



**Mount Ridley Mines Limited**

**ABN 93 092 304 964**

**and its controlled entity**

**Half-year report for the half-year ended  
31 December 2017**

## Corporate directory

### Board of Directors

Mr Michael Pedley	Non-Executive Chairman
Mr Ashley Hood	Managing Director
Mr Guy Le Page	Non-Executive Director

### Company Secretary

Mr Johnathon Busing

### Registered Office & Principal Place of Business

Unit 10  
100 Hay Street  
Subiaco, Western Australia 6008  
Tel: +61 8 9381 2266

### Postal Address

PO Box 8170  
Subiaco, Western Australia 6008

### Auditors

HLB Mann Judd  
Level 4, 130 Stirling Street  
Perth, Western Australia 6000

### Share Registry

Security Transfer Australia Pty Ltd  
770 Canning Highway  
Applecross, Western Australia 6153  
Tel: +61 8 9628 2200  
Fax: +61 8 9315 2233

### Stock Exchange

Australian Securities Exchange  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth, Western Australia 6000

### ASX Code

MRD

# Half-year report for the half-year ended 31 December 2017

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## 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 2017. 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 Michael Pedley  
Mr Ashley Hood  
Mr Guy Le Page

### Review of operations

The Company announced in the September 2017 Quarterly that due to seasonal and access difficulties proposed exploration activities were postponed and rescheduled for early January 2018. Its 2018 exploration programs were planned to include:

- Geophysics surveys booked for late January at Winston's and Keith's;
- Further exploration of the Gold geochemistry identified during the Broken Hill type geochemistry survey, infill and extension geochemistry has been planned on 50 x 100m spacing.

A coincident nickel, copper and sulphur geochemistry target identified in 2017 which included infill air core drilling in April and May (ASX announcement 20 June 2017) confirmed and identified an area of interest at Keith's. This target will form part of the High Powered Electromagnetic Moving Loop Survey survey noted.

A planned 50m x 100m infill sample auger programme originally targeting Broken Hill type lead-zinc mineralisation identified a low-level gold anomaly within the south west section of the auger geochemistry program. The gold anomaly is of interest as this part of the Albany Fraser belt historically hasn't been expected to produce significant anomalism in gold. With background levels below detection recorded over a large portion of the geochemistry survey area, an anomalous zone of up to 11 ppb gold in soils has been identified in what appears to be a favourable magnetic complex. An infill auger survey with spacing of 100m x 50m will be conducted to confirm the anomalous values.

METAL	UNITS	METHOD	LAB	Max	Min	% >LOD
Au	ppm	AuME-TL43	ALS Perth	0.011	0.001	79%

The Company also progressed an acquisition which was eventually announced in February 2018 and is further mentioned in Note 13.

On 3 July 2017, the Company completed a capital raising via a placement of 302,250,000 fully paid ordinary shares at \$0.004 each for a total amount raised of \$1,209,000 (before costs) to sophisticated investors of the Company. The Company also issued free attaching unlisted options on a 1 for 1 basis, exercisable at \$0.0125 on or before 31 August 2019.

### **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 3 and forms part of this Directors' Report for the half year ended 31 December 2017.

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

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Ashley Hood', written over a horizontal line.

Mr Ashley Hood  
**Managing Director**  
Perth, 16 March 2018

## 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 2017, 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  
16 March 2018



L Di Giallonardo  
Partner

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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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 2017, 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 2017 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*.

#### *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 Group'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 2017 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*.

#### **HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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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.

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**

**Perth, Western Australia  
16 March 2018**



**L Di Giallonardo  
Partner**

## 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 Ashley Hood  
**Managing Director**  
Perth, 16 March 2018

## Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2017

	Note	Consolidated	
		Half-year ended	
		31 Dec 2017	31 Dec 2016
		\$	\$
Revenue from continuing operations	4	21,361	23,042
Consulting fees		(112,823)	(67,178)
Compliance and regulatory expenses		(69,582)	(69,238)
Depreciation		(4,773)	(5,468)
Exploration expenses		(115,935)	(1,256,874)
Occupancy costs		(7,200)	(15,278)
Directors' fees		(95,000)	(92,864)
Administrative expenses		(145,580)	(113,685)
Share based payments – Directors & Officers		(155,320)	(104,484)
<b>Loss before income tax</b>		<b>(684,852)</b>	<b>(1,702,027)</b>
Income tax benefit	4	1,118,929	-
<b>Profit/(Loss) for the period</b>		<b>434,077</b>	<b>(1,702,027)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Total comprehensive Income/(Loss) for the period</b>		<b>434,077</b>	<b>(1,702,027)</b>
<b>Earnings/(Loss) per share:</b>			
<b><i>Basic and diluted (cents per share)</i></b>		0.03	(0.11)

The accompanying notes form part of this financial report.

