



AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

31 January 2020

Quarterly Report for the quarter ended 31 December 2019

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 31 December 2019.

The Company posted the Mount Ridley Project (Albany Fraser Range, Western Australia) review highlighting Ni-Cu sulphide potential led by expert Dr David Holwell (BSc MSc MCSM PhD FSEG). The Mount Ridley project represents an area with the potential for the discovery of massive nickel (Ni) and copper (Cu) sulphide mineralisation. There is a well-defined lithological control on the presence of sulphide and a proven presence of disseminated and blebby sulfides in a similar setting to the Nova deposit, which is located along strike in similar rock types. The lower crustal nature of the rocks, and the occurrence of carbonate with disseminated and globular sulphides may however mean that a conventional model for magmatic sulfide mineralisation may not be valid. The occurrence of large blebs and some net textured sulfides shows the potential for accumulations of sulphide with good tenors. The extreme depletion in Platinum Group Elements (PGE) in the sulphides assayed so far may indicate a more PGE-rich generation of sulphide elsewhere in the system.

It is the opinion of the authors of the Mount Ridley Project review that the licence area is hugely underexplored and the exploration date has tested only a very limited part of the area, and that much of the licence area has untested potential. It is only with a full reassessment of the data available so far, together with further systematic exploration, can this potential be investigated (refer to 2 December 2019 announcement).

CORPORATE

Board Changes

Appointment of Mr Simon Mitchell

On 14 October 2019, the board of Mt Ridley Mines Ltd advised that Mr Simon Mitchell, *BSc (Hons) Geol, GradDipAppFin, MAusIMM, GAICD, MSEG* has joined the board as a non-executive director.

Simon is a geologist and finance executive with 29 years of resources industry experience in technical and corporate roles including 10 years gold exploration and mine development experience with Normandy NFM, RGC, Goldfields and Aurora Gold in countries as diverse as Australia, Bolivia, Chile, Peru, Papua New Guinea and Indonesia. Mr Mitchell worked for 6 years at the Commonwealth Bank of Australia, predominantly in Project Finance, and more than 6 years with Toro Energy as General Manager of Business Development where he was responsible for mergers and acquisitions, capital raisings and the engagement of investors worldwide. Mr



Mitchell is the Managing Director of Korean gold explorer Southern Gold Ltd (ASX:SAU) and was previously Managing Director of Asiatic Gold Ltd, an unlisted public company whose gold assets in Korea were subsequently acquired by Southern Gold.

Resignation of Mr Ashley Hood

Mr Ashley Hood resigned from the board of MRD effective immediately on 14 October 2019. The board thanks Ashley for his tireless efforts, in particular the management of the Company's exploration licenses at the Mt Ridley Project over the last four years. We wish him all the best in his future endeavors.

Capital Raising

On 24 October 2019, the Company announced a capital raising via a placement of 349,929,646 fully paid ordinary shares ("Shares") at \$0.0008 each for a total amount raised of \$279,943.72 (before costs) to Sophisticated Investors pursuant to s708 Corporations Act (Cth) 2001 ("Placement").

The Shares were issued under the Company's placement capacity under ASX Listing Rule 7.1. An Appendix 3B and a cleansing notice were released to the market following the issue of the Shares.

The funds raised were directed towards exploration activities at the Company's Mount Ridley Project in the Albany Fraser Range and general working capital.

Expiry of Unlisted Options

The Company advised that the following options have expired unexercised (refer to announcements 24 October 2019 & 02 December 2019):

| ASX | Class Name | Expiry Date | Exercise Price | No. of Options |
|-----|------------------------|---------------------|----------------|----------------|
| MRD | MRDOA OP31082019 | 31 August 2019 | 0.0125 | 656,631,515 |
| MRD | MRD18403 UO31082019 | 31 August 2019 | \$0.021 | 10,000,000 |
| MRD | MRD18406 UO29112019 | 29 November 2019 | \$0.015 | 22,500,000 |

The total number of options remaining on issue is as follows:

| ASX | Class Name | Expiry Date | Exercise Price | No. of Options |
|-----|------------------------|---------------------|----------------|----------------|
| MRD | MRD18407 OP01122020 | 01 December 2020 | \$0.015 | 22,500,000 |
| MRD | MRD18414 UO30112022 | 30 November 2022 | \$0.003 | 519,823,124 |

Annual General Meeting

The Company held its Annual General Meeting on 29 November 2019. All resolutions were passed by the requisite majority on a show of hands. Details of proxy votes submitted in respect of each resolution were set out in a summary attached to the announcement made on the same day.



Replacement of Constitution

The Company also repealed its existing Constitution and adopted a new Constitution by Special Resolution on 29 November 2019. All necessary shareholder approvals were obtained by the Company at the 2019 AGM.

Acquisition of Greenland Ni-Cu-Co-Pd & Au Magmatic Sulphide Project

Following this quarter, Mount Ridley Mines Limited announced its intention to acquire 100% of the issued capital of Longland Resources Limited which holds rights to the Ryberg Ni-Cu-Co-Pd-Au magmatic sulphide project (Ryberg Project) on the east coast of Greenland, covering a 3,889km² dominant ground position. The acquisition is subject to shareholder approval at an upcoming General Meeting (refer to 23 January 2020 announcement).

For and on behalf of the board

Mr Peter Christie

Chairman

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CORPORATE INFORMATION

Board

| | |
|------------------|------------------------|
| Peter Christie | Non-Executive Chairman |
| Simon Mitchell | 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

Ground Floor
168 Stirling Highway
Nedlands, WA 6009

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 2,682,793,952.

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")

31 December 2019

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (06 months) \$A'000 |
|---|----------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | | |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (161) | (216) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (38) | (71) |
| (e) administration and corporate costs | (192) | (238) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | 1 |
| 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 | (391) | (524) |

| | | |
|--|------|------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | - |
| (b) tenements (see item 10) | - | - |
| (c) investments | (81) | (81) |
| (d) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (06 months) \$A'000 |
|---|---|------------------------------------|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | - |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | 247 |
| | (d) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (loan facility) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (81) | 166 |

| | | | |
|-------------|---|------------|------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | 280 | 280 |
| 3.2 | Proceeds from issues of options | 82 | 82 |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | (3) | (3) |
| 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) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 359 | 359 |

| | | | |
|------------|--|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,123 | 1,009 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (391) | (524) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (81) | 166 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 359 | 359 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 1,010 | 1,010 |

| 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 | 1,010 | 1,123 |
| 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) | 1,010 | 1,123 |

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**

38

-

Payments for director fees: \$37,532
Payments for consulting and exploration:

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:

Date: 31 January 2020

Company Secretary

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.