully paid ordinary shares on 1 July 2017 at $0.004 for consulting services relating to the placement on 3 July 2017.

(iv) Issue of fully paid ordinary shares on 3 July 2017 at $0.004 each pursuant to a placement to sophisticated and institutional investors of the Company. At 30 June 2017 the Company had received $1,079,000 of these funds, which were disclosed as a current liability at that date.

7. Option reserve

Unlisted options	Half-year ended 31 Dec 2018		Year ended 30 Jun 2018	
	No.	$	No.	$
Balance at beginning of period	816,100,881	1,701,897	496,350,881	1,493,456
Issue of options (i)	148,694,041	-	-	-
Issue of director and executive options (ii)	-	-	22,500,000	155,320
Issue of options (iii)	-	-	20,000,000	53,121
Issue of options (iv)	-	-	282,250,000	-
Expiry of options (v)	-	-	(5,000,000)	-
	964,794,922	**1,701,897**	**816,100,881**	**1,701,897**

(i) Issue of free attaching unlisted options exercisable at $0.003 expiring 30 November 2022 pursuant to rights issue. Issued on 16 November 2018

(ii) Issue of unlisted options exercisable at $0.015 expiring 1 December 2020 to directors of the Company.

10,000,000 options to Mr Hood, 5,000,000 options each to Messrs Pedley and Le Page and 2,500,000 options to Mr Busing on 1 December 2017.

(iii) Options issued for consulting services relating to the placement on 3 Jul 2017, exercisable at $0.0125 expiring 13 August 2019.

(iv) Issue of free attaching options relating to the placement on 3 July 2017, exercisable at $0.0125 expiring 31 August 2019.

(v) Expiry of 31 March 2018 options exercisable at $0.070.

7. Option reserve (continued)

The following option arrangements were in existence at the reporting date:

Option series	Number	Exercise price	Expiry date
3	104,469,366	$0.030	30 June 2019
4	10,000,000	$0.021	31 August 2019
5	656,631,515	$0.0125	31 August 2019
6	22,500,000	$0.015	29 November 2019
7	22,500,000	$0.015	1 December 2020
8	148,694,041	$0.003	30 November 2022

8. Trade and other receivables

	31 Dec 2018 $	30 Jun 2018 $
Prepayments	28,517	8,701
Other receivables	68,892	37,213
Unsecured loan	125,000	-
Less: Provision for impairment [1]	(125,000)	-
	97,409	**45,914**

[1] During the period, the Company advanced loan funds to a third party. At balance date the directors have resolved to book a provision for impairment of this loan on a conservative basis.

9. Financial Asset

The Company entered into a Facility Agreement with Prometheus Developments Pte Ltd in the financial year ended 30 June 2018 in accordance with the following terms:

Amount: $400,000 (AUD)
Interest Rate: 7.00%
Repayment Date: 30 June 2018

As at 30 June 2018, the recoverability of the loan to Prometheus was dependent on the success of an IPO which was in an early stage. Whilst the Directors of Mount Ridley were confident that the IPO would be successful, they resolved to provide for an impairment of the loan on a conservative basis.

During the period ended 31 December 2018, the Directors resolved to convert this debt into equity in Prometheus Minerals Limited ("PML"), the Australian unlisted parent of Prometheus Developments Pte Ltd. Accordingly, it was deemed appropriate to reverse the impairment charge and record the additional receivable balances up to the loan conversion date. At that date, the Company was issued 5,028,466 shares in PML. Refer to Note 14 for further details on the conversion.

	31 Dec 2018 $	30 Jun 2018 $
Opening balance	-	-
Loan to Prometheus Developments Pte Ltd	-	400,000
Less: Provision for non-recoverability	-	(400,000)
Interest and other fees receivable	101,294	-
Reversal of impairment	400,000	-
Transfer to financial instruments on loan conversion (Note 14)	(501,294)	-
Closing balance	**-**	**-**

10. Trade and other payables

	31 Dec 2018 $	30 Jun 2018 $
Trade creditors	175,556	56,214
Other creditors and accruals	11,161	88,377
	186,717	**144,591**

11. Key management personnel

During the half-year ended 31 December 2018, Mr Michael Pedley resigned as Non-Executive Chairman and Mr Peter Christie assumed the role. Mr Christie is paid a remuneration of $3,000 per month (exc. GST). Mr Ashley Hood had a fee adjustment effective November 2018 onwards from $10,000 to $2,500 per month (exc. GST).

Remuneration policies of key management personnel are disclosed in the annual financial report. Arrangements with related parties continue to be in place. For further details, please refer to the 30 June 2018 annual financial report.

12. Contingent liabilities and contingent assets

There has been no significant change in contingent liabilities and/or contingent assets since the last annual report. Please refer to the 30 June 2018 annual financial report.

13. Subsequent events

Other than as noted below, there has not been any other matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

As approved at the Company's Annual General Meeting held on 29 November 2018, the Company issued 228,214,986 unlisted options exercisable at $0.003 on or before 30 November 2022. These were free attaching options pursuant to the placement which occurred on 18 October 2018 and were issued in January 2019.

The Company issued 285,828,192 fully paid shares being the shortfall shares form the entitlement issue prospectus dated 18 October 2018, together with free attaching options on a 1:2 basis. Funds raised from this shortfall amounted to $285,828, of which $38,333 was received prior to balance date (included in the Statement of Financial Position as at 31 December 2018 as a Current Liability).

The Company has acquired shares in a listed company amounting to $150,000.

14. Financial instruments

This note provides information about how the Group determines fair value of various financial assets and financial liabilities.

The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that rare not based on observable market data (unobservable inputs).

14. Financial instruments (continued)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at 31 December 2018 and 30 June 2018.

	31 Dec 2018 Fair value $	30 Jun 2018 Fair value $	Fair value hierarchy	Valuation technique
Equity investments designated at FVTPL	553,642	-	Level 2	Net assets value [1]

[1] Inputs used are net assets at market value (including market prices of listed investments included in net assets).

The above equity investments balance represents shares held in Prometheus Minerals Limited, an unlisted public company registered in Australia, which were acquired upon conversion of the loan previously made to that Company's subsidiary, Prometheus Developments Pte Ltd in the previous year as disclosed in Note 9. The directors of the Company have designated this investment as Fair Value Through Profit or Loss ("FVTPL"). Movements in equity investments designated at FVTPL:

	Half-year ended 31 Dec 2018 $	Year ended 30 June 2018 $
Opening balance	-	-
Transfer from financial assets on loan conversion (Note 9)	501,294	-
Fair value adjustment on loan conversion	126,754	-
Fair value loss on FVTPL assets at balance date	(74,406)	-
Closing balance	**553,642**	**-**

The Directors consider that the carrying amounts of current receivables and current payables are a reasonable approximation of their fair values.