

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

22 January 2019

**DRILLING COMMENCES - MOUNT RIDLEY PROJECT
ALBANY FRASER OROGEN**

- Albany Fraser Range Nickel – Copper targets to be tested
- AC rig mobilised to site and drilling commenced
- Interpreted mafic-ultramafic intrusive rocks targeted

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 WA.

A number of discrete magnetic geophysical features have been selected by the company’s technical team at CSA Global and SGC/GeoPotential Consulting. The priority with this phase of Aircore Drilling is to apply the current understanding of the characteristics and target similar magnetic features (and potentially magmatic nickel-copper-cobalt sulphides) to those found in mineralised mafic-ultramafic intrusive lithologies in the vicinity of the Nova-Bollinger mine in the Albany Fraser Range.

To date magmatic nickel-copper-cobalt sulphides identified on the Mount Ridley project hosted in coarse grained varitextured mafic to ultramafic gabbro-norite and peridotite rocks are typical of magmatic nickel sulphide systems. Given the number of geophysical features that are yet untested beneath cover, there remains good potential to identify further magmatic nickel-copper-cobalt sulphides within the project area.

Should the AC drilling campaign be successful, the Company will seek to complete high powered moving loop electromagnetic (HP MLTEM) surveys as soon as practical to target any potential magmatic sulphide accumulations.

The Company looks forward to further updates on the current drill program as work progresses.

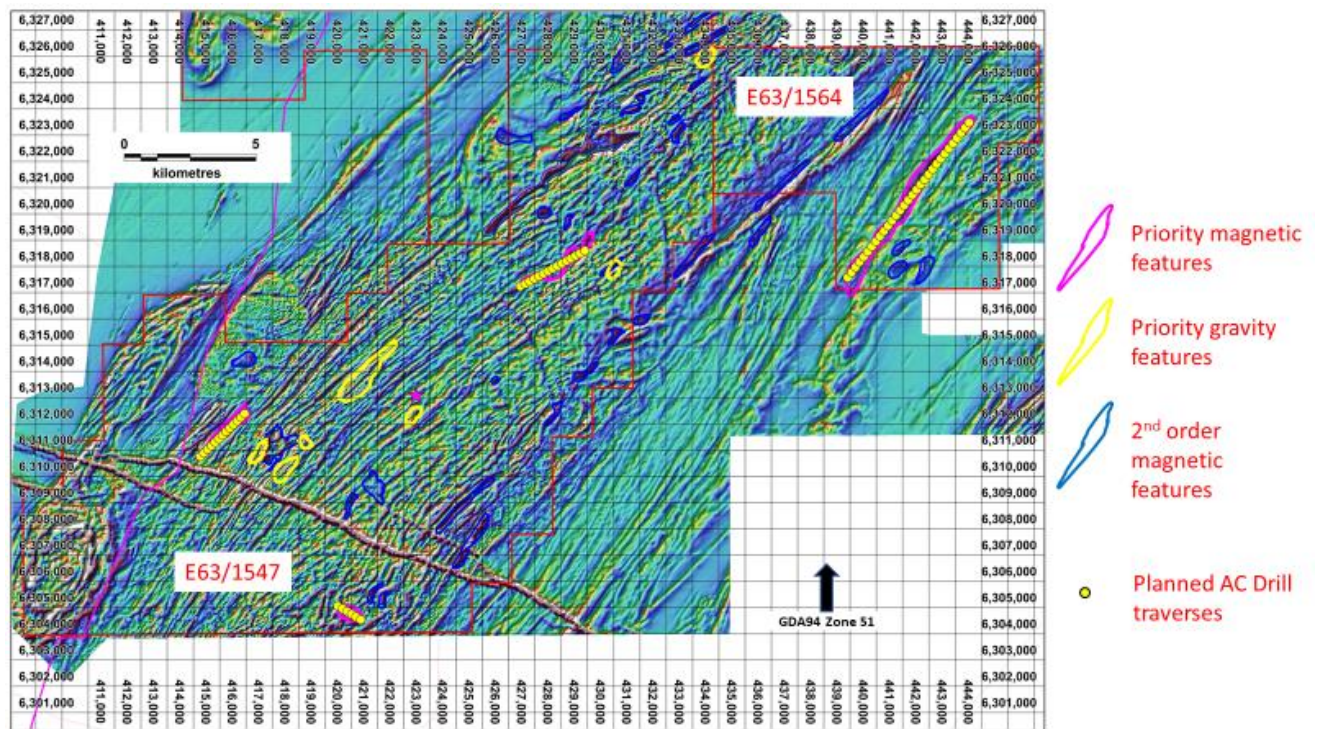


Figure 1. 1st vertical derivative of magnetic data delineating geophysical targets and planned drill traverses

For and on 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 614 sq/kms or 61,396 Ha in what is one of the world's most exciting emerging nickel and copper provinces.

