



AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

29 January 2021

Quarterly Report for the Quarter Ended 31 December 2020

Mount Ridley Mines Ltd (ASX: MRD) (or “the Company”) is pleased to provide the following report for the Quarter ended 31 December 2020.

- Completion of Weld Range West Acquisition;
- Rock chip samples from the Weld Range West Project return high-grade iron assays; and
- Appointment of Mr Graeme Johnston and Mr David Crook into key positions

EXPLORATION

Weld Range West Iron Project

On 14 October 2020, the Company announced that it intended to acquire a 100% interest in the Weld Range West Iron Project (**WRWIP**). The Company completed the acquisition on 7 December 2020, following shareholder approval at the Annual General Meeting held on 30 November 2020.

The Mt Weld West Project is located approximately 330km northeast of Geraldton, in the Mid-West region of Western Australia. The area is well known for its banded iron formation (“BIF”) and iron deposits found there have been recorded by Europeans since 1904. However, red ochre was mined at the Wilgie Mia site by Aboriginal people and traded all over Australia from a much earlier time.

The Project area comprises 3 granted exploration licences that cover a total area of approximately 52 square kilometres, following a partial surrender of an area of E20/842 which was required under the Mining Act 1978 WA before 13 January 2021.

The geological stratigraphy is expected to be analogous to the overall Weld Range package, and aeromagnetic imagery shows that at least 4 parallel horizons of BIF, each over 10 kilometres long, occur within the Project. The northern-most horizon is referred to as the Madoonga Formation and the southern-most, the Wilgie Mia Formation. Both are prospective for high-grade (>62.5% Fe) iron ore, the primary target of Mount Ridley’s exploration initiatives.



