

28 April 2017

Quarterly Report for the quarter ended 31 March 2017

OVERVIEW

- Sampson High Powered Electromagnetic surveys – The Lake & Tyrrells
- Regional Air Core drilling – Gravity & Magnetic targets

A busy and testing quarter for the surveying companies crew at the Company's Mt Ridley project with some ~300mm of rain falling since December 2016.

High Powered EM

Geophysics technique – High Powered Moving Loop Time Domain Electromagnetics (HPMLTEM) surveying of The Lake and Tyrrell's Prospects using the SAMSON receiver were carried out this quarter.

The Lake and Tyrrells prospects were the focal point of exploration this quarter. Due to the wet summer, approximately 30% of the planned surveys at The Lake were not completed due to access difficulties. On review of the data that was collected and interpreted, the Company believes sufficient information has been collected to assess prospectivity at this stage and the remainder of the survey will not be completed.

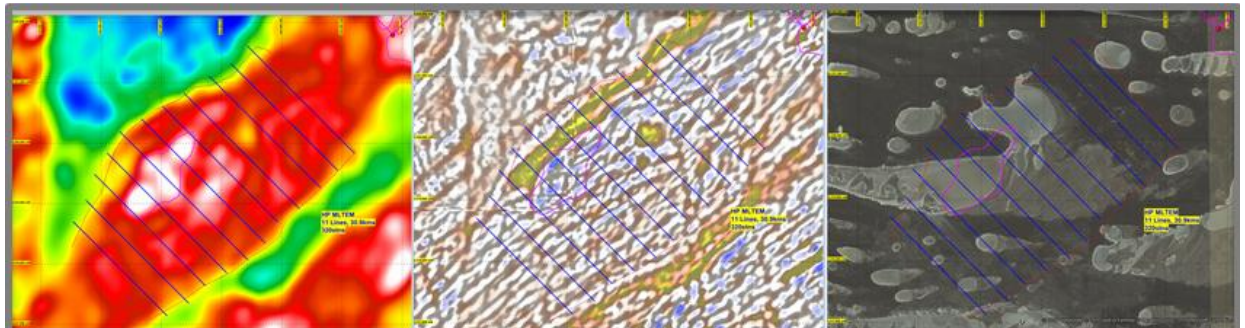


Figure 1: The Lake HPMLTEM survey planning – GRAV, AMAG (separation filtered) and BNG satellite imagery

EM surveys at Tyrrells however have identified several localised bedrock anomalies. Please refer to Ongoing Exploration below.

Air Core Drilling

Air Core drilling was completed at The Lake and Keith's targets. 138 holes were drilled for 4,000m at an average of 29m per hole. Weather severely impacted drilling at The Lake, and many planned holes in low lying areas could not be completed due to excess surface water and flooding of catchments and lakes.

The Lake AC drilling			
Holes	From	To	Total No
MRAC	MRAC438	MRAC476	39
Metres			1,713

Keith's AC drilling			
Holes	From	To	Total No
MRAC	MRAC477	MRAC575	99
Metres			2,287

Table 1: Target locations with total number of meters and holes.

Drill hole MRDD018

Drill hole MRDD018 has been completed at 732m downhole depth. The hole was terminated in barren homogenous gabbro-norite. Due to hole deviation that resulted in the hole path steepening with depth, the hole passed down dip beneath the targeted EM plate (refer to ASX announcement 12 October 2016) by approximately 30m. The hole encountered an over-pressurised pocket of hypersaline water and clay in a fault at a downhole depth of 705m. The hole did not encounter any other geological features that would give a conductive response. Due to the positive overpressure and flowing water from the fault system encountered, it is not possible at this stage to conduct a downhole electromagnetic survey.

MRDD018 was drilled down dip of the EM plate modelled from MRDD016 and did not encounter any increased sulphide content and has closed off the size potential for the conductive target. Drilling has ceased for the time being at Target 19.

Ongoing Work

HP MLTEM geophysics is ongoing at Tyrrells project, as announced on 20 April 2017 and 26 April 2017. High Powered Moving Loop Time Domain Electromagnetics (HP MLTEM) surveying of the Tyrrell's Prospect using the SAMSON receiver has identified several localised bedrock anomalies. The most significant to date has been detected along lines 8B/9B of the HP MLTEM survey. These anomalies on lines 8B/9B have subsequently been followed up with a 3-component fluxgate B-field MLTEM receiver system to confirm the anomalism and model their characteristics/signature in preparation for potential drill testing. Further SAMSON MLTEM surveying at Tyrrell's is ongoing.

Interpreted geophysics plates A and B on lines 8B/9B are modelled at approximately 4,000 - 6,000S conductance and are situated 150m – 250m from the surface. The plates are steeply dipping in a north westerly direction, with modelled surface strike extents of 50 -90m and a down dip extent of at least 150m for each conductor.



