

Black Ridge Mining NL

ASX Code: **BRD**
ACN: 083 274 024

Registered Office

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Capital Structure

1,655,353,481 ordinary shares
753,091,823 options
(\$0.003, exp 30/11/16)

Board Members

Graeme Smith
Chairman – Non Executive

Don Valentino
Non-Executive Director

Brett Clark
Non-Executive Director

Graeme Smith
Company Secretary

Quarterly Report – September 2016

OPERATIONAL HIGHLIGHTS

Unaly Hill Project

- Recent RC drilling has confirmed anomalous gold at the northern and southern extents of the 2,200m by 750m Unaly Hill Gold Anomaly (which is open to the north).
- Analysis is underway, of the mineral bearing potential, of granitic pegmatite and aplite units previously identified at Unaly Hill, which were sampled during the last field visit and also intercepted by the recent drilling.

Resource Imaging Technology

- Committed commercial hydrocarbon imaging surveys in Australia and SE Asia starting late 2016.
- Successful field trials against known hydrocarbon well bores in Western Australia.
- Continued collaboration and field trials conducted at deep aquifer monitoring boreholes provided by the Western Australian Department of Water.

CORPORATE HIGHLIGHTS

- Mr Don Valentino appointment as a non-executive director of the Company.

EXPLORATION ACTIVITIES

Unaly Hill Project (100% BRD)

During the Quarter the Company carried out a program of Reverse Circulation (“RC”) drilling at its Unaly Hill Project with sample analysis being completed subsequent to the Quarter and presented here. The drill holes were targeted on the Unaly Hill Gold Anomaly, which extends over a 2,200m strike (750m wide) in a roughly north-south orientation, based on Mobile Metal Ion (“MMI”) geochemical soil sampling where a total of 774 samples from three rounds of surveying have been analysed. MMI results are calculated relative to the 25th quartile of gold assays, the Response Ratios (“RR”) peaked at 189, i.e. 189 multiples of the 25th quartile.

The MMI soil sampling grid covers approximately the southern half of Exploration Licence E57/420 and has been successful in identifying a number of metal anomalies, the most significant of which are a number of high amplitude gold anomalies in the north eastern area of the sampling grid which make up the Unaly Hill Gold Anomaly.

Three target areas within the anomaly were selected for RC drilling and arbitrarily designated Target 1, Target 2, and Target 3. A total of seven RC holes were drilled across the three target areas with a total of 472m drilled over four days (the figure below shows the recent drilling operations). Meter rates were quite modest due to shallow depths to fresh rock and no auxiliary booster on the rig. A total of 170 samples were sent for fire assay for gold only with a 10ppb detection limit.



Target 1

Target 1 was selected based on a high single point anomaly with a peak gold RR of 189. Further it was situated within a broader area of gold anomalism over sub-cropping tholeiitic basalt with minor vein quartz present. Two RC drill holes were drilled either side of the peak sample location from the east and the west. The two holes drilled penetrated to depths of 82m each.

Despite being located adjacent to the peak MMI anomaly, the twinned drill holes were unable to explain the source of the gold response. Minor quartz veins and iron sulphide minerals were present in the lower parts of both drill holes. Gold assays ranged from 10 to 20ppb and were lower than anticipated. Fresh, unweathered basalt was intersected within 5m of the surface and persisted to the end of each drill hole.

Target 1 is considered only a shallow depth test and although the assays weren't reflective of the surface gold anomaly, it is possible that the source lies at greater depth.

Target 2

Target 2 was chosen as a test of an isolated single point sample with the second highest RR in the survey at 185 where significantly different geology was apparent at surface. This sample was underlain with thin soil cover and sub-cropping granitic gneiss and intrusive felsic units and quartz scree. Similarly to Target 1, a pair of holes were twinned from the east and west beneath this anomaly seeking to find its source. The first hole (UNH022) was terminated early. At 39m the rig's air compressor was unable to maintain a dry sample and sample contamination became a concern. The second hole (UHR023) was terminated at 70m also with wet sample persisting.

The 185 RR gold response in the MMI sampling was not reflected in the samples analysed from drill holes UHR022 and UHR023 (assays were not over 10ppb Au). There remains the possibility that a steeply west dipping vein or shear could be responsible for the source of the anomaly as it is the only orientation not covered by the twinned drill holes which is also consistent with the local geology. It was decided in the field to await assay results instead of re-drilling the location.

