ASX ANNOUNCEMENT

ASX: MRD

3 June 2015

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Company Announcements Office
ASX Limited

Target 19 Delivers Best Drilling Result to date at Mt Ridley

Highlights

- **MRAC111 delivers 26m @ 0.25% Ni and 372ppm Cu from 34m (to end of hole) including 12m @ 0.33% Ni and 532ppm Cu from 34m.**
- **High copper values in MRAC111 indicative of potential primary nickel and copper mineralisation nearby.**
- **New aircore results define a broad 800m long plus zone of supergene nickel and copper enrichment within the central portion of Target 19.**
- **Twenty eight new aircore holes on broad 400m x 100m spacing have hit primary magmatic disseminated nickel and copper sulphides at Target 19.**
- **Nickel bearing sulphides include pentlandite, violarite and bravoite. Copper bearing minerals include chalcopyrite, chalcocite and native copper.**
- **Other standout nickel and copper intersections include 15m @ 0.21% Ni & 110ppm Cu from 48m including 6m @ 0.32% Ni & 208ppm Cu from 53m in MRAC112 and 24m @ 0.14% Ni & 317ppm Cu from 21m in MRAC173.**

Mount Ridley Mines Ltd (ASX: **MRD** or "the **Company**") is pleased to advise that further assay results have been received from aircore drilling at its 100% owned Mt Ridley Project in the Albany-Fraser Range Province.

The results are from the latest round of aircore drilling at Target 19 which commenced around four weeks ago. The results are a combination of four metre composite and one metre re-split samples.

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Aircore Drilling at Target 19

These new results are all from regional reconnaissance aircore drilling carried out on a 400m x 100m local grid with 400m spacing's between lines and 100m spacing's between holes on the lines. Initial drilling has been focused on the north-eastern portion of Target 19 where the olivine bearing intrusion is interpreted to be at its thickest. To date a total of 72 holes for 3003 metres has been completed encompassing only one quarter of the total interpreted strike length of Target 19.

Of the seventy two holes completed to date twelve have returned anomalous nickel and copper values including MRAC110-112, MRAC115, MRAC120, MRAC126, MRAC132, MRAC155-156, MRAC164-165 and MRAC173 (see figure 1).

The best result to date is from MRAC111 which returned 26m @ 0.25% Ni & 372ppm Cu from 34m to end of hole. The hole is located near the central portion of Target 19. The intersection displays strongly anomalous supergene nickel and copper along with primary nickel and copper sulphides at the bottom of the hole. The dominant copper mineral in the supergene zone is chalcocite, an oxidised form of chalcopyrite.

The highly elevated values of copper in MRAC111 suggest primary nickel and copper mineralisation is potentially nearby in the fresh rock beneath the hole below the transition (see figure 2, Target horizon).

Eight of the twelve new holes MRAC110-112, MRAC155-156 and MRAC164-165 have defined a newly discovered zone of broad supergene nickel and copper enrichment some 800m long and up-to 200m wide (see figure 1). It's located in the central portion of Target 19 and is open to the south-west. This newly discovered enrichment zone will be the focus of infill aircore drilling down to 200m x 50m spacing over the coming month.

The main rock type in hole MRAC111 is peridotite, an olivine-pyroxene bearing rock. Interestingly it is the first time peridotite has been identified at Mt Ridley. This particular rock unit is a very important ingredient as it generally lies down near the base of an intrusion where the formation of nickel and copper sulphide mineralisation is most likely. In the case of MRAC111 the peridotite may well be representing the base of a magmatic pulse within the intrusion.

A diamond hole testing beneath aircore hole MRAC111 has commenced. The hole has been designed to pass through the interpreted location of the peridotite (target horizon) and search for any primary nickel and copper sulphide mineralisation within it. The hole will be drilled deep into the intrusion testing for other peridotite layers that may exist (see figure 2).

