

14 November 2016

Company Announcements Office, ASX Ltd

MRDD017 Drilling Update

Mount Ridley Mines Ltd (ASX: MRD) (or “the Company”) is pleased to announce a progress update of diamond drill hole MRDD017 targeting an off-hole >10,000 Siemens conductor located at approximately 650m downhole depth, immediately off-hole below and to the east of MRDD016 (refer to ASX announcement 12 October 2016).

The hole was drilled to a depth of approximately 410m. A previously unknown shear zone sub-parallel to the new hole axis was encountered from approximately 200m downhole depth. Drilling this fractured and highly foliated shear zone caused the hole to deviate substantially to the west, off course from the intended target. The Company has decided to step back up the hole and is preparing a wedge from approximately 270m depth. This will steer the hole back on course to the targeted EM anomaly, and is scheduled to be at the target zone around late November 2016.

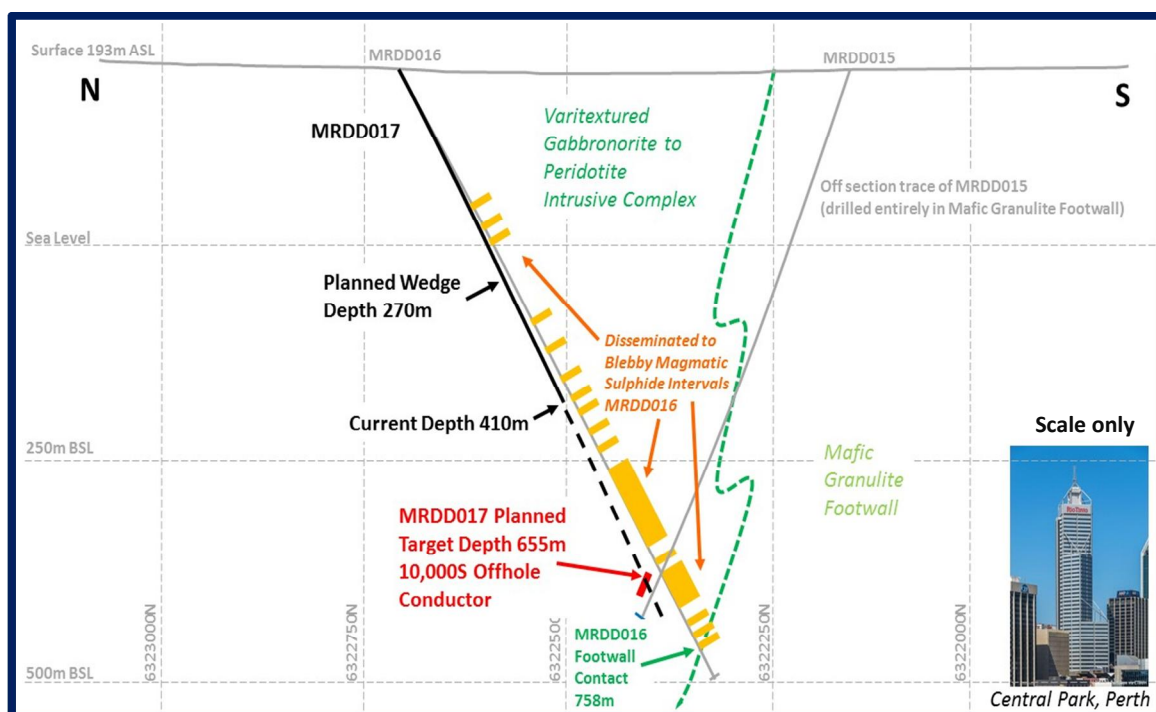


Figure 1: Drill holes MRDD015 to MRDD017 with geological and mineralisation interpretation.

MRDD017. Note that drill hole MRDD015 was drilled entirely in barren footwall mafic granulite, indicating that the contact between the footwall and the magmatic sulphide mineralised intrusive drilled in hole MRDD016, and targeted in hole MRDD017, passes off section between MRDD016-017 and MRDD015.

The substantial shear zone encountered contains abundant late carbonate-pyrite brittle fracture fill veinlets. Reconnaissance core samples of the sheared material have been taken and are being sent for assay. Assay results will be reported to market once they become available.

For and on behalf of the board

A handwritten signature in black ink, appearing to read "Ashley Hood".

Mr Ashley Hood
Managing Director

Competent Persons Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Tony Donaghy who is a Registered Professional Geoscientist (P.Geo) with the Association of Professional Geoscientists of Ontario (APGO), a Recognised Professional Organisation. Mr Donaghy is a technical advisor to the Company. Mr Donaghy has sufficient experience which is relevant to the style and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Donaghy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements Disclaimer

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