Both drill holes at Target 2 also reported a well-developed weathering profile with saprolite persisting to 38m. Lithologies intersected were predominantly granitic gneiss with felsic intrusive units present.

Target 3

Target 3 is a multi-point anomaly striking 550m in a NW-SE orientation with a possible cross-cutting NE-SW structure stretching the anomaly in this direction also. Sub-cropping basalt, quartz veins and thin soil cover dominate the area. Two holes were originally proposed in this area, however a third was drilled at the end of the program due to a previous hole failing to achieve target depth. The three holes were completed to depths of 70m, 58m, and 64m with each of the holes experiencing persisting wet samples.

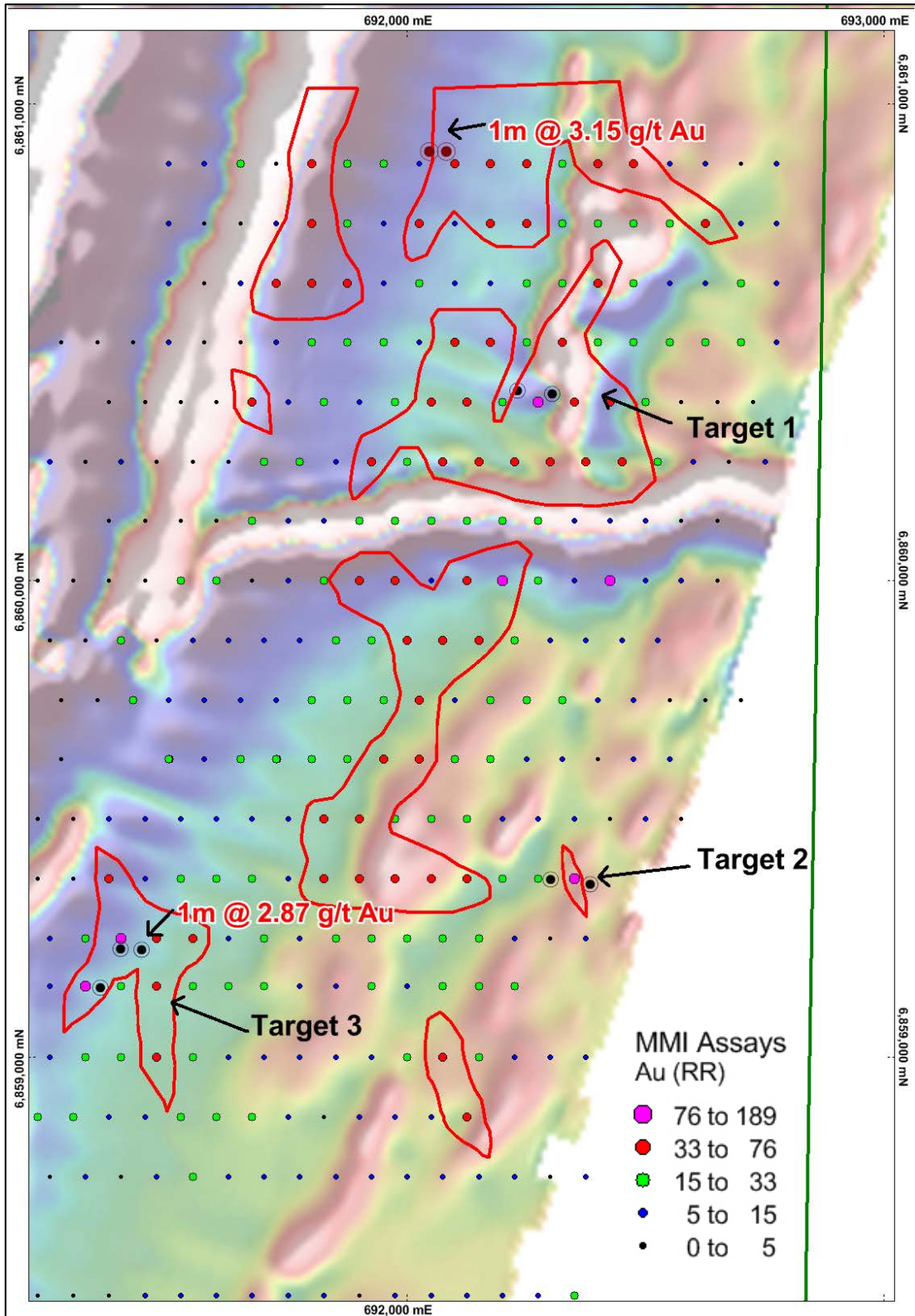
Drilling at Target 3 reported more veining, iron sulphide mineralisation and albite alteration than present at Targets 1 and 2. This drilling very successfully delineated a previously unknown sub-surface mineralisation, and also correlated well with a 104 RR gold response from MMI work. Due to samples being wet after 65m in UHR025, it was decided to end the hole at 70m before its target depth of 82m below the anomaly, and move the rig west to drill a parallel hole on section. UHR026 also intersected minor quartz veining and minor sulphide mineralisation and gold assays, while not economic, were considered anomalous peaking at 70ppb.