FIGURE 1: Aeromagnetic image showing location of aircore drill holes and significant intersections together with newly discovered supergene nickel and copper enrichment zone at Target 19.

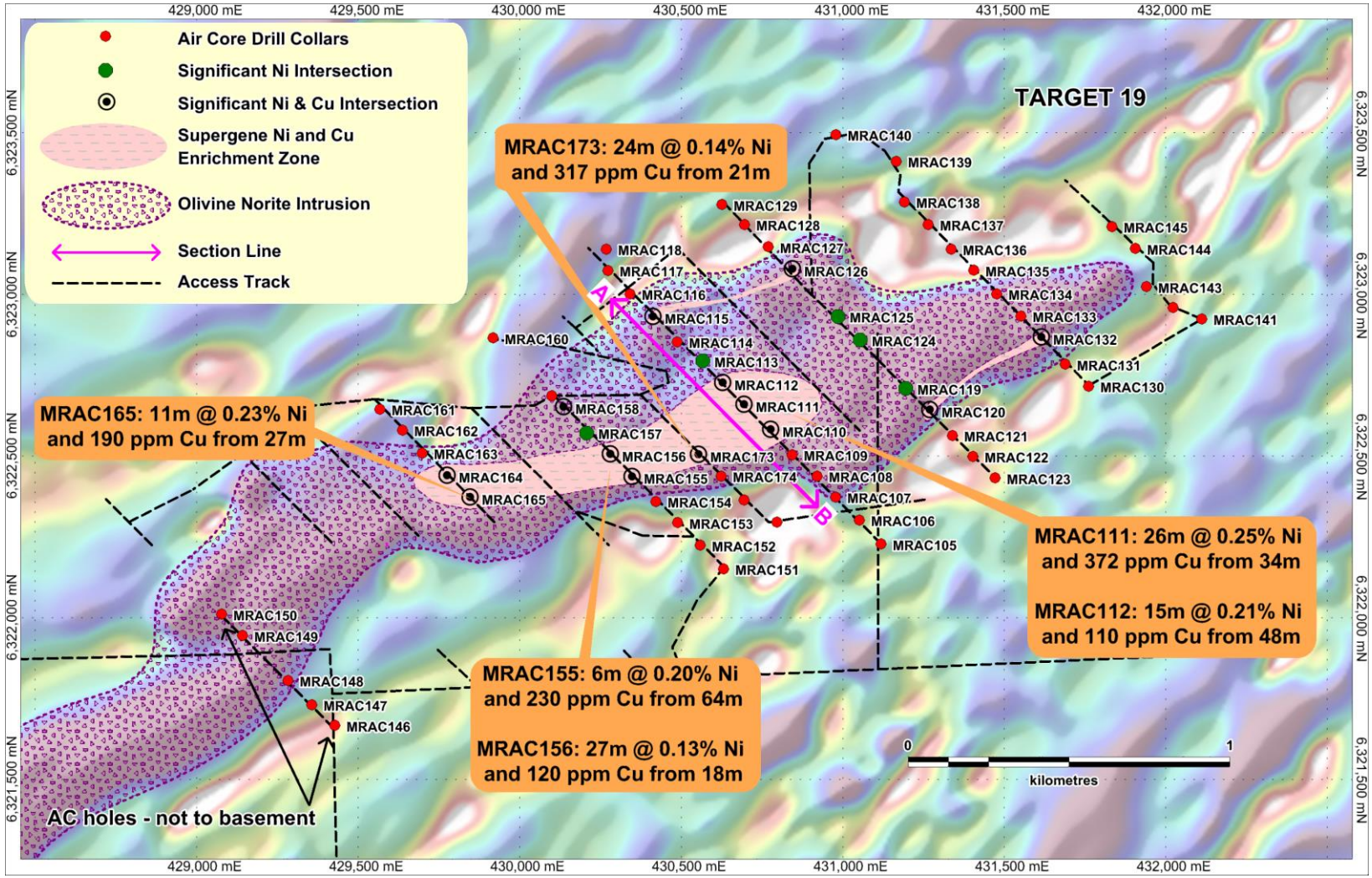