For and on behalf of the board

Mr Ashley Hood

Managing 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

Michael Pedley	Non-Executive Chairman
Ashley Hood	Managing Director
Guy Le Page	Non-Executive Director
Keith Bowker	Non-Executive Director/Company Secretary

Registered Office & Principal Place of Business

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Forward Shareholder Enquiries to

Security Transfer Australia Pty Ltd

770 Canning Highway, Applecross WA 6153

Telephone: +61 8 9315 2333

Issued Share Capital

As at the date of this report, the total fully paid ordinary shares on issue were 1,219,183,243.

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

About Mt Ridley Mines Ltd

Mount Ridley Mines Ltd is a Perth based Australian Exploration Company focusing primarily on projects in the Albany Fraser Range region of Western Australia, 70kms north east of a major port in Esperance. The project has the potential to host major mineral deposits in base and precious metals including nickel, copper, cobalt, silver and gold.

The Company is managed by a team of highly motivated professionals with significant expertise in mineral exploration, mining operations, finance and corporate management with a proven track record of successfully delivering value to shareholders.

Mount Ridley Mines Ltd is actively targeting nickel and copper sulphide deposits in the Albany Fraser Range Province of Western Australia, the site of Independence Groups Nova Nickel-Copper Deposit discovered by Sirius Resources NL. The Company currently has a tenement portfolio of approximately 1,000sq/kms in what is fast becoming the world's most exciting emerging nickel and copper province.

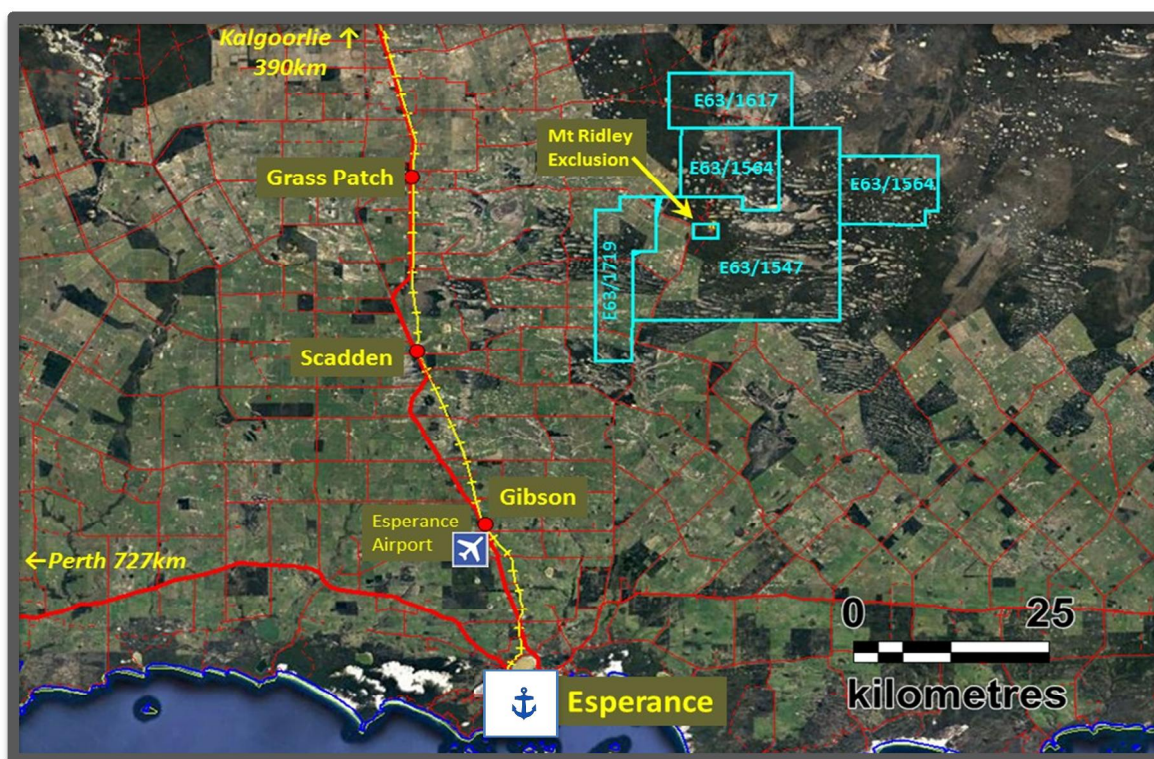


Figure 2: Location of Mount Ridley Mines - Mt Ridley Project.

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 March 2017

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(720)	(1,897)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(51)	(148)
	(e) administration and corporate costs	(70)	(257)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	22
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (rental bond refund)	-	16
1.9	Net cash from / (used in) operating activities	(835)	(2,264)

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

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$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	-	(2)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	2,736
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(169)
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	-	2,567

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,079	943
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(835)	(2,264)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,567
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,244	1,244

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	1,244	2,079
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)	1,244	2,079

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	92
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	

Payments for director fees: \$57,500
Payments for consulting and exploration: \$34,199

All payments are on normal commercial terms

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

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: 28 April 2017

Print name: Keith Bowker

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.