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Exploration Update

Highlights

- **Results received from recent high powered ground EM survey at Mt Ridley.**
- **Discrete EM conductor identified at Target 2.**
- **Conductor lies at or near the contact of an interpreted mafic-ultramafic intrusion.**
- **Follow-up aircore drilling to commence early in the New Year.**

Mount Ridley Mines Ltd (ASX: **MRD**) (or "the **Company**") is pleased to announce the results of a fixed loop electromagnetic (FLEM) survey over Target 2 at the Company's 100% owned Mt Ridley Project in the highly prospective Fraser Range Province.

Target 2 was interpreted as a high priority, non-magnetic intrusive target from the Company's recent detailed aeromagnetic survey. The FLEM survey has delineated a mid-late time anomaly as shown in Figure 1.

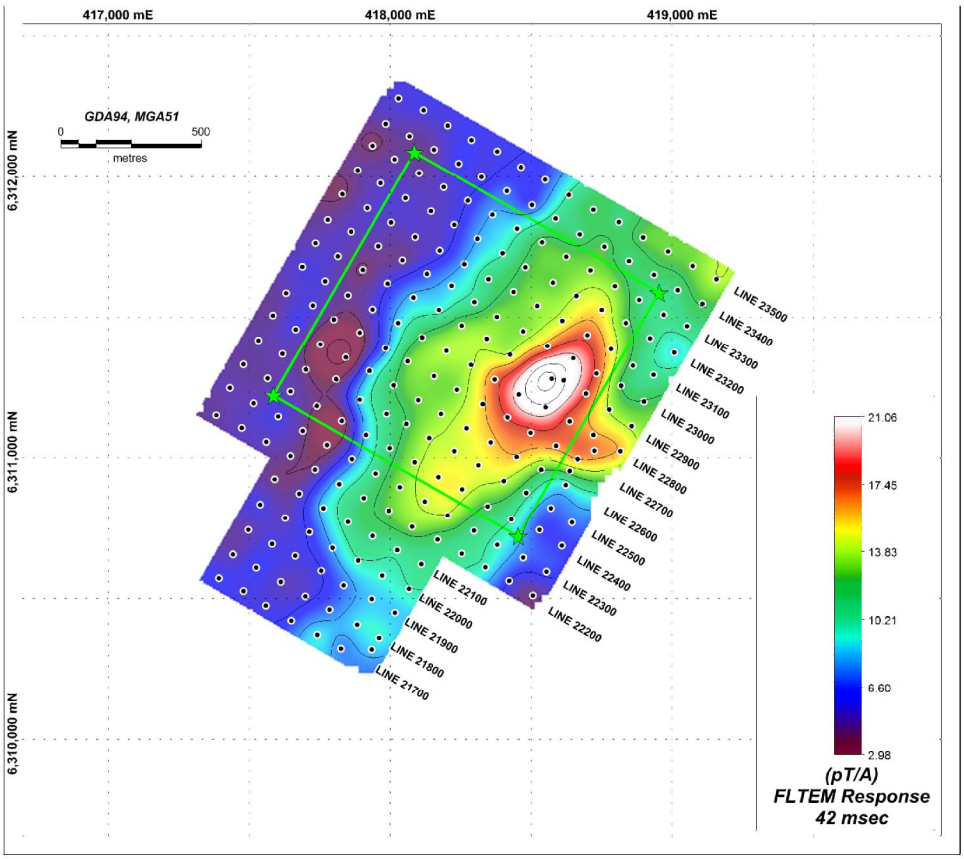

Figure 1: Target 2 FLEM Survey: Z Component 42 ms response showing a distinct anomaly over the interpreted magnetic target zone.

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The anomaly location is shown in Figure 2.

