

27 July 2015

Quarterly report for the Period ending 30 June 2015

OVERVIEW

Exploration

- ❖ The Company has continued staged exploration programs on its 100% owned Mt Ridley Project conducting diamond and aircore drilling programs to identify the nature of intrusive targets in its highly prospective Albany-Fraser Range tenements.
- ❖ Drilling has greatly enhanced the understanding of geology and mineralization in three separately anomalous, olivine-bearing, mafic-ultramafic intrusions previously identified by aircore drilling.
- ❖ Petrographic work has shown all these olivine-bearing intrusions to contain trace amounts of primary disseminated nickel and copper sulphides.
- ❖ Aircore drilling internal to Target 19 has identified significant nickel and copper anomalism.
- ❖ A bedrock EM conductor, potentially indicative of massive sulphides, has recently been identified in the northeast of Target 19 from limited FLEM/MLEM work.
- ❖ This conductor is broadly coincident with significantly anomalous nickel and copper results in peridotite, internal to the intrusion, identified in aircore drilling.
- ❖ No graphitic sediments have been intersected to date in ANY drilling, in or around intrusive targets tested.
- ❖ Significant anomalous **nickel** intersections from aircore drilling to date include 27m @ 0.27% Ni from 26m in MRAC258, 11m @ 0.25% Ni from 40m in MRAC178 and 12m @ 0.22% Ni from 33m in MRAC156.
- ❖ Significant anomalous **copper** intersections from aircore drilling to date include 6m @ 812ppm Cu from 42m in MRAC172, 4m @ 575ppm Cu from 41m in MRAC155, 6m @ 632ppm Cu from 45m in MRAC226 and 24m @ 463ppm Cu from 35m in MRAC203.
- ❖ Transported overburden in the areas of interest is relatively thin, around 10-14m thick.
- ❖ New infill ground-based gravity surveys at Targets 19 & 20 has highlighted zones of deep weathering.
- ❖ Diamond drilling will commence to test the bedrock EM conductor over the coming weeks.
- ❖ Ground-based MLEM surveys covering the Ni and Cu Supergene Enrichment zone of Target 19 (over more than 2km of strike) is currently underway.

EXPLORATION

Field work conducted during the reporting period at Mt Ridley has advanced the understanding of the three previously identified, mineralized intrusions Targets 19, 20 and 2 with aircore drilling, diamond drilling and geophysical surveys.

These three highly prospective intrusions identified to date, all shown to contain traces of nickel and copper sulphides include:

- Target 19 which has a slightly irregular sheet like or tabular shape with an interpreted strike length in-excess of 7kms;
- Target 20 which has a circular pipe-like shape approximately 450m in diameter close to Target 19; and
- Target 2 which also has a clustered pipe-like shape approximately 400m in diameter.

Very limited ground-based FLEM/MLEM and downhole electromagnetic surveys have been undertaken in these key areas to identify potential bedrock conductors. Infill gravity has been continued to identify areas of deep weathering that may be indicative of oxidized sulphides.

Mt Ridley Project

Aircore Drilling

Following completion of reconnaissance aircore in Q3 over regional intrusive targets, aircore drilling has continued at Target 19 initially on a 400 x 100m basis, closing down to 200 x 50m in areas of interest. The aim of this drilling was to delineate the extent of the olivine-bearing intrusion and identify trends of supergene nickel and copper anomalism within it.

Reconnaissance aircore drilling was also completed to follow-up a previously reported mid-late time EM anomaly and trace amounts of nickel and copper sulphides at Target 2.

A total of 216 aircore holes were drilled in the project for a total of 9672m, on regularly spaced gridlines. All holes were drilled vertically to refusal, terminating in basement rocks aiming to locate coarse-grained, mineralised gabbroic rocks of intrusive mafic-ultramafic origin and identify contacts.

Drilling has been concentrated in the northeast of Target 19 that is itself approximately 7km long and up to 550m wide.

Aircore drilling at Target 19 identified highly anomalous nickel and copper zones suggesting multiple nearby sources of nickel and copper sulphide mineralisation. Hole MRAC111, in particular returned 26m @ 0.25% Ni & 372ppm Cu and, together with surrounding holes, defined an anomalous supergene enrichment zone some 1600m long and 350m wide (Figure 1.0). Noteworthy anomalous aircore intersections are listed on Table 1.