Also at Target 3, approximately 100m south of UHR025 and UHR026, a hole was drilled on the southern extension of the MMI gold anomaly. Drill hole UHR024 was drilled to a depth of 64m recording several anomalous

zones of 50 to 70 ppb Au from 2m composite samples. The target depth was not reached also due to persistence of ground water resulting in wet samples.

A peak result of 1m @ 2.87 g/t Au from 51m was seen in UHRC025 as part of the recent RC drilling investigation at Target 3.

The figure below highlights the Unaly Hill Gold Anomaly and shows the locations of the recent and historical drilling.



Summary of Results

At Unaly Hill, the gold anomalism covers an area 2,200m by 750m. Recent drilling at the southern end of the anomaly has resulted in a meter of ore grade mineralisation at shallow depth. Target 1 is considered only a shallow depth test and although the assays weren't reflective of the surface gold anomaly, it is possible that the source lies at greater depth. Target 2 was a test designed to rule out an isolated anomaly where the geology appeared to be significantly different. Again, here, the assays weren't reflective of the surface gold anomaly, but given the isolated nature of the anomaly and the geology this has helped better define the boundaries of the gold anomalism. The source of the gold anomaly most likely being a deeper more vertical and isolated shear or vein.

A pair of historic drill holes, drilled by Eastmet Ltd, recorded anomalous gold with a best intersection of 1m @ 3.14 g/t Au from 4m in the UNP003 drill hole at the northern extent of the gold anomalism.

With the three recent Targets tested and only a handful of holes drilled in the gold anomaly in total, there remains a large area (over 80%) untested at the project, with a significant possibility of delineating further ore grade intersections that would no doubt explain the extensive MMI anomaly.