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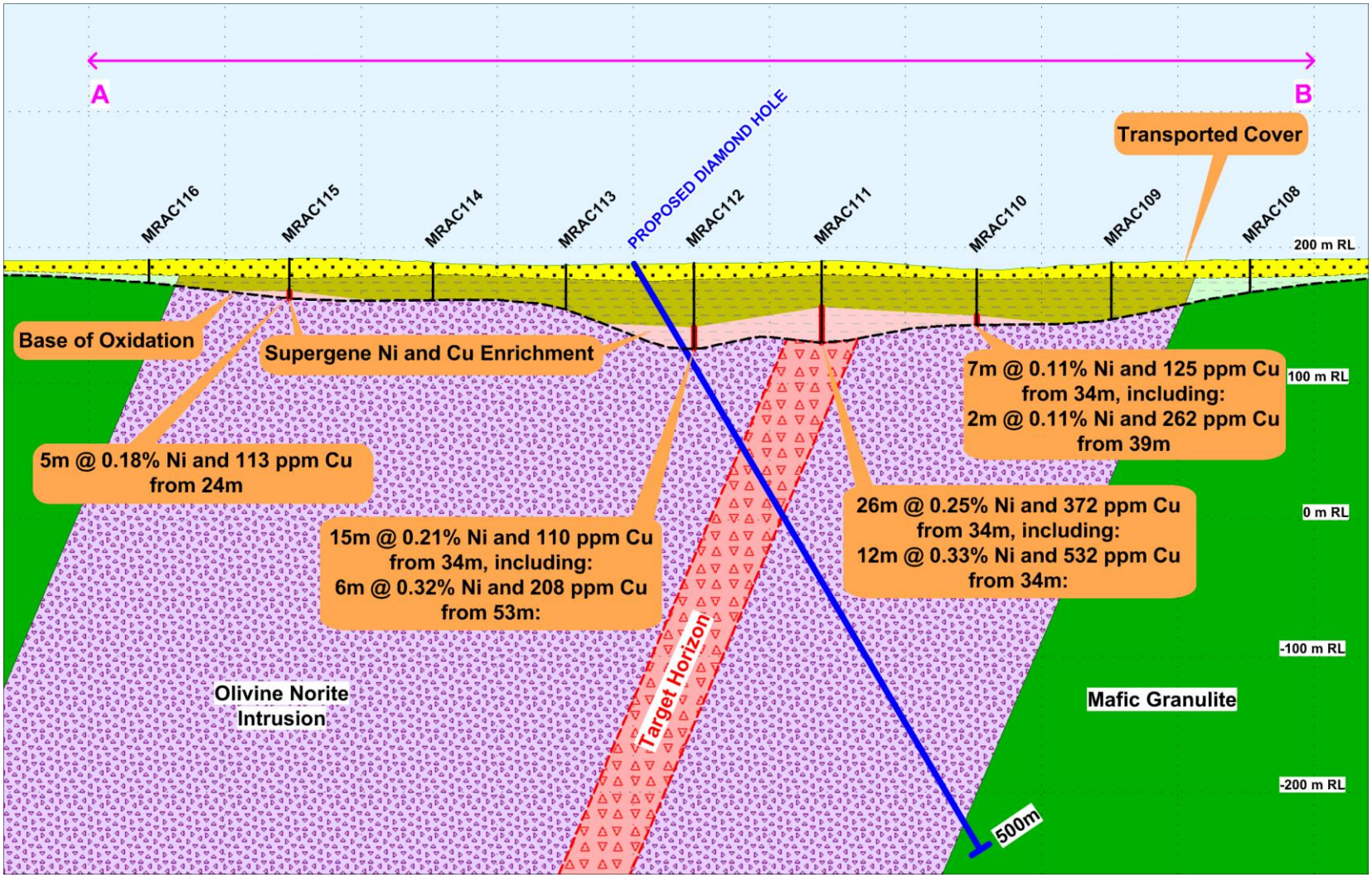
FIGURE 2: Cross-section showing significant intersections, supergene copper-nickel enrichment zone and planned deep diamond hole.