This nickel and copper supergene enrichment zone is located near the central axis of Target 19 positioned broadly coincident with at least two peridotite layers (Figure 2.0). Peridotites have an elevated olivine content compared to other units in the intrusion and generally, are known to be better hosts of nickel and copper sulphide mineralisation. These peridotite units are hosted within other units of the intrusion including troctolites, olivine norites and gabbro norites.

Diamond Drilling

Four diamond drill holes were completed for 1,571.33m during the quarter comprising one hole at each of Targets 2 and 20 and two holes at Target 19. Holes were designed primarily to gather maximum geological data in order to better understand the stratigraphic layering or sequencing within each intrusion. Interpretive work is ongoing but initial results indicate the intrusions are fairly complex. They comprise several horizons of troctolite, olivine norite and peridotite suggesting possible formation from multiple pulses of magma.

Primary nickel and copper sulphides have been identified in all four holes. The sulphides are associated mainly with very coarse grained olivine-pyroxene bearing gabbro and olivine dominant peridotite. Sulphides present include pyrrhotite, pentlandite, chalcopyrite, pyrite, magnetite with minor millerite and bravoite. The sulphides occur as fine disseminations to coarse blebs (10-30mm in diameter) in narrow 10-60cm thick zones scattered sparsely throughout the holes (see Plate 1.0).

Whilst the drilling did not intersect massive sulphide mineralisation, the presence of weakly disseminated and blebby sulphides is highly encouraging given they are associated with peridotites and coarse grained olivine norites.

Geophysics

Airborne VTEM Survey

The Company has recently concluded 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 26km. This survey was flown primarily as a rapid regional reconnaissance tool covering most of the prospective areas in the Mt Ridley project area.

Preliminary examination of this data confirms the highly conductive nature of the surface transported cover. Bedrock conductors have been identified around Targets 2 and 19 together with 32 additional conductors located regionally within the tenement package. Work is currently underway to check the validity of these regional conductors.

Ground-based EM Surveying

Limited ground-based fixed and moving loop EM surveys have been undertaken at Target 19 to identify potential bedrock conductors that maybe coincident with supergene nickel and copper anomalism. This work, in conjunction with downhole geophysical surveys has generated some exciting results.

Very recently, a bedrock conductor (T19C01) was located in the northeast of Target 19 in the area that is broadly coincident with anomalous nickel and copper in aircore drilling. Aircore drilling in the vicinity of the conductor has also identified and delineated a peridotite layer positioned within the intrusion (see Figures 1.0 & 2.0).

The conductor has been modelled as a steep northwest dipping body with at least 200m of strike and a depth extent of 400m starting from 100m below surface.

Gravity Surveying

Following a ground-based gravity survey in Q3 to infill broad-spaced open file data at 100m & 200m x 50m stations at Target 19 & 20, Atlas Geophysics have continued to cover Target 19 & 20 to 100m x 50m spacing.

This work has detailed a number of gravity lows within the target areas indicative of deep weathering. These deeper zones of weathering could be reflective of oxidized sulphides within the intrusions.

Ongoing Exploration

Diamond drilling into the identified bedrock conductor at Target 19 will begin in the coming week.

The Company has recently commenced moving loop EM surveys over 2km of strike at Target 19 covering the anomalous supergene enrichment zone as shown in Figure 1.0. Elevated geochemical data from aircore drilling at this target could be indicative of a source of nickel and copper sulphide mineralization nearby.

The Company has spent considerable effort understanding both the geological and geochemical nature of the intrusions by drilling before embarking on geophysical surveys. This understanding is critical to rank geophysical targets and better position future diamond holes.

Extensive aircore drilling has been carried out in the area on both 400m and 200m spaced lines, 50m spaced holes, with no graphitic sediments intersected to date either internal or on the footwall or hangingwall contacts of the intrusion.

On the basis of anomalous aircore drilling completed to date, the Company believes that ground based moving loop electromagnetic surveying is likely to discern a number of new bedrock conductor targets for ongoing investigation.

