

23 January 2017

Company Announcements Office, ASX Ltd

Exploration Update

Mount Ridley Mines Ltd (ASX: MRD) (or “the **Company**”) is pleased to announce an exploration update of the Company’s activities at its 100% owned Mt Ridley project.

Drill hole MRDD018 has been completed at 732m downhole depth. The hole was terminated in barren homogenous gabbro-norite. Due to hole deviation that resulted in the hole path steepening with depth, the hole passed down dip beneath the targeted EM plate (see ASX announcement 12th October 2016) by approximately 30m. The hole encountered an over-pressurised pocket of hypersaline water and clay in a fault at a downhole depth of 705m. The hole did not encounter any other geological features that would give a conductive response. Due to the positive overpressure and flowing water from the fault system encountered, it is not possible at this stage to conduct a downhole electromagnetic survey.

MRDD018 was drilled down-dip of the EM plate modelled from MRDD016 and did not encounter any increased sulphide content, and has closed off the size potential for the conductive target. The decision has been made to cease drilling operations for the time being at Target 19. Efforts will be focused on the ongoing exploration programs following up on The Lake and Tyrrells target areas.

An air core drilling bedrock geochemistry program and moving loop SAMSON electromagnetic survey has commenced at The Lake target. On completion of these surveys, air core drilling and moving loop SAMSON surveys will commence at Tyrrells target. The programs will then move through the other untested target areas identified from the combined magnetic and gravity anomaly data, commencing with Keith’s, Marcellus, Winston and Vincent targets. Any anomaly targets identified from these programs will be followed up immediately with diamond drilling.

Detailed gravity surveying along the gravity ridge to the southwest of Tyrrells is expected to recommence imminently. In addition, the detailed gravity survey will be extended to the northwest of the gravity ridge testing for Broken Hill type lead-zinc targets.

The Company looks forward to further updates of progress and results of the above-mentioned activities as they take place.

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.