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Aircore drilling at Target 19 has uncovered a variety of rock types within the intrusion including peridotites, troctolites, olivine norites, and gabbronorites. The intrusion appears far more complex than originally thought suggesting the intrusion may have formed from more than one pulse of magma. The deep diamond drilling currently underway is designed to determine the geology of the intrusion and its layering sequence. This knowledge will greatly enhance the chances of success of future diamond drilling programs especially when coupled with aircore geochemical data and moving loop ground EM survey results.

Primary magmatic nickel and copper sulphides in minor amounts were also identified in the matrix or groundmass of olivine and pyroxene bearing gabbro at the bottom of holes MRAC109-115, MRAC119-120, MRAC124-126, MRAC132-134, MRAC155-159, MRAC163-166, MRAC173-174 and MRAC177-178 at Target 19. These were initially noted in hand specimen from the aircore samples but later confirmed in thin section by petrological consultants **Minerex Services Pty Ltd** of Esperance.

The main nickel bearing sulphide is pentlandite, however supergene variants of pentlandite including violarite and millerite have also been confirmed. Bravoite, a cobalt-nickel bearing iron sulphide has also been identified. Other sulphides present include pyrite, pyrrhotite, magnetite and chalcopyrite. Chalcocite also occurs as a supergene variant of chalcopyrite.

As was seen from previously reported aircore holes the better nickel and copper results are again focused at or near the transition, the boundary between partly oxidised and fresh rock. It is important to note that most results returned to date are end of hole intersections with some of the better nickel results coming from the bottom few metres, ie MRAC156 3m @ 0.17% Ni and 290ppm Cu from 42m. A full list of results can be found in Table 1 below.

Prospect	Hole #	Northing	Easting	From (m)	To (m)	Length (m)	Ni (%)	Cu ppm	Hole depth m
Target 19	MRAC110	6322578	430777	34	41	7	0.11%	125	41
		Including		39	41	2	0.11%	262	
Target 19	MRAC111	6322656	430694	34	60	26	0.25%	372	60
		Including		34	46	12	0.33%	532	
Target 19	MRAC112	6322723	430628	48	63	15	0.21%	110	63
		including		53	59	6	0.32%	208	
Target 19	MRAC115	6322928	430413	24	29	5	0.18%	113	29
Target 19	MRAC120	6322639	431269	60	64	4	0.13%	148	69
Target 19	MRAC126	6323075	430844	34	44	10	0.14%	100	44
Target 19	MRAC132	6322864	431615	28	48	20	0.11%	86	51
Target 19	MRAC155	6320008	428305	64	70	6	0.20%	230	70
Target 19	MRAC156	6322502	430280	18	45	27	0.13%	120	45
Target 19	MRAC164	6322437	429775	44	48	4	0.11%	130	48
Target 19	MRAC165	6322369	429847	27	38	11	0.23%	190	38
Target 19	MRAC173	6322501	430554	21	45	24	0.14%	317	45

TABLE 1: Better nickel and copper intersections at Target 19 from the April-May 2015 reconnaissance aircore program. 4 metre composites and 1 metre resamples.

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Airborne VTEM Survey

The Company recently completed a regional VTEM max time-domain electromagnetic survey on 400m spaced lines covering the majority of the NE-SW orientated gravity corridor over a strike length of some 26kms. The survey was flown primarily as a rapid regional reconnaissance tool covering the most prospective areas of the Mt Ridley Project.

