

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

30 October 2018

Mt Ridley Project, Albany-Fraser / Yilgarn Craton Orogen

- Gold Auger Geochemical Anomaly AC Drilling to be expanded
- Albany-Fraser Nickel – Copper targets identified, AC drilling late-November

Mount Ridley Mines Limited (ASX: **MRD**) (“Mount Ridley”, “the Company”) is pleased to announce an exploration update at its 100% owned Mt Ridley Project, located 70km north east of Esperance (Western Australia) in the Albany-Fraser Range Province of Western Australia.

The objective of the recently completed air core drilling program was to follow-up coherent gold anomalism outlined from shallow auger geochemistry sampling.

A total of 79 aircore holes were drilled for a total of 5,344 meters. A total of 1,345 samples were collected from the program and submitted to ALS laboratory for analysis.

The drilling intersected consistent Eocene transported cover in the area ranging in thickness from 57 to 63m and comprising:

- sandy soil and pedogenic calcrete (0 - 1m),
- lateritic soil (1 - 5m) and suspected to be host to auger gold anomalism
- aeolian sand (5-12m),
- sandy lignite (12 -23m),
- organic rich lake clays (23 -55m) with reduced sulphur,
- graphitic lignite (55-63m) with reduced sulphur.

Beneath the thick transported cover sequence, the drilling intersected paleo-saprolite consisting of clays and quartz rich zones. Fresh rock (basement) comprised quartz rich gneisses and quartz feldspar amphibole gneisses.

The drill holes returned low Au values in downhole composites and EOH samples. It can be concluded that the air core drill program did not intersect any mineralisation or proximal paleo-regolith gold patterns that can be described as the source for gold anomalism intersected in the previous shallow auger program. Trace element geochemistry has highlighted anomalous concentration of elements As, Pb, Ce and La in fresh bedrock.

Elevated As values (up to 100 ppm) were outlined in the northern part of the area on Lines 1, 2 & 3 and the anomaly is open to the north towards a strong magnetic high. The EOH sample for Drill hole MRAC797 returned anomalous values for Pb (360ppm), Ce (>500ppm) and La (449ppm).

Coincident anomalous patterns of the elements As, Pb, Ce and La have strong spatial correlation with an interpreted NNE trending fault zone. The fault zone has been outlined from the Magnetics (1VD & Total Magnetic intensity) images for the area.

Geological logging of air core holes on Lines 5 - 8 established that the fault zone is also a lithological contact between sulphide (pyrite) bearing quartz rich gneisses (east) and garnetiferous quartz amphibole gneisses (west).

As-Pb-La-Ce anomalism is encouraging because it is usually found in shear zones associated with hydrothermal alteration for structurally controlled epigenetic gold mineralisation.

Current thoughts on the area are that the drilled area contains a thick cover or depression consisting of organic rich sediments and coal seams. Gold and base metals mineralisation underneath such cover must be blind to near surface geochemical techniques. Therefore, the auger gold anomaly must have been sourced from somewhere else.

Further exploration will be targeted towards the identification of a near surface source for the gold anomalism identified in the near surface lateritic soil blanket. It is suspected that the gold in the laterite has been dispersed laterally over the area from a source which is either a long lived auriferous shear zone (fault) and/or near surface (<20m) mineralised bedrock and quartz veins.

The shear zone, identified from magnetics and confirmed by geochemistry, is a positive step. The next step is to use geophysics to identify near surface (<=20m) basement highs in the depression (cover) and then drill shallow holes to identify gold anomalism in bedrock/saprolite/quartz veins.

The Company is planning a broader spaced planned air core program of approximately 1,000m drilling within the As, Pb, Ce and La anomalous area associated with the projected faulting in search of the source of the surface auger gold geochemistry anomaly.

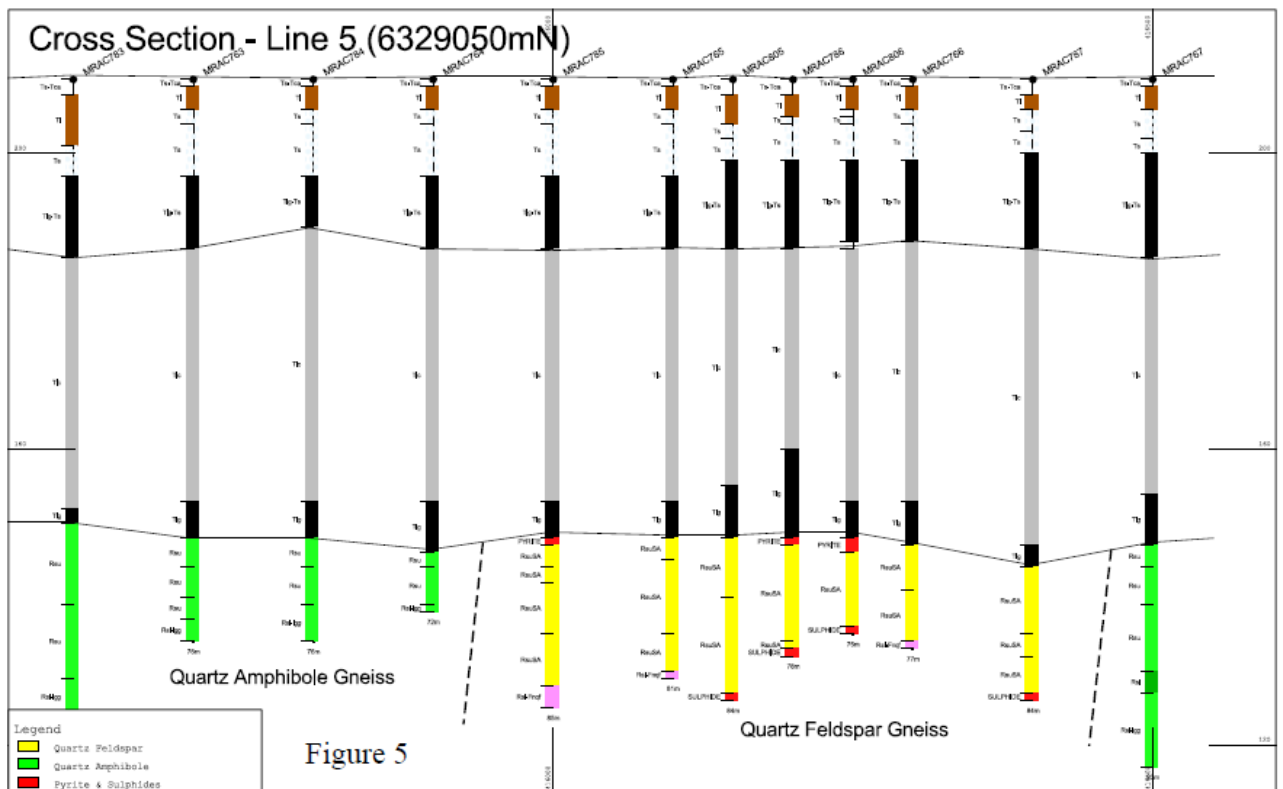


Image 1. Geological cross section – Line 5

Mt Ridley Mines looks forward to updating the market once further information becomes available.

Executive Changes

Mr Ashley Hood has relinquished his role as Managing Director whilst still maintaining an ongoing consulting role on the Company's mineral exploration projects and will continue as a non-executive Director.

For and behalf of the board.

Mr Ashley Hood
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.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 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/copper sulphide and gold deposits in the Albany Fraser Range and Yilgarn Craton 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 846 sq kms or 84,643 Ha (including EL63/1902) in what is one of the world's most exciting emerging nickel and copper provinces.