## Condensed consolidated statement of financial position as at 31 December 2017

		Consolidated	
		31 Dec 2017	30 Jun 2017
		\$	\$
	Note		
<b>Current assets</b>			
Cash and cash equivalents		1,060,153	2,644,976
Trade and other receivables	9	1,204,749	159,555
<b>Total current assets</b>		<b>2,264,902</b>	<b>2,804,531</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	5	786,804	786,804
Loan to third party	13	400,000	-
Property, plant and equipment		66,994	71,767
<b>Total non-current assets</b>		<b>1,253,798</b>	<b>858,571</b>
<b>Total assets</b>		<b>3,518,700</b>	<b>3,663,102</b>
<b>Current liabilities</b>			
Trade and other payables	10	56,827	840,620
Unissued shares	6	-	1,079,000
<b>Total current liabilities</b>		<b>56,827</b>	<b>1,919,620</b>
<b>Total liabilities</b>		<b>56,827</b>	<b>1,919,620</b>
<b>Net assets</b>		<b>3,461,873</b>	<b>1,743,482</b>
<b>Equity</b>			
Issued capital	6	24,216,626	23,140,753
Reserves	8	1,701,897	1,493,456
Accumulated losses		(22,456,650)	(22,890,727)
<b>Total equity</b>		<b>3,461,873</b>	<b>1,743,482</b>

The accompanying notes form part of this financial report.

## Condensed consolidated statement of changes in equity for the half-year ended 31 December 2017

	Issued capital	Option reserve	Accumulated losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	<b>21,017,352</b>	<b>905,779</b>	<b>(20,107,938)</b>	<b>1,815,193</b>
Loss for the period	-	-	(1,702,027)	(1,702,027)
Other comprehensive income, net of income tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	<b>(1,702,027)</b>	<b>(1,702,027)</b>
Issue of ordinary shares	2,770,738	-	-	2,770,738
Share issue costs	(647,337)	-	-	(647,337)
Share based payments	-	587,677	-	587,677
<b>Balance at 31 December 2016</b>	<b>23,140,753</b>	<b>1,493,456</b>	<b>(21,809,965)</b>	<b>2,824,244</b>
<b>Balance at 1 July 2017</b>	<b>23,140,753</b>	<b>1,493,456</b>	<b>(22,890,727)</b>	<b>1,743,482</b>
Profit for the period	-	-	434,077	434,077
Other comprehensive income, net of income tax	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	<b>434,077</b>	<b>434,077</b>
Issue of ordinary shares	1,209,000	-	-	1,209,000
Share issue costs	(133,127)	-	-	(133,127)
Share based payments	-	208,441	-	208,441
<b>Balance at 31 December 2017</b>	<b>24,216,626</b>	<b>1,701,897</b>	<b>(22,456,650)</b>	<b>3,461,873</b>

The accompanying notes form part of this financial report.

## Condensed consolidated statement of cash flows for the half-year ended 31 December 2017

	<b>Consolidated</b>	
	<b>Half-year ended</b>	
	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(598,669)	(177,589)
Payments for exploration and evaluation	(657,515)	(1,288,395)
Interest received	12,580	16,042
Rental bond refund	8,781	15,708
Net cash (used in) operating activities	<b>(1,234,823)</b>	<b>(1,434,234)</b>
<b>Cash flows from investing activities</b>		
Loan provided to Prometheus Developments Pty Ltd	(400,000)	-
Payment for property, plant and equipment	-	(2,365)
Net cash (used in) investing activities	<b>(400,000)</b>	<b>(2,365)</b>
<b>Cash flows from financing activities</b>		
Proceeds from equity instruments of the Company	50,000	2,735,738
Payment for share issue costs	-	(164,144)
Net cash provided by financing activities	<b>50,000</b>	<b>2,571,594</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,584,823)</b>	<b>1,134,995</b>
Cash and cash equivalents at the beginning of the period	2,644,976	942,671
<b>Cash and cash equivalents at the end of the period</b>	<b>1,060,153</b>	<b>2,077,666</b>

The accompanying notes form part of this financial report.

## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2017

### 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 2017 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by the directors on 16 March 2018.