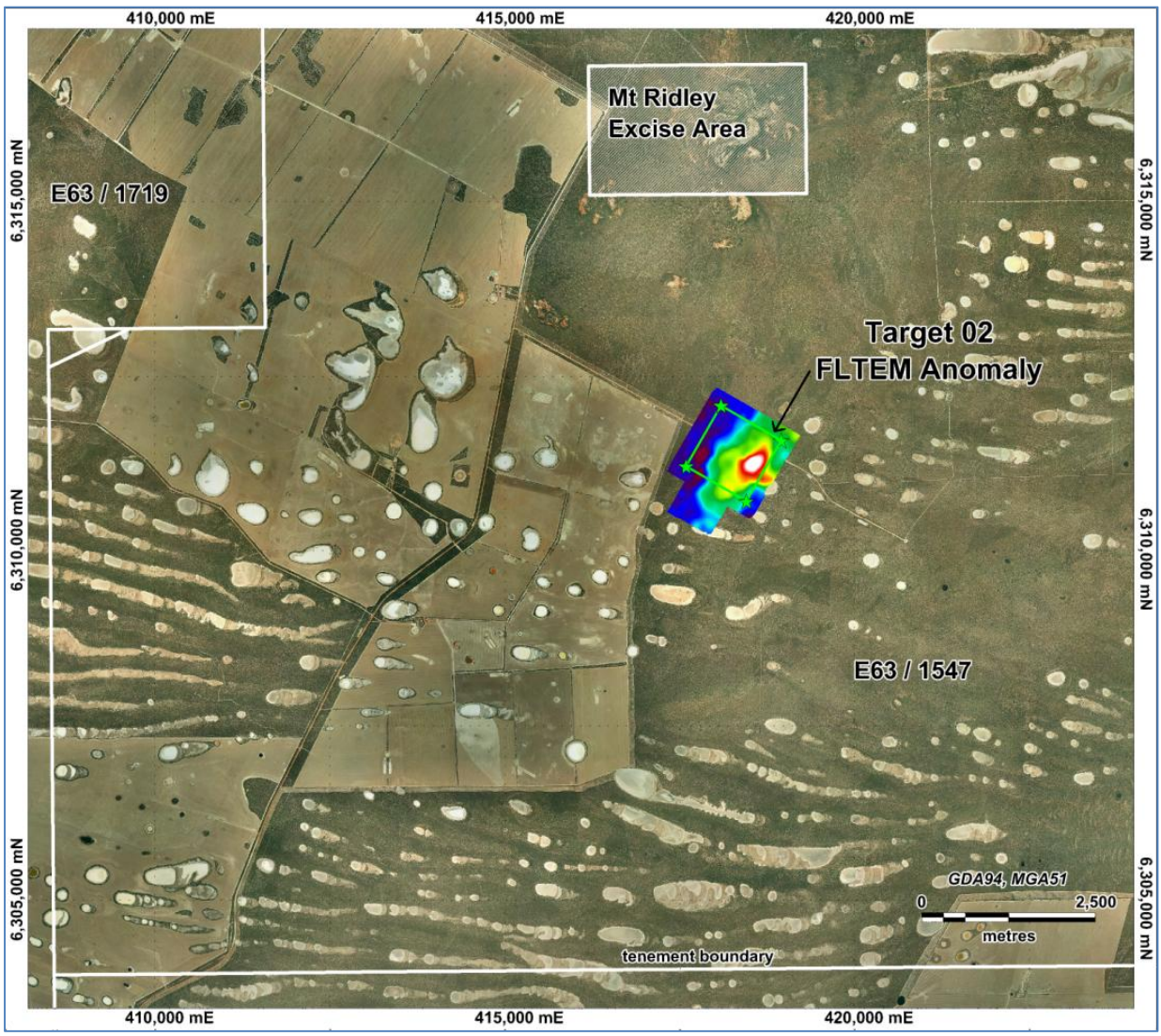

Figure 2: FLTEM anomaly over orthophoto image

The project area contains numerous salt lakes as can be seen in Figure 2 and this has resulted in a high EM response from the conductive overburden. This complicates modelling and interpretation of the conductor making it difficult to obtain a definitive model. However modelling has confirmed the conductor is shallow dipping, but its depth cannot be determined with accuracy.

It is planned to initially drill a fence of aircore holes across the anomaly to verify the underlying rock type and to assay for nickel-copper indications at the bedrock interface. Follow-up deeper Reverse Circulation and/or Diamond drilling may be undertaken depending on the outcome of the initial aircore drilling.

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The Company has planned a first pass aircore drilling program designed to test several of the higher priority aeromagnetic intrusive style targets (see announcement dated 10th November 2014), including Target 2. Drilling is expected to get underway sometime in mid January 2015.

For and on behalf of the board

Mr Dean Goodwin. AIG

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dean Goodwin who is a Member of the Australian Institute of Geoscientists. Mr Goodwin is the Managing Director of the Company. Mr Goodwin 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 Goodwin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to geophysical results and Interpretation is based on information compiled by Mr William Peters, a Consulting Geophysicist (Crosmin Pty Ltd) at Southern Geoscience Consultants. Mr Peters is a Fellow of the Australasian Institute of Mining and Metallurgy and Chartered Professional (Geology), and has sufficient experience which is relevant to the type of activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Peters consents to the inclusion in this report of the matters reviewed by him in the form and context in which they appear.