Preliminary data has been reviewed by Southern Geoscience Consultants. Initial interpretation of the data suggests the highly conductive nature of the surface cover, due to the numerous small salt lakes in the area, has masked a good deal of the project area. However several bedrock conductors were detected around Target 2 and Target 19. Final data has just been received from Geotech and will be analysed very closely by Southern Geoscience Consultants. Further potential bedrock EM conductors may become apparent after this important work has been completed. Results are expected in the coming month.

Ongoing Exploration

The Company has an ongoing structured and systematic exploration strategy with stages of work and points of review to minimize risk.

Ongoing exploration at all 3 main targets (2,19 and 20) will include the following:

- Infill aircore drilling to delineate the extent and tenor of supergene nickel and copper enrichment zones within the mafic-ultramafic intrusions.
- An initial two to three diamond hole drilling program in order to gain a greater knowledge of stratigraphy including the identification of crystal layering or sequences within the intrusion and basal olivine layers which have the potential to host both disseminated and massive sulphides.
- Downhole electromagnetic surveys in order to identify potential conductors that may be indicative of massive or disseminated sulphides.
- Subject to results, and once a greater understanding of the geology and geochemical dispersion of nickel and copper has been gained within all three targets, undertake high-powered surface EM surveys that is capable of identifying conductors at depths of up to 400 metres below the surface.

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For and on behalf of the board

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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.

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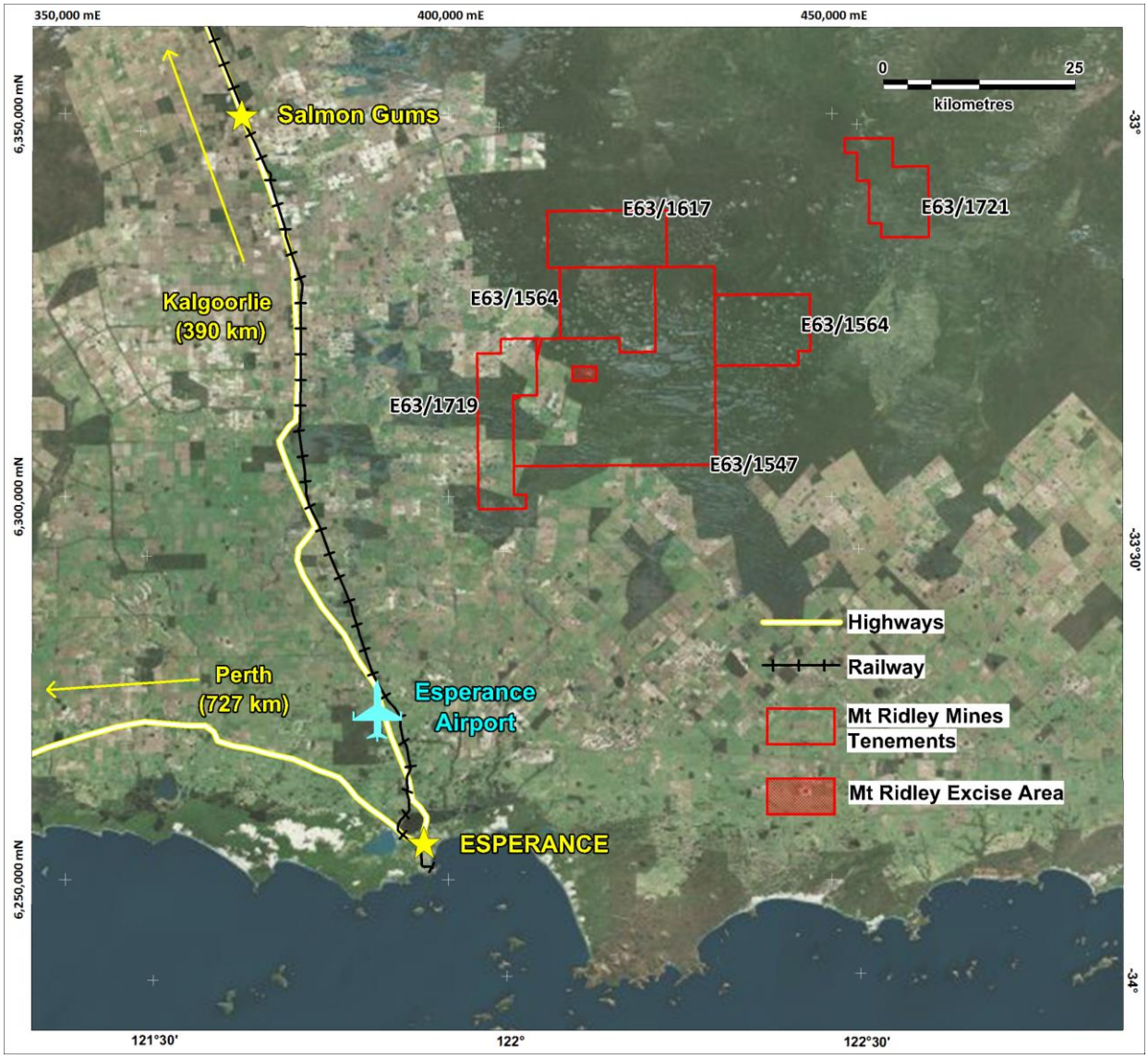
About Mt Ridley Mines Ltd