#### 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 2017 annual financial report for the financial year ended 30 June 2017 and the corresponding half-year financial report. 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 2017, the Group incurred a profit after tax of \$434,077 (31 December 2016: loss of \$1,702,027) after recording a research and development refund of \$1,118,929 and a net cash outflow from operations of \$1,234,823 (31 December 2016: \$1,434,234). At 31 December 2017, the Group had current assets of \$2,264,902 (30 June 2017: \$2,804,531).

**Going concern basis (cont'd)**

Based on the Group's existing cash resources of \$1,060,153 (30 June 2017: \$2,644,976), 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 2017 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 2017.

**Adoption of new and revised Standards**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*

The adoption of these amendments does not have any impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

The directors have also reviewed all of the new and revised Standards and Interpretations on issue but not yet effective. As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations not yet effective and therefore no material change is necessary to 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 2017 and the directors have not recommended the payment of a dividend.

## 4. Revenue and income tax benefit

	Half-year ended	Half-year ended
	31 Dec 2017	31 Dec 2016
	\$	\$
<b>Revenue from continuing operations</b>		
Interest income	12,580	16,042
Other income	8,781	7,000
	<b>21,361</b>	<b>23,042</b>
<b>Income tax benefit</b>		
Research and development refund	<b>1,118,929</b>	-

## 5. Exploration and evaluation expenditure

	Half-year ended	Year ended
	31 Dec 2017	30 June 2017
	\$	\$
Exploration and evaluation phase:		
Carrying value at beginning of the period	786,804	786,804
Carrying value at end of the period	<b>786,804</b>	<b>786,804</b>

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 2017	30 Jun 2017
	\$	\$
1,521,433,243 fully paid ordinary shares (30 June 2017: 1,219,183,243)	<b>24,216,437</b>	<b>23,140,753</b>

Fully paid ordinary shares	Half-year ended		Year ended	
	31 Dec 2017		30 Jun 2017	
	No.	\$	No.	\$
Balance at beginning of period	1,219,183,243	23,140,753	965,233,430	21,017,352
Issue of shares (i)	20,000,000	80,000	-	-
Issue of shares (ii)	282,250,000	1,129,000	-	-
Issue of shares (iii)	-	-	714,286	15,000
Issue of shares (iv)	-	-	92,472,496	1,941,923
Placement (v)	-	-	158,763,031	793,815
Issue of shares (vi)	-	-	2,000,000	20,000
Share issue costs	-	(133,127)	-	(647,337)
	<b>1,521,433,243</b>	<b>24,216,626</b>	<b>1,219,183,243</b>	<b>23,140,753</b>

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

(ii) 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.

(iii) Issue of fully paid ordinary shares on 1 July 2016 following conversion of 714,286 unlisted options at \$0.021 each expiring 30 June 2016.

(iv) Issue of fully paid ordinary shares on 14 July 2016 pursuant to an underwriting agreement with Barclay Wells Limited for the underwriting of 92,472,496 unlisted options at \$0.021 each expiring 30 June 2016.

(v) Issue of fully paid ordinary shares on 18 October 2016 at \$0.005 each pursuant to a placement to sophisticated and institutional investors of the Company.

(vi) Issue of fully paid ordinary shares on 8 December 2016 at a deemed issue price of \$0.01 each to a creditor of the Company pursuant to a service agreement.

## 7. Commitments

The Group must meet annual tenement expenditure commitments to maintain them in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied for or are otherwise disposed of. These commitments are not provided for in the accounts and are payable:

	31 Dec 2017	30 June 2017
	\$	\$
<b>Exploration expenditure commitments</b>		
Not later than one (1) year	547,144	530,068
Longer than one (1) year, but not longer than five (5) years	1,910,746	2,444,428
Longer than five (5) years	-	-
	<b>2,457,890</b>	<b>2,974,496</b>

## 8. Option reserve

Unlisted options	Half-year ended 31 Dec 2017		Year ended 30 Jun 2017	
	No.	\$	No.	\$
Balance at beginning of period	496,350,881	1,493,456	302,701,982	905,779
Issue of director and executive options (i)	22,500,000	155,314	-	-
Issue of options (ii)	20,000,000	53,127	-	-
Issue of options (ii)	-	-	69,388,100	-
Issue of options (iii)	-	-	20,000,000	179,443
Issue of options (v)	-	-	104,469,366	303,750
Issue of director options (vi)	-	-	22,500,000	104,484
Issue of options (vii)	-	-	79,381,515	-
Expiry of options (viii)	-	-	(7,500,000)	-
Expiry of options (ix)	-	-	(5,201,982)	-
Expiry of options (x)	-	-	(89,388,100)	-
Issue of options (xi)	282,250,000	-	-	-
	<b>821,100,881</b>	<b>1,701,897</b>	<b>496,350,881</b>	<b>1,493,456</b>

(i) 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. Issued on 1 December 2017.