Going Forward

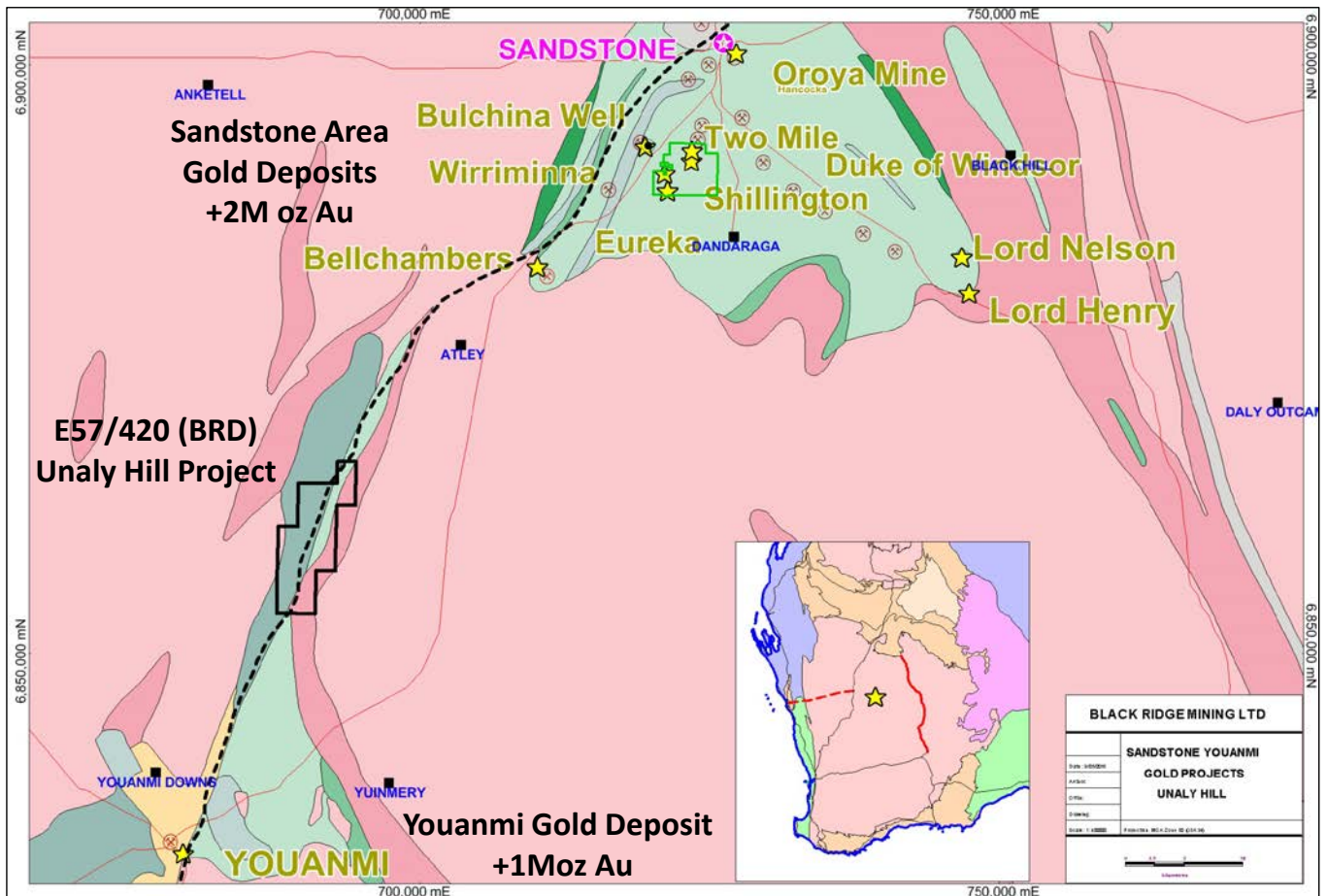
Based on the positive results of the recent drilling the Company is integrating the results into the current mapping of the anomaly. Future work will include further field mapping and sampling to better define the extent of the Unaly Hill Gold Anomaly, especially where the anomaly is open to the north as well as planning a follow-up drilling campaign.

In addition analysis is underway, for the mineral bearing potential, of the granitic pegmatite and aplite units previously identified at Unaly Hill that were sampled during the last field visit. The secondary purpose of the recently drilled Target 2 was to intersect these units at depth. During the recent drilling, the holes intersected a number of the units sampled at surface and samples from the drill holes are also being analysed for their mineral bearing potential.

Background

The Unaly Hill Project (E57/420) is situated some 500km north east of Perth, Western Australia and is a single tenement covering over 13 kilometers of the strike length of the regionally significant Youanmi Fault. This structure represents the boundary between the Murchison Province and the Southern Cross Province of the Youanmi Terrane of the Yilgarn Craton. Immediately west of the Fault is the Atley Igneous Complex.

The figure below shows the location of the project and highlights the significant gold deposits on trend.



RESOURCE IMAGING TECHNOLOGY

During the quarter the Company continued to advance the Resource Imaging Technology at a deep aquifer monitoring boreholes provided by the Western Australian Department of Water. In collaboration with the Department deep groundwater has been imaged and shallow flow barriers have been identified which are critical for management of ground water resources.

Initial discussions have started with a regional shire in Western Australia in respect to providing calibration information around the results of a recent ground water drilling campaign which resulted in a relatively low success rate in returning quality water resources. It is envisaged that this will be followed up by a ground water imaging survey in support of the next drilling program in the area.

The Company has continued to engage with the oil and gas industry which has resulted in committed commercial hydrocarbon imaging surveys in Australia and SE Asia starting late 2016.

During the quarter the Company announced that Pacific Hunt Energy (Pacific Hunt) has commissioned a pilot survey of BRD's Resource Imaging Technology in its PSC C-1 block onshore Myanmar in order to better define the hydrocarbon distribution of the Indaw structure. Upon completion of this initial survey, the company would then seek to conduct a full-scale study across the greater Indaw structure and later over other prospects and leads in the block. Myanmar Oil and Gas Enterprise (MOGE), the oil and gas regulatory authority in Myanmar has approved the survey.

Pacific Hunt and BRD continue to work on the logistics around the survey and mobilization of equipment in advance of the survey which is being planned for November 2016.

