

11th January 2017

Company Announcements Office, ASX Ltd

New Year Exploration Update

- **HPMLTEM Geophysics – commenced**
- **New gravity data acquired with new access to private land**
- **MRDD018 update**
- **Regional AC drilling commencing mid-January**

Mount Ridley Mines Ltd (ASX: MRD) (or “the Company”) is pleased to announce that the High Powered Moving Loop Electro Magnetic (HPMLTEM) survey has commenced at The Lake target. GAP Geophysics are currently conducting the surveys using the Sampson Receiver system.

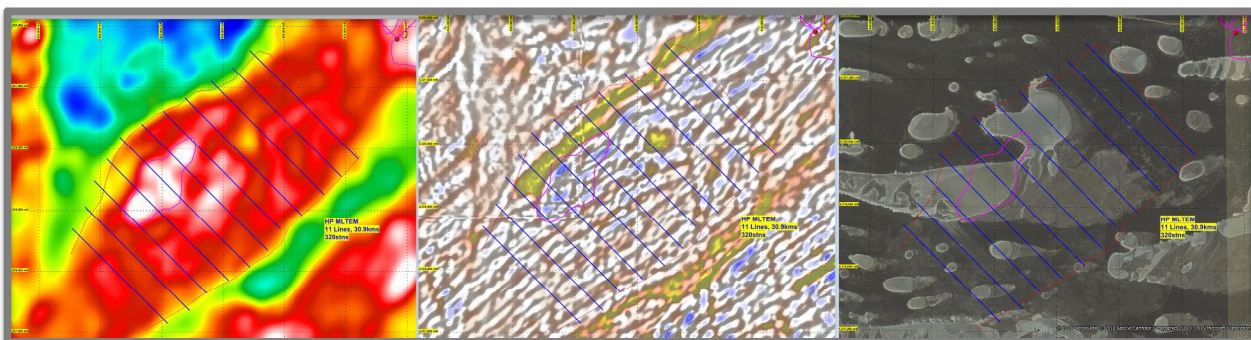


Figure 1; The Lake HP MLTEM survey planning - GRAV, AMAG (separation filtered) and BING satellite imagery.

The Lake target HPMLTEM survey is expected to take approximately two weeks. Following the completion of The Lake target, GAP Geophysics will move to the south west location of the tenement, Tyrrell’s Target area adjacent to Target 2.

Interestingly Tyrrell’s target is immediately west of the magnetic Target 2 and MRDD001, and has six apparent EM conductors that will require further work, partly due to previous survey issues with processing, receiver and frequency discrepancies. Any new legitimate bedrock conductors from the new HPMLTEM surveys will be immediately followed up with diamond drilling.

MRDD001 was drilled dipping 60 degrees to the east into a magnetic feature offset from the conductivity and gravity anomalies at Tyrrells. The hole encountered disseminated blebby magmatic nickel and copper sulphides indicating this section of intrusives has the right process to form massive sulphides.

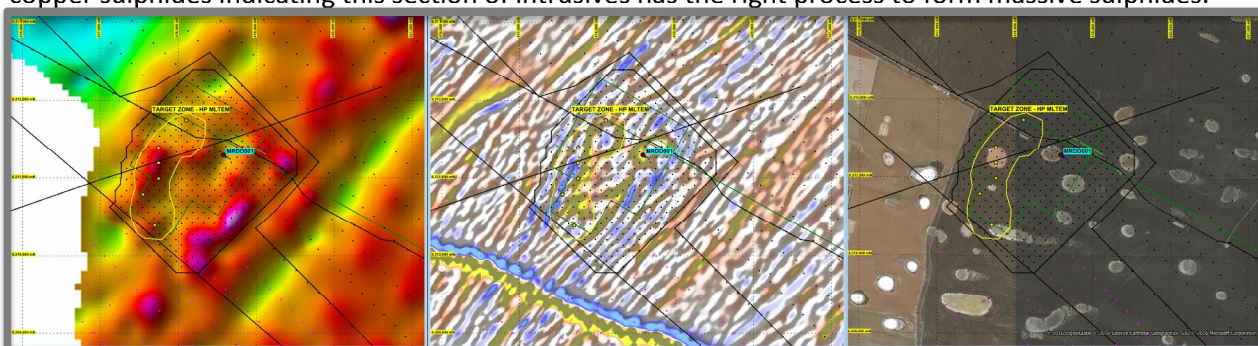


Figure 2; Tyrrell’s target EM planning, GRAV, AMAG (separation filtered) and BING satellite imagery.

Additional new gravity/magnetic combined targets of interest at target areas Keith's and Winston's are currently being modelled by Russell Mortimer at Southern Geoscience. On completion of the modelling HPMLTEM surveys will be planned.

Almost the entire gravity ridge at the 100% owned Mt Ridley Project has been gravity surveyed, with minor infill detailed work to be completed over local anomalies. The gravity ridge survey was completed in two stages, stage one was completed in August 2016 (ASX announcement 13th September 2016) and based on the success of these results the extended surveying of the remainder of the gravity ridge is almost completed.