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

(iii) Issue of free attaching unlisted options exercisable at \$0.025 expiring 30 June 2017 pursuant to a placement in April 2016. Issued on 12 July 2016.

(iv) Issue of unlisted options exercisable at \$0.025 expiring 30 June 2017 as part of the placement fee for the placement in April 2016. Issued on 12 July 2016, and vested immediately.

(v) Issue of unlisted options exercisable at \$0.03 expiring 30 June 2019 pursuant to the underwriting agreement with Barclay Wells Limited. Issued on 29 November 2016, and vested immediately.

(vi) Issue of unlisted options exercisable at \$0.015 expiring 29 November 2019 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 Bowker. Issued on 29 November 2016, and vested immediately.

(vii) Issue of free attaching unlisted options exercisable at \$0.0125 expiring 31 August 2019 pursuant to a placement in October 2016. Issued on 29 November 2016, and vested immediately.

(viii) Expiry of 31 December 2016 options exercisable at \$0.015.

(ix) Expiry of 31 December 2016 options exercisable at \$0.021.

(x) Expiry of 30 June 2017 options exercisable at \$0.025.

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

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

Option series	Number	Exercise price	Expiry date
2	5,000,000	\$0.070	31 March 2018
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. Option reserve (cont'd)

The fair value of the equity - settled options issued during the half-year has been estimated as at the grant dates using the Black-Scholes options pricing model with the following attributes:

	<b>22.5M options to directors and executive</b>	<b>20M options to consultant</b>
Grant date	30 November 2017	11 September 2017
Grant date share price	\$0.012	\$0.007
Exercise price	\$0.015	\$0.0125
Expected volatility	99%	99%
Expiry date	1 December 2020	31 August 2019
Risk-free interest rate	1.95%	1.95%
Dividend yield	-	-

## 9. Trade and other receivables

	<b>31 Dec 2017</b>	<b>30 Jun 2017</b>
	\$	\$
Prepayments	12,651	3,612
R&D Rebate Receivable	1,118,929	-
Other receivables	73,169	155,943
	<b>1,204,749</b>	<b>159,555</b>

At the reporting date, none of the receivables were past due/impaired.

## 10. Trade and other payables

	<b>31 Dec 2017</b>	<b>30 Jun 2017</b>
	\$	\$
Trade creditors	(5,821)	784,869
Other creditors and accruals	62,648	55,751
	<b>56,827</b>	<b>840,620</b>

## 11. Key management personnel

During the half-year ended 31 December 2017, Mr Ashley Hood was appointed as Managing Director and Mr Michael Pedley was appointed to the role of Chairman. Mr Hood is paid a remuneration of \$10,000 per month (exc. GST) and Mr Pedley is paid a fee of \$3,333 per month (exc. GST) for his role as Chairman.

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 2017 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 2017 annual financial report.

### **13. Subsequent events**

On 13 February 2018, the Company announced it has reached an agreement to acquire Singapore-based Prometheus Developments Pte Ltd ("Prometheus"), which owns rights to the high grade Diwalwal epithermal gold project on the island of Mindanao in the Philippines. Under the terms of the deal, Mount Ridley will issue approximately 1.59 billion fully paid ordinary shares in exchange for 100% of the issued capital of Prometheus, which has agreements in place allowing it to acquire an 80% economic interest in two mining tenements covering Diwalwal ("the Project"). During the December 2017 quarter the company advanced \$400,000 to Prometheus via a Facility Agreement. The loan attracts interest of 7% pa and is repayable on the ending of 30 June 2018 or the date upon which the Company requests repayment. If the Prometheus acquisition is finalised, this loan will become an intercompany loan and will be eliminated on consolidation.

On 8 March 2018, the company received its R&D Rebate from the ATO totalling, \$1,118,928.

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.

### **14. Financials instruments**

The methods and valuation techniques used for the purpose of measuring fair value and unchanged compared to the previous reporting period.

The carrying amounts of the current and non-current receivable and current payables are considered to be a reasonable approximation of their fair value.