



25 October 2018

Dear Optionholder

Mount Ridley Mines Limited – pro rata non-renounceable rights issue

As announced on 19 October 2018 Mount Ridley Mines Limited (ACN 092 304 964) (**MRD** or the **Company**) is undertaking a one for three pro rata non-renounceable rights issue of approximately 583,216,077 fully paid ordinary shares (**New Shares**) to raise approximately \$583,216, together with one free attaching option (exercisable at \$0.003 on or before 30 November 2022) for every two New Shares subscribed for and issued (**Rights Issue** or **Offer**). The issue price of New Shares under the Offer is \$0.001 per Share (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC on 18 October 2018 and ASX on 19 October 2018.

The funds raised will be used for expenditure at the Company's Mount Ridley project and working capital.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00 pm (WST) on 30 October 2018 (**Record Date**), whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 583,216,077 New Shares resulting in total Shares on issue of approximately 2,332,864,306.

Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new Shares to be allotted and to be entered on the Company's register of members on or before the Record Date.

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company's register by posted to Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909.

- (a) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (b) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Mount Ridley Mines Limited".

To ensure that your new Shares are allotted prior to the Record Date, the above must be received by Mount Ridley Mines Limited **no later than 30 October 2018**. If received after this date, allotment of new Shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Rights Issue, please contact your financial adviser or Johnathon Busing, MRD's Company Secretary on +61 8 6165 8858.

Yours sincerely

Peter Christie
Non-Executive Chairman