Two new detailed gravity survey areas, to commence mid-January, include:

- The south west corner adjacent to the Tyrrell's target on private farm land that has now been granted surface access.
- An area on the western side of the tenement running parallel to the regional gravity ridge is being surveyed for Broken Hill type mineralisation potential.

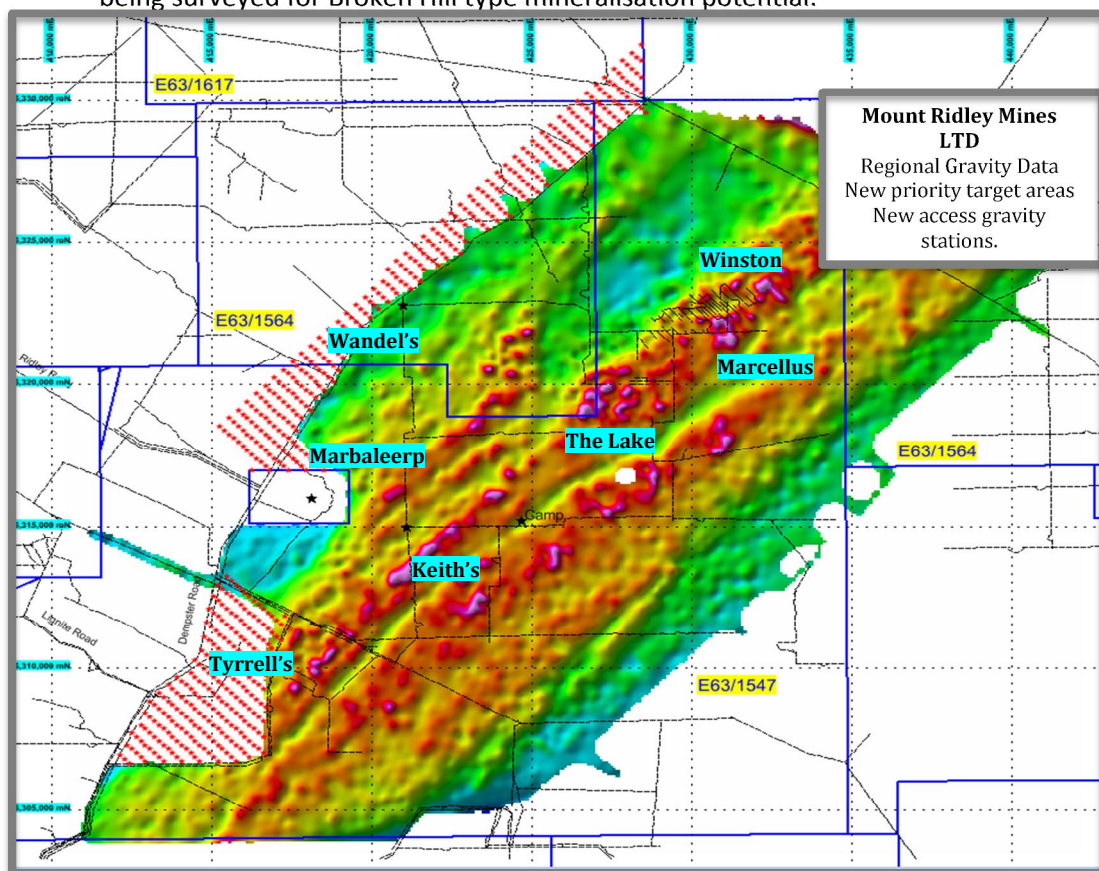


Figure 3; Regional gravity targeting

Drilling is currently underway at MRDD018 targeting the off-hole conductor located down MRDD016 (ASX announcement 12th October 2016). The approximate current depth of MRDD018 is 450m down hole.

The drill core geology at the current depth is the vari-textured mineralised mafic-ultramafic intrusive complex, showing good pulses of disseminated magmatic nickel and copper sulphides similar to MRDD016. A hand held pXRF analyser has confirmed the presence of nickel and copper sulphides.



Figure 4; Large magmatic nickel and copper sulphide bleb at 332.8m down hole depth, MRDD018.

For and on behalf of the board

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.

About Mt Ridley Mines Ltd

Mt Ridley Mines Ltd is a Perth based Australian Exploration Company focusing primarily on projects in the Fraser Range region with the potential to host major mineral deposits in base and precious metals including nickel, copper, cobalt, silver and gold.

The Company is managed by a team of highly motivated professionals with significant expertise in mineral exploration, mining operations, finance and corporate management with a proven track record of successfully delivering value to shareholders.

Mount Ridley Mines Ltd is actively targeting nickel and copper sulphide deposits in the Albany-Fraser Range Province of Western Australia, the site of Independence Groups Nova Nickel-Copper Deposit. The Company currently has a tenement portfolio of approximately 1,000sq/kms in what is fast becoming the world's most exciting emerging nickel and copper province.