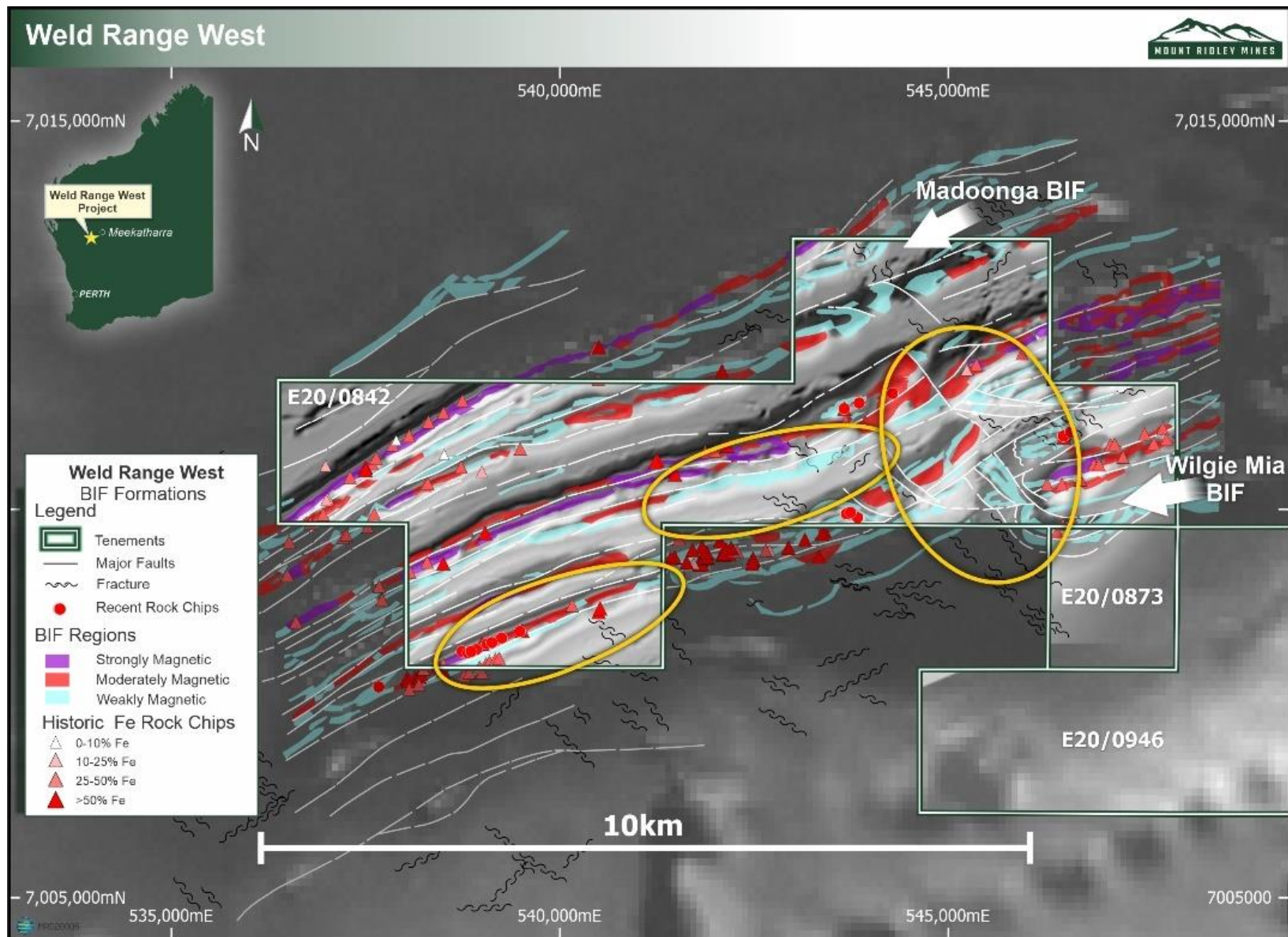


Figure 1: Weld Range West Project showing priority target areas for haematite mineralization. The objective is to drill test these to locate pods of iron ore that can be sold on a direct shipping ("DSO") basis.