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Section 1 Sampling techniques and data		
Criteria	**JORC Code explanation**	**Comments re VTEM programme**
Sampling technique	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	A ground electromagnetic survey was completed, using 1000m x 1000m transmitter loops with 100m x 100m station spacing.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Survey QC parameters were reviewed by independent supervising geophysicists from Southern Geoscience Consultants Pty Ltd.
	Aspects of the determination of mineralisation that are material to the Public report In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	No drilling reported in this release
Drilling technique	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method etc.).	No drilling reported in this release
Drill Sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed	No drilling reported in this release
	Measurements taken to maximise sample recovery and ensure representative nature of the samples.	No drilling reported in this release
	Whether a relationship exists between sample recovery and grade and wether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No drilling reported in this release

Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	No drilling reported in this release
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.	No drilling reported in this release
	The total length and percentage of the relevant intersections logged	No drilling reported in this release
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and wether quarter, half or all core taken.	No drilling reported in this release
	If non-core, whether riffles, tube sampled, rotary split, etc. and whether sampled wet or dry.	No drilling reported in this release
	For all sample types, quality and appropriateness of the sample preparation technique.	No drilling reported in this release
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	No drilling reported in this release
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	No drilling reported in this release
	Whether sample sizes are appropriate to the grain size of the material being sampled.	No drilling reported in this release
	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	No drilling reported in this release
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not Applicable

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Quality of assay data and laboratory tests	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	No drilling reported in this release
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	No drilling reported in this release
	The use of twinned holes	No drilling reported in this release
	Documentation of primary data, data entry procedures, data verification, data storage (physically and electronic) protocols.	All primary analytical data were recorded digitally and sent in electronic format to Southern Geoscience Consultants for quality control and evaluation.
	Discuss any adjustment to assay data.	No drilling or sampling reported in this release
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resources estimation.	Station positions were recorded with GPS system with expected accuracy of +/- 5m horizontal and +/ 10m vertical
	Specification of the grid system used.	The grid system for the Mt Ridley Project is MGA_GDA94, Zone 51
	Quality and adequacy of topographic control.	Topographic control is based on the GPS heights and radar altimeter data from an airborne magnetic and radiometric survey
Data spacing and distribution	Data spacing for reporting of Exploration Results.	No drilling or sampling reported in this release
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Reserve and Ore Re4serve estimation procedure(s) and classifications applied.	No drilling or sampling reported in this release
	Whether sample compositing has been applied.	No drilling or sampling reported in this release

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Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	No drilling or sampling reported in this release
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No drilling or sampling reported in this release
Sample security	The measures taken to ensure sample security.	No drilling or sampling reported in this release
Audits or reviews	The results of and audits or reviews of sampling techniques and data.	Data review and quality control was by Southern Geoscience Consultants in Perth.
Section 2 Reporting of exploration results		
Mineral tenements and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interest, historical sites, wilderness or national park and environmental settings.	Tenement No E63/1547. Dundas mineral field. Registered holder-Fraka Investments Pty Ltd Beneficially held 100% by Mt Ridley Mines Ltd under sale and purchase agreement. Transfer document signed by both parties awaiting payment of stamp duty.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenure is secure and in good standing at the time of writing.
Exploration done by other parties	Acknowledgement and appraisal of exploration by other parties.	Previous exploration has primarily targeted lignite
Geology	Deposit type, geological settings and style of mineralisation.	Mt Ridley Mining is exploring primarily for magmatic hosted Ni-Cu sulphide.

Drill hole information	A summary of all information material for the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	No drilling reported in this release
	E*asting and northing of the drill hole collar* *Elevation or RL (Reduced level-elevation above sea level in metres)and the drill hole collar* D*ip and azimuth of the hole* *Down hole length and interception depth* *Hole length* If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No drilling reported in this release
Data aggregation methods	In reporting Exploration results, weighing averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually material and should be stated.	No drilling reported in this release
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	No drilling reported in this release
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No drilling reported in this release

Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results.	No drilling reported in this release
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	No drilling reported in this release
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known')	No drilling reported in this release
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts would be included for any significant discovery being reported. These should include, but not be limited too plan view of drill hole collar locations and appropriate sectional views..	No drilling reported in this release
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	No drilling reported in this release
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations, geophysical survey results, geochemical survey results, bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or containing substances.	This announcement contains results of ground geophysical surveys as follows: Fixed Loop TEM Transmitter: Outer Rim HP Current 100 Amp Receiver: SMARTem 24 Base Frequency: 0.5 Hz Sensor: Fluxgate B-field Components: Bz, Bx, By
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	Further work will include, but is not limited to, air-core drilling and geochemical sampling of intrusive features interpreted from airborne magnetic surveys.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, providing this information is not commercially sensitive.	