

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

30 October 2020

Activities Report for the Quarter Ended 30 September 2020

Mount Ridley Mines Ltd (ASX: MRD) (or "the Company") is pleased to provide the following report for the Quarter ended 30 September 2020.

EXPLORATION

On 3 September 2020, the Company announced that it is considering a SQUID (Superconducting Quantum Interference Device) geophysical program to survey the Mount Ridley Nickel-Copper Project.

In preparation, the Company has engaged Geochemical Services Pty Ltd to review all previous open file and Company-generated geochemical sampling and drilling data to provide a strong geological and lithogeochemical framework to better constrain the future geophysical surveys.

As exploration for nickel and other base metals advances in the Frazer Ranges and the geological model is becoming better understood, it is important to apply the most contemporary industry-best practice techniques in areas such as the Mount Ridley Nickel-Copper Project, where difficult regolith conditions make conventional surface exploration difficult.

The relatively new SQUID technology is thought more likely to be effective in penetrating conductive near-surface features, as well as probing to depths greater than other more conventional survey techniques when testing for the presence of conductive anomalies (that might include nickel and copper sulphides) at depth.

Summary or 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 September 2020 quarter totals \$79,246.65.



CORPORATE

On 30 September 2020, the Company advised that it is intending to hold its Annual General Meeting (AGM) on or after Thursday, 26 November 2020.

An item of business at the AGM will be the re-election of Directors.

The Company will announce further details regarding the AGM, including the date and time of the Meeting, in a separate notice of meeting which will be provided to Shareholders in due course. The notice of meeting will also be available on the ASX Company Announcements Platform.

Payments to Related Parties

As prescribed by ASX, the Company advises the amount of \$31,548 paid to related parties in section 6.1 of the relevant appendix 5B was director fees for the quarter.

SUBSEQUENT EVENTS

Following the end of this quarter, the Company announced that it has acquired a 100% interest in the Weld Range West Iron project (figure 1), located in the Mid-West region of Western Australia.

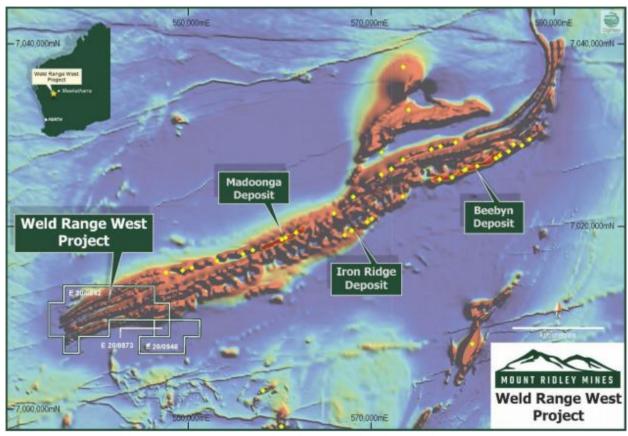


Figure 1: Weld Range West Project with yellow triangles showing known iron ore occurrences.



The Project area comprises 3 granted exploration licences that cover a total area of approximately 76 square kilometres. Native Title has been partially determined in favour of the Wajarri Yamatji people. A working Heritage Protection Agreement is currently in place, which will be assigned to the Company at completion of the acquisition.

To date, work completed within the tenement package to be acquired by the Company is restricted to geophysical surveys (aeromagnetic and gravity), field traverse geological mapping with extrapolation by interpretation of airphotos, sparse rock chip sampling and one pass of drilling. The Company will conduct a detailed review of the work completed as part of its due diligence on the acquisition.

The proposed transaction allows for an acquisition of 100% of the Project from current registered holding entity, Zeedam Enterprises Pty Ltd (beneficial ownership is governed under a deed of trust between Zeedam Enterprises Pty Ltd, OreSource Pty Ltd ATF OreSource Trust, Norman Ka-Meng Lip and Ms Maya Pranto ATF Manor Investments Trust), which owns the Weld Range West Iron Project, The Key Terms are summarised in the announcement dated 14 October 2020.

Capital Raising

The Company completed an equity placement to sophisticated and professional investors, comprising of 402,419,092 fully paid ordinary shares at an issue price of \$0.0015 per share to raise a total of \$603,628 (before costs) together with a 1:1 free attaching option exercisable at \$0.003 expiring 30 November 2022.

Transaction Fee

The Company intends to pay a fee of \$75,000, payable by the issuance of 50,000,000 shares of The Company at a deemed issue price of \$0.0015/share, to RM Corporate Finance Pty Ltd. The fee will be subject to shareholder approval at the upcoming annual general meeting of shareholders.

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 30 September 2020, 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 or oil and gas exploration entity quarterly cash flow report

Name of entity

MOUNT RIDLEY MINES LIMITED

ABN

Quarter ended ("current quarter")

93 092 304 964

30 September 2020

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (03 months) \$A'000 |
|--------------------------------------|--|----------------------------|--|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | | |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation (if expensed) | (79) | (79) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (32) | (32) |
| | (e) administration and corporate costs | (80) | (80) |
| 1.3 | Dividends received (see note 3) | - | - |
| 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 | 5 |
| 1.8 | Other (Security Bond) | - | - |
| 1.9 | Net cash from / (used in) operating activities | (186) | (186) |

| 2. | Ca | sh flows from investing activities | |
|-----|-----|---|---|
| 2.1 | Pay | yments 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 (03 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 | - | - |

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

| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
|-----|---|-------|-------|
| 4.1 | Cash and cash equivalents at beginning of period | 399 | 399 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (186) | (186) |
| 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) | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (03 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 213 | 213 |

| 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 | 213 | 399 |
| 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) | 213 | 399 |

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

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

| 7. | Financing facilities Note: the term "facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity. | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-----|---|--|-------------------------------------|
| 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 qu | arter end | - |
| 7.6 | Include in the box below a description of eac rate, maturity date and whether it is secured facilities have been entered into or are propo- include a note providing details of those facil | or unsecured. If any addi sed to be entered into af | tional financing |

| 8. | Estimated cash available for future operating activities | \$A'000 |
|-----|--|---------|
| 8.1 | Net cash from / (used in) operating activities (Item 1.9) | (186) |
| 8.2 | Capitalised exploration & evaluation (Item 2.1(d)) | - |
| 8.3 | Total relevant outgoings (Item 8.1 + Item 8.2) | (186) |
| 8.4 | Cash and cash equivalents at quarter end (Item 4.6) | 213 |
| 8.5 | Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 | Total available funding (Item 8.4 + Item 8.5) | 213 |
| 8.7 | Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | (1.15) |

- 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 26 October 2020 the Company completed its capital raising announced on 14 October 2020.

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: 30 October 2020

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.