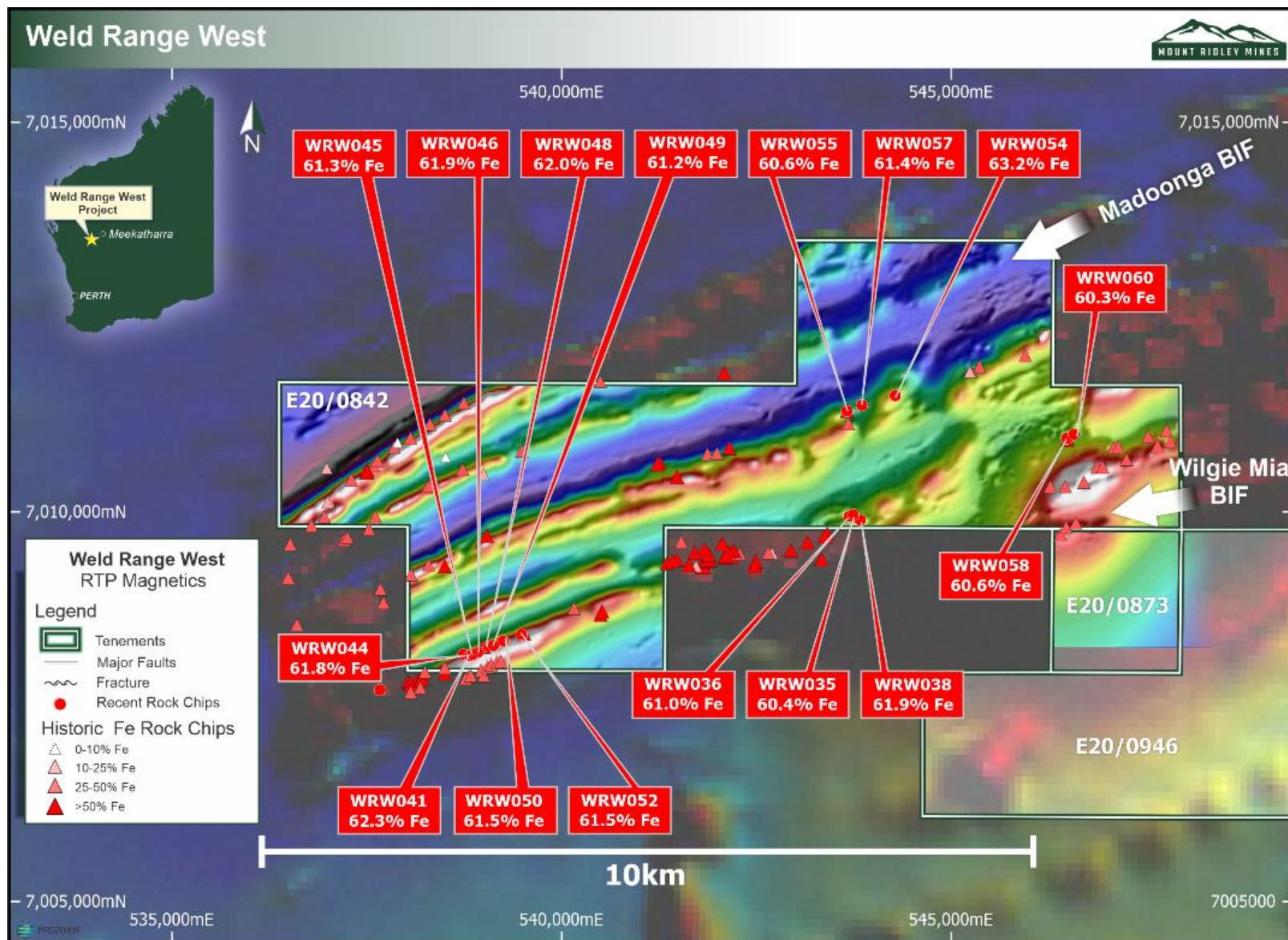


Figure 2: Weld Range West Project: Aeromagnetic image indicates the trends of the Madoonga and Wilgie Mia BIF formations, and the location of rock chips samples taken by Mount Ridley that returned high-grade iron analyses.



The bulk of the Weld Range is held by **SinoSteel Midwest Corporation Limited**, having acquired the ground from **Crossland Resources Limited**. SinoSteel has proposed mining the Beebyn and the Madoonga deposits, hosted in the Madoonga Formation, 12km north east from Mt Ridley's WRWIP and the Beebyn Deposit, 35km along strike in the Wilgie Mia Formation, respectively. **Fenix Resources Limited** meanwhile is advancing a smaller, approximately 10Mt Direct Shipping Ore ("DSO") operation at its Iron Ridge Project also in the Wilgie Mia Formation.

Prior Field Work by Crosslands Resources Limited ("Crosslands")

In 2008, Crosslands reported that it had completed:

- geological mapping and a rock chip sampling programme covering an area equivalent to Mount Ridley's tenement, E20/842. BIF units were classified visually into 4 variations according to relative silica and iron content, being magnetite/quartzite, magnetite/jaspilite, haematite-enriched or goethite-enriched BIF;
- a 'detailed' aeromagnetic and radiometric survey over the same area; and
- gravity surveys covering the Madoonga and Wilgie Mia Formation BIFs on a 200m by 50m grid within E20/842. A Central BIF unit, sampled by Mount Ridley, was not surveyed.

Southern Geoscience Consultants (SGC) interpreted the aeromagnetic data, generating a pseudo-geological map based on the magnetic intensity of BIF and enclosing rocks.

This was followed in 2009 with 24 holes drilled into an area of the Madoonga Formation, mapped generally as magnetite/quartzite BIF by Crosslands and StrMagBIF (strongly magnetic BIF) by SGC. Drilling returned minor intersections of magnetite mineralization. No further work was undertaken.

Field Work by Mount Ridley

Targets within the Wilgie Mia and Central BIF were visited by Mount Ridley following target selection using several criteria. On 4 November 2020, the Company announced the assay results for rock chip samples taken during a site visit to the WRWIP.

Highlights from the site visit included the confirmation of:

- areas of BIF mapped as exhibiting either haematite or goethite enrichment by Crosslands;
- areas where mapped haematite or goethite coincided with magnetically subdued units identified in the SGC interpretation (thought to represent areas where magnetite has been altered to non-magnetic haematite) as prospective; and
- topographic highs representing outcropping strike extensions to areas identified as prospective by other means. Generally, the WRWIP has subdued topography when compared to other areas of the Weld Ranges.