Mt Ridley Mines Ltd is a Perth based Australian exploration company focusing primarily on projects in the Fraser Range region with 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.

Mt Ridley Mines Ltd is actively targeting nickel sulphide deposits in the Albany-Fraser Range Province of Western Australia, the site of Sirius Resources Nova Nickel-Copper Deposit. The Company currently has a portfolio of tenements totaling in excess of 1000sq/kms in what is fast becoming the world's most exciting emerging nickel province.



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Appendix 2 Mt Ridley Mining Limited – Mt Ridley Project – Aircore Drilling JORC CODE 2012.

Section1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used* • *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.*	• **All aircore drill samples were collected using a hand held spear.** • **A full and level spear is consistently collected for each sample. Samples were composited by sampling the individual 1 metre sample spoils and combining 4 for each composite sample** • **Aircore drilling was used to obtain 1 metre samples which are used to make 4m composites, these were pulverised and a 40g charge was taken for fire assay.**
Drilling techniques	• *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.).*	• **The aircore drilling was conducted by ONQ Exploration using a 92mm blade bit to blade refusal**
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed* • *Measurements taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• **Sample recoveries were not measured.** • **The sampling cyclone and buckets were cleaned regularly.** • **Not applicable.**

	JORC Code explanation	Commentary
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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.* • *The total length and percentage of the relevant intersections logged*	• **Aircore drill chips were geologically logged.** • **Qualitative descriptions of colour, grain size, texture and lithology are recorded for each sample. Thin sections of significant samples were made for petrological analysis.** • **Drill holes are geologically logged in their entirety.**
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and wether quarter, half or all core taken.* • *If non-core, whether riffles, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• **Not applicable** • **Aircore samples are not riffle split.** • **Samples consisted of 4 metre composites. Submitted sample weights vary from 1 to 2 kg. Samples were collected using hand spearing of each of the sample spoils.**
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• **For aircore drilling sample analysis was completed by Bureau Veritas Minerals Pty Ltd of Perth, W.A. using a 4 acid digest, which is regarded as total digest. Elements (As, Co, Cr, Cu, Fe, Mg, Ni and Zn) were measured using inductively coupled plasma (ICP) Optical Emission Spectrometry. Au and AuR were measured by Atomic Absorption Spectrometry. These are considered the most cost effective techniques for the measurement of gold and base metals.** • **For aircore drill samples, QAQC standards were routinely inserted within the sample batches at an approximate rate of 1 standard per 50 samples. In addition reliance is placed on laboratory procedures and laboratory batch standards**