Baraka Energy and Resources Ltd (Baraka) have also commissioned an advanced Seismo-Electric (SE) survey utilising BRD's Resource Imaging Technology (RIT) in order to better define the hydrocarbon presence within prospects and leads in its EP 127 permit in the Northern Territory's southern Georgina Basin.

Operatorship transfers and regulatory delays have slowed Baraka's ability to go onsite, however, planning is well underway and is likely to start either later this year or within the first quarter of 2017.

A number of survey proposals are currently under review by oil and gas companies in Australia in order to advance their acreage and reduce the uncertainty around undrilled prospects. It is anticipated that these surveys will be initiated early in 2017. The Company will provide an update on new projects closer to the planned survey dates.

Initial discussions have been held with oil and gas companies in Indonesia and New Zealand about potential surveys as well as with mining companies in the final stages of production planning in relation to locating ground water, for use in processing.

While the company is pleased with those companies who have been early adopters of the technology it has found that in the current environment uptake of the new technology and integration into existing work programs has been slower than it would have anticipated.

The Company has continued to meet with government departments in order to be able to facilitate land access for companies wishing to utilize the technology as well as to highlight the advanced technologies capabilities and benefits for use in Australia. The small footprint and minimal disturbance as well as the powerful risk reduction capabilities of the technology make it an ideal tool for exploration and appraisal.

R&D work has been initiated with Curtin University focussing on increase the efficiency of survey acquisition as well as to develop more advanced data processing and presentation protocols to enhance results. As part of this work a complimentary technology is being explored with the idea being to offer clients a significant value adding component to a survey.

Also during the quarter the Company continued to build its inventory of supporting case studies which are presented in the Resource Imaging Technology (RIT) Technical Presentation which is used for discussions with potential survey clients. An update containing new and additional case studies will be released shortly.

NEW BUSINESS DEVELOPMENT

In line with the Company's strategy a number of potential mineral project acquisitions have been and continue to be reviewed with a view to strengthen the Company's asset base and to diversify the Company's resource exposure. These potential project acquisitions are aligned with the Company's desire to diversify into areas where future commodity prices are expected to strengthen.

The Company will continue to support the development of the Resource Imaging Technology business with a view to spinning it out at the appropriate time to maximize the value for shareholders for the early stage investment in the technology.

CORPORATE

Appointment

During the Quarter the Company announced the appointment of Mr Don Valentino as a non-executive director.

Mr Valentino, during his 10 year tenure as state manager for Sigma Pharmaceuticals achieved notable success in profitable business building, strict operating cost management, customer relations and enhanced divisional profit contribution.

Mr Valentino, in his capacity as Managing Director of Genesis Biomedical Limited was primarily responsible for redirecting Genesis from its original biomedical activities to involvement in the mining and resources areas.

Mr Valentino brings with him an extensive range of experience in varied industries. He has a proven ability to communicate with professional peers in a wide range of disciplines.

Director Resignation

During the Quarter Mr Vladimir Nikolaenko resigned as a director of the Company. The Company acknowledged the efforts, commitment and significant contribution of Mr Nikolaenko to the Company. Mr Nikolaenko was a director since 2011 and became Chairman in 2013.

Schedule of Tenements

Project	Tenement Details	Interest
Western Australia Unaly Hill	E57/420	100%

Competent Persons Statement

Information in this report relating to exploration results is based on information compiled by consultant geologist, Mr Martin Dormer, who is a member of the Australian Institute of Mining and Metallurgy. Mr Dormer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dormer operates as Martin Matthew Bruce Dormer and Penelope Anne Dormer as trustees for the Dormer Family Trust trading as "Unearthed Elements". Mr Dormer consents to the inclusion of such information in this report and the context in which it appears.

For further information:

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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

BLACK RIDGE MINING NL

ABN

48 083 274 024

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(72)	(72)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(57)	(57)
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 Research and development refunds	60	60
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(69)	(69)

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

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$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		
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
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		
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	148	148
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(69)	(69)
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)		
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	79	79

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	79	148
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)	79	148

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	4
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	

Director fees

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	

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	100	74
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.		

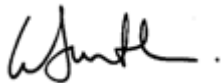
Loan from V Nikolaenko – unsecured, interest 10%pa

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	30
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	30
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	60

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: ...31 October 2016.....

Print name:Graeme Smith.....

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.