In the 4 November 2020 ASX announcement, the Company reported that Iron (Fe) assays returned from rock chip samples taken at 6 BIF outcrop targets ranged in iron content between 58.2% Fe and 63.2% Fe from 21 of 24 samples, and returned desirably low phosphorus (P) and silica (Si) content.



Using the Crosslands aeromagnetic interpretation for E20/842 as a base plan, the sites of the iron-bearing rock chips aggregate along two linear trends; one being the Wilgie Mia Formation BIF, which had samples taken at locations over a strike length of 6.5 kilometres within the Company tenement, and the second, the Central BIF outcrop, with samples taken over 1.5km of poorly exposed BIF. It is noteworthy that aeromagnetic imagery indicates that each BIF horizon exceeds 10km in length within E20/842 and continue uninterrupted along the strike of the Weld Range.

Planned Work and Targeting

The genesis of haematite mineralization is still subject to conjecture, but the preferred model involves faulting of primary magnetite-BIF to permit fluid movement, resulting in the formation of hydrothermal cells where the magnetite will alter to haematite, and which can extend to a great depth.

The Company is planning to drill areas with potential for substantial tonnages of haematite mineralization, which could form the basis of a mine and DSO operation as soon as all approvals have been received.

Drill targets are being defined by processing existing Crosslands' geological and geophysical (aeromagnetic and gravity) data to highlight:

- substantial areas of complex faulting and deformation which may act as fluid pathways;
- specific geological horizons of the BIFs where haematite is known to have formed, therefore the Wilgie Mia, Central and Eastern Madoonga Formations will receive detailed appraisal first; and
- areas where alteration is detectable by remote sensing. The process that alters magnetite-BIF to haematite-BIF destroys magnetism without substantially reducing the density of the rock. Geophysical modelling is used to identify high density zones (gravity data) that are non-magnetic (aeromagnetic data) as the possible location of haematite alteration.

Work to be completed during the early part of 2021 requires the completion of Aboriginal heritage and archaeological surveys of the proposed drilling areas. These surveys are to commence mid-February and the Company will update the market at the time, accordingly.

On land cleared under the Aboriginal heritage and archaeological surveys, additional preparatory work programmes will be undertaken, including:

- a gravity survey with north-south-orientated lines, which will be used to help model the depth of haematite development for drilling programme design purposes,
- a Flora survey of the proposed drill areas, and
- detailed geological mapping which can be completed concurrently.

With the Heritage and Flora surveys completed, the Programme of Work ("POW") application will be advanced with DMIRS and once approved, RC drilling can commence within cleared areas. The Company is working towards a commencement date for drilling in April 2021.





Mount Ridley Project

The Mount Ridley Project is located in the Great Southern of Western Australia. Tenements cover a geological basin within the Fraser Ranges which the Company considers to be prospective for nickel sulphide mineralisation.

A review of the litho-geochemistry data generated by earlier drilling at the Mount Ridley Project has been undertaken by Geochemical Services Pty Ltd. Outcomes concluded that Targets T2 and T14 have intersected mafic lithologies interpreted to be intrusive and therefore consistent with the Nova Bollinger geological model for nickel sulphide emplacement, rather than metamorphic (i.e., mafic granulites are unlikely to host this style of mineralisation) and that further testing is recommended.

Summary of Exploration Expenditure

In accordance with Listing Rule 5.3.1, the Company advises the cash outflows on its mining exploration activities reported in 1.2(a) of its Appendix 5B for the December 2020 quarter are as follows:

E63-1547	\$17,348.48
E63-1654	\$4,654.93
E63-1617	\$11,976.14
E20-842	\$18,470.35
TOTAL	\$52,449.90

CORPORATE

Annual General Meeting

The Company held its Annual General Meeting on 30 November 2020. All resolutions were passed by the requisite majority. Details of proxies and poll votes were set out in a summary attached to the announcement made on the same day.

Appointment of Director and Technical Manager

On 1 December 2020, the Company announced the appointment of the following personnel into key management positions, greatly strengthening the Company's technical capability.

Appointment of Non-Executive Director – Graeme Johnston

Mr Johnston is a geologist with over 30 years; experience in Australia, the Middle East, Romania, Malaysia and the Democratic Republic of Congo ("DRC"), with exposure to a range of commodities, including iron, gold and lithium. He specializes on the transition period between orebody delineation and mine opening.