	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes* • *Documentation of primary data, data entry procedures, data verification, data storage (physically and electronic) protocols.* • *Discuss any adjustment to assay data.*	• **Not applicable at this early stage of exploration** • **Not applicable at this early stage of exploration** • **Sampling data is collected in the field and data entry and validation is completed in the office by experienced database personnel assisted by geological staff.** • **No adjustments are made to assay data.**
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• **Drill collar positions were recorded with handheld GPS system with expected accuracy of +/- 5m horizontal and +/ 10m vertical. This is considered acceptable for broad spaced ground activities.** • **The grid system for the Mt Ridley Project is GDA94, MGA Zone 51** • **Topographic control is based on the GPS heights and radar altimeter data from an airborne magnetic and radiometric survey (100m line spacing).**
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Reserve and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• **Aircore drill spacing was dictated by access; drill traverses were planned along existing cleared tracks over the targets to be tested. The drill collar spacing was nominally 100m along each traverse.** • **Not applicable.** • **Composite sampling has been applied to the aircore drilling. 4 metre composite samples have been used.**
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.* • *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.*	• **The orientation of the aircore traverses is considered to achieve an unbiased sampling at these broad spacings given it is an early stage of exploration** • **Not applicable**

	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• **Not applicable for first pass shallow aircore drilling. Sample bags are clearly marked and addressed for assay laboratory and are delivered using commercial freight carriers. Assay pulps are retained and stored in a company facility for future reference if required.**
Audits or reviews	• *The results of and audits or reviews of sampling techniques and data.*	• **No audits or reviews of sampling techniques have been completed.**

Section2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
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.* • *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.*	• **Tenement E 63 /1547. Dundas mineral field. The tenement is 100% held by Mt Ridley Mines Ltd.** • **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:* ○ *Easting and northing of the drill hole collar* ○ *Elevation or RL (Reduced level-elevation above sea level in metres)and the drill hole collar* ○ *Dip and azimuth of the hole* ○ *Down hole length and interception depth* ○ *Hole length*	• **The aircore drill hole coordinates and details are outlined in Table 1 of this ASX Announcement.** • **Due to the nature of this drilling and the early phase of exploration all holes with significant intersections of nickel (>1000 ppm) and/or copper (>35 ppm) have been reported and tabulated. The remaining holes do not have any significant results and are considered barren. Drilling was undertaken testing conceptual targets, although the holes are barren they do provide valuable geological information.**

Criteria	JORC Code explanation	Commentary
	• *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.*	
Data aggregation methods	• *In reporting Exploration results, weighing averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• **Weighted averaging techniques have been applied to the composite samples when calculating grade intervals.** • **The composite intervals have been calculated using a minimum assay of 900 ppm Ni and 30 ppm Cu.** • **No metal equivalent values have been reported.**
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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')*	• **The geometry of anomalous nickel assays is unknown** • **All drill hole intercepts are measured in down hole metres**
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.*	• **Appropriate plans have been included in the body of the report**
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.*	• **Not applicable at this early stage of exploration**

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Criteria	JORC Code explanation	Commentary
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.*	• **A detailed aeromagnetic survey was completed in October 2014; the aircore drill targeting is based on the interpretation of this dataset for intrusive features that could potentially be associated with magmatic hosted nickel sulphides. The data and interpretation have been discussed in previous ASX releases and exploration updates.** • **A fixed loop TEM survey was completed in December 2014 over targets 1 and 2. A mid-late time EM conductor detected at target 2 was tested with an aircore traverse; however, the conductor remains unexplained at this point in time. The TEM data and results have been discussed in a previous ASX release and exploration update.**
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).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, providing this information is not commercially sensitive.*	• **Infill aircore drilling is being planned over targets 2,19 and 20 to delineate high priority areas for follow-up electromagnetic (TEM) surveying.** • **RC and / or diamond drill holes are being planned for targets 2,19 and 20 to obtain additional stratigraphic information, samples for assay and analysis and to allow down hole TEM surveying**