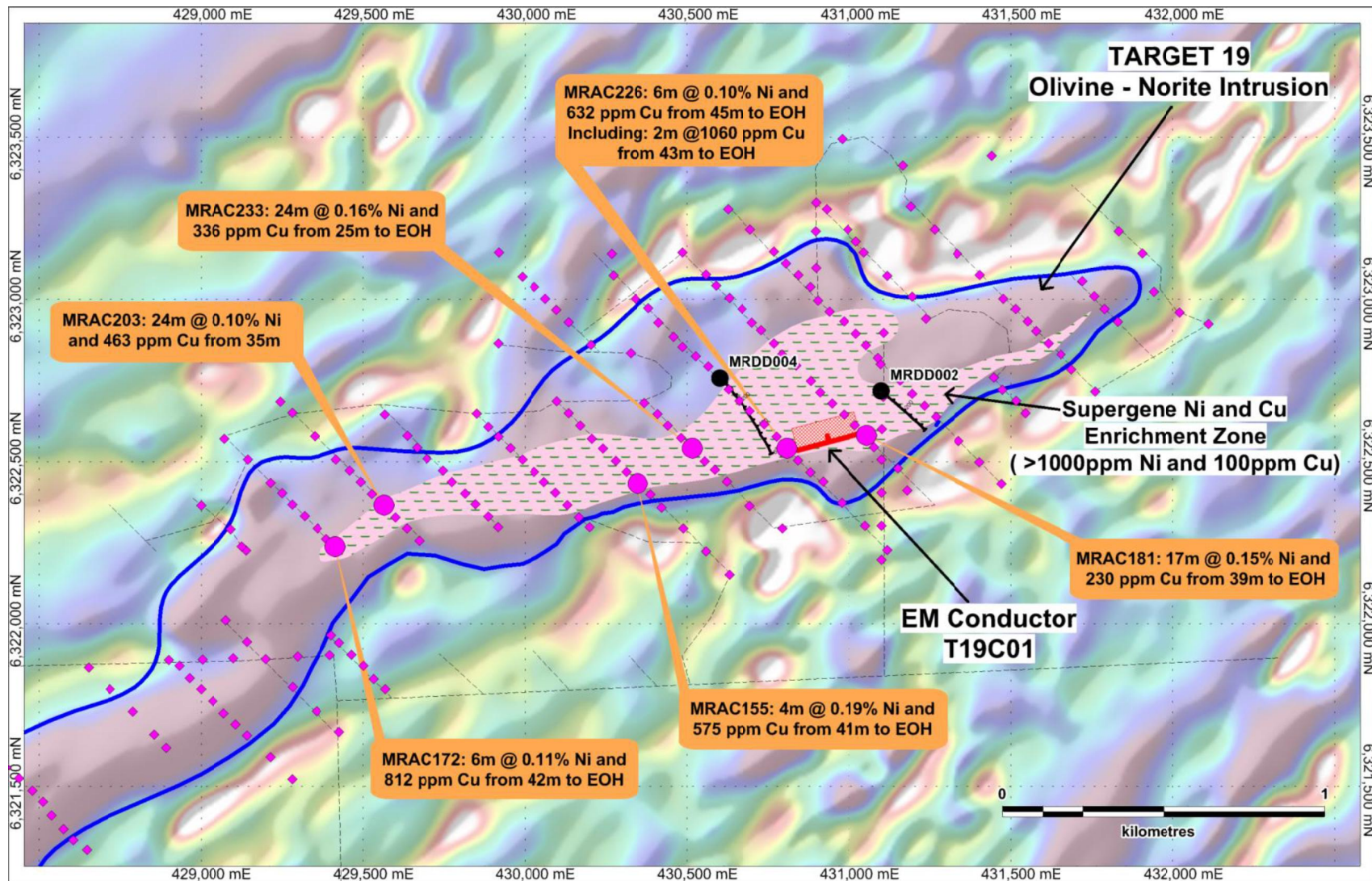


FIGURE 1.0 – Aeromagnetic image showing position of supergene nickel-copper enrichment zone and location of EM Conductor T19C01
Pink dots represent aircore drillhole locations and black dots represent diamond hole locations.

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ABN / 93 092 304 964

Unit 1, 11 Anvil Way, Welshpool, Western Australia, 6106 | PO Box 614 Welshpool DC 6986