Mr Johnston's experience with iron extends from engagements with Rio Tinto and then Midwest Corporation where he was the Principal Geologist during its sale to SinoSteel Corporation for US\$1.4 billion. This was followed by nine years as Technical Directors of Ferrowest Limited, contributing to the successful completion of the Feasibility Study for the Yalgoo Pig Iron Project.





Mr Johnston is also the Technical Director for AVZ Minerals Limited, following on from his role as Project Manager for the Manono Lithium Project in the DRC.

Appointment of Technical Manager – David Crook

Mr Crook is a consulting geologist with 40 years' experience, predominantly in Western Australia. He has worked on a range of commodities including nickel, gold, lithium and caesium, and has led teams with a good discovery record.

He was the Managing Director of Pioneer Resources Limited for 16 years, which discovered the Mt Jewell Gold Deposits, the North Dome Spodumene Deposit and discovered and mined the Sinclair Caesium Deposit. Prior to this he was Exploration Manager of Heron Resources Limited during the establishment of the North Kalgoorlie Nickel Project, Senior Project Geologist at the Gidgee Gold Mine from drill-out until 500,000oz were poured, and on the discovery team of the Radio Hill Nickel Sulphide Deposit.

Mr Crook also consults to Lithium Australia NL (Manager – Raw Materials) and is Managing Director of unlisted Charger Metals NL.

Placement

On 11 January 2021, the Company advised that it has completed the placement announced on 4 January 2021. The Board agreed to expand the placement to sophisticated and professional investors to 450,000,000 fully paid ordinary shares at an issue price of \$0.002 per share thus successfully raising a total of \$900,000 (before costs) together with 1:1 free attaching option exercisable at \$0.003 that expire on 30 November 2022.

Payment to related parties

The payment of \$39,314 noted in section 6.1 of the Appendix 5B for the quarter were the relevant Director Fees for the quarter.

For and on behalf of the Board

Mr Peter Christie
Chairman
TEL: +61-8-6165 8858
WEB: www.mtridleymines.com.au

Competent Persons Statement

The information contained in this report to exploration results relates to information compiled or reviewed by David Crook who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Crook is a geological consultant to the Company and has sufficient experience which is relevant to the activity which is reported herein 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 Crook consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.



Forward Looking Statements Disclaimer

This announcement may contain forward-looking statements that may involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

CORPORATE INFORMATION

Board

Peter Christie	Non-Executive Chairman
Simon Mitchell	Non-Executive Director
Guy Le Page	Non-Executive Director
Graeme Johnston	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 29 January 2021, the total fully paid ordinary shares on issue were 3,880,624,324.





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	E63/1547	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	E63/1564	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	E63/1617	100%	Mount Ridley Mines Limited
Western Australia	Weld Range West	E20/842*	100%	Zeedam Enterprises Pty Ltd
Western Australia	Weld Range West	E20/873*	100%	Zeedam Enterprises Pty Ltd
Western Australia	Weld Range West	E20/946*	100%	Zeedam Enterprises Pty Ltd

*acquired this quarter



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

MOUNT RIDLEY MINES LIMITED

ABN

93 092 304 964

Quarter ended ("current quarter")

31 December 2020

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 (if expensed)	(82)	(161)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(42)	(74)
	(e) administration and corporate costs	(171)	(251)
1.3	Dividends received (see note 3)	24	24
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	5	10
1.8	Other (Security Bond)	1	1
1.9	Net cash from / (used in) operating activities	(265)	(451)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) 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) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	-	-

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3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	604	604
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1	1
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(25)	(25)
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	580	580

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	213	399
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(265)	(451)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	580	580

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (06 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	528	528

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	528	213
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)	528	213

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
39
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(265)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(265)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	528
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	528
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	(1.99)
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: No, the Company expects its exploration expenditure will increase.	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Yes, on 04 January 2021 the Company announced its latest capital raising.	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Yes, the Company, following its recent capital raising has the funds to explore its projects.	

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.

Date: 29 January 2021

Authorised by: Johnathon Busing

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.