

7 February 2018

Company Announcements Office, ASX Ltd

EXPLORATION UPDATE

Mt Ridley Project, Albany – Fraser Range

Mount Ridley Mines Ltd (ASX: MRD) (or “the Company”) is pleased to announce an exploration update at its 100% owned Mt Ridley Project in the Albany Fraser Range Province (WA).

- New HP FLTEM geophysics to commence at Keith’s and Winston’s
- Broken Hill style gold target geochemistry infill
- Deeper drilling on new defined anomalies

Geophysics Update

The Company’s long awaited HP FLTEM geophysics survey is due to commence late this week. The Company, along with other explorers, has been in a long list of projects awaiting availability of the highly sought-after, arrival of the updated HP MLTEM survey equipment.

Two new project areas previously untested by EM have been selected. These targets are at Keith’s and Winston’s targets.

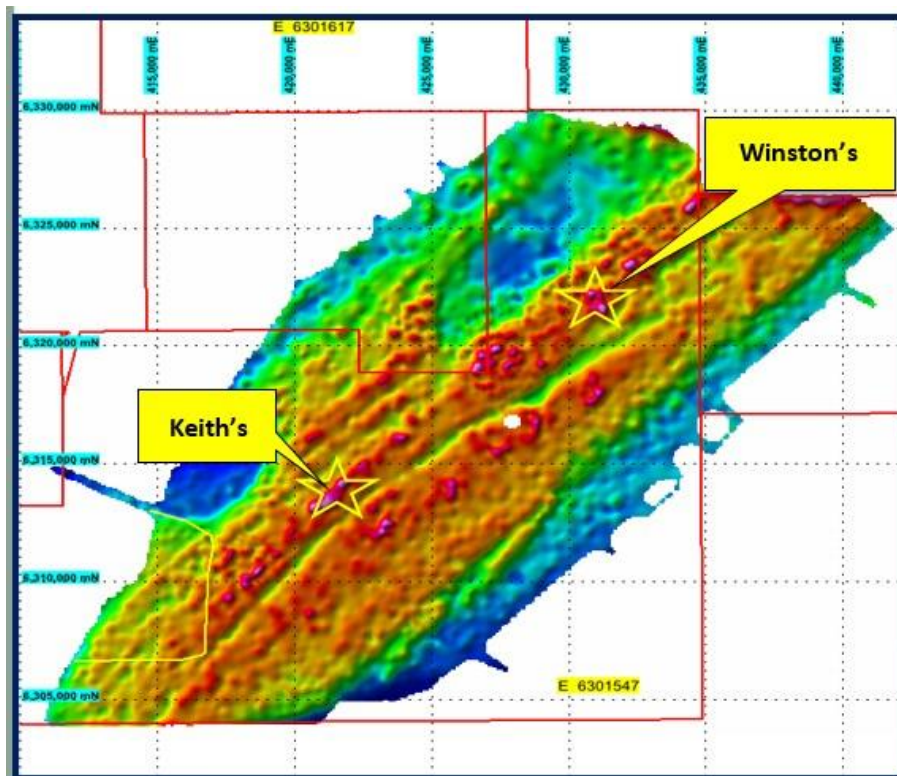


Figure 1. Mount Ridley regional gravity completed May 2017

The Keith's target has been selected due to anomalies arising from magnetic and gravity surveys that have been followed up with Air Core drilling, geochemistry and infill further gravity surveys.

The EM surveys at Winston's follow a similar methodology of follow-up on gravity, magnetics and Air Core drilling geochemistry. This HP MLTEM survey at Winston's will also incorporate a portion of the T19 area which has previously identified disseminated, stringer and globular to blebby magmatic nickel sulphides hosted in a very coarse-grained pyroxene-olivine mesocumulate. This mineralised mafic-ultramafic geological unit apparent in the magnetic data at T-19 has been crosscut at a high angle by a prominent gravity-high feature at Winstons in the immediate footwall of the sulphides at T-19. The company is keen to target this gravity feature with a new HP MLTEM survey to test whether it may represent an intrusive feeding into the T-19 mineralised system.

The sulphides identified at T-19 may possibly represent a disseminated halo style of magmatic nickel sulphide mineralisation surrounding a potential massive or semi massive sulphide accumulation. If the gravity-high feature targeted at Winston's represents an intrusive feeder into the T-19 area, then it may be a suitable loci for such accumulation of sulphides.



Figure 2. Blebby sulphides hosted in coarse grained pyroxene-olivine mesocumulate showing visible pentinite and chalcocopyrite.

Regional Auger Geochemistry

A discrete anomalous zone of up to 11 ppb gold in soils was identified in what appears to be a favourable magnetic complex. The vast majority of samples from this survey returned below detection levels of gold, so even though the levels of the anomaly in soils are low they represent significant anomalism for gold relative to background. An infill auger survey with spacing of 100m x 50m will be conducted to confirm the anomalous values (ASX announcement 20 June 2017).

Proposed Deep Drilling

Providing the above mentioned surveys are successful in identifying quality bedrock and strong geochemical anomalies, the Company has existing permits in place to commit to deeper RC and/or diamond drilling programmes to follow up immediately on any drill targets identified.

Acquisition Update

As previously announced (ASX announcement 13 December 2017 and 12 January 2018), the Company is in the process of an acquisition, with its securities being suspended from trading whilst it liaises with the ASX. The Company expects that an announcement will be made this week.

The Company looks forward to further updates as to exploration results and the acquisition becomes available.

For and on behalf of the board,

Mr Ashley Hood

Managing Director

Visit www.mtridleymines.com.au for additional information including past announcements.

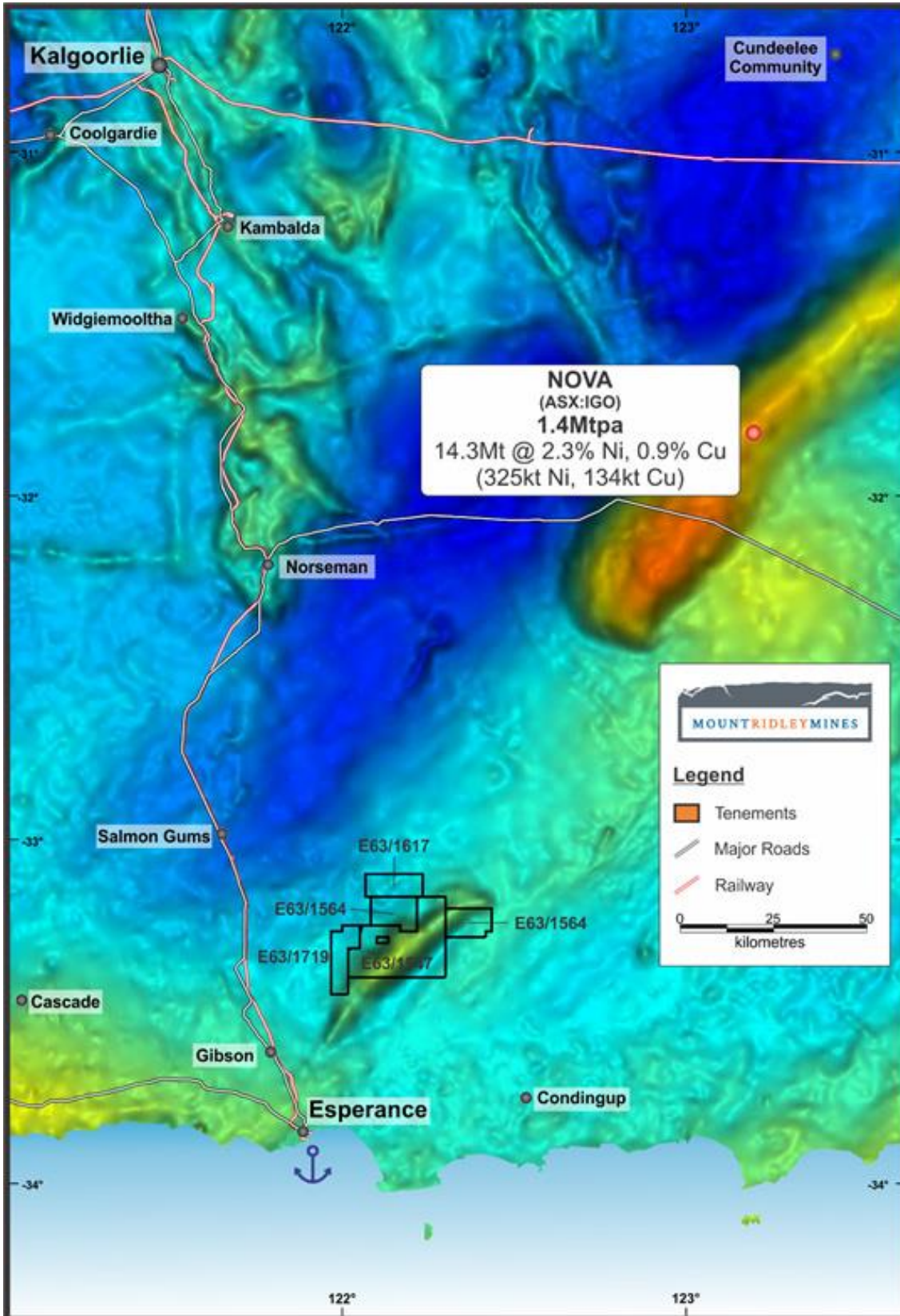
Competent Persons Statement

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.Ge) 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 Mount Ridley Mines Ltd



Mount Ridley Mines Ltd is a Perth based Australian Exploration Company focusing primarily on projects in the Albany Fraser Range region of Western Australia, 70kms north east of a major port in Esperance. The project has 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 discovered by Sirius Resources NL. The Company currently has a tenement portfolio of approximately 950sq/kms in what is fast becoming the world's most exciting emerging nickel and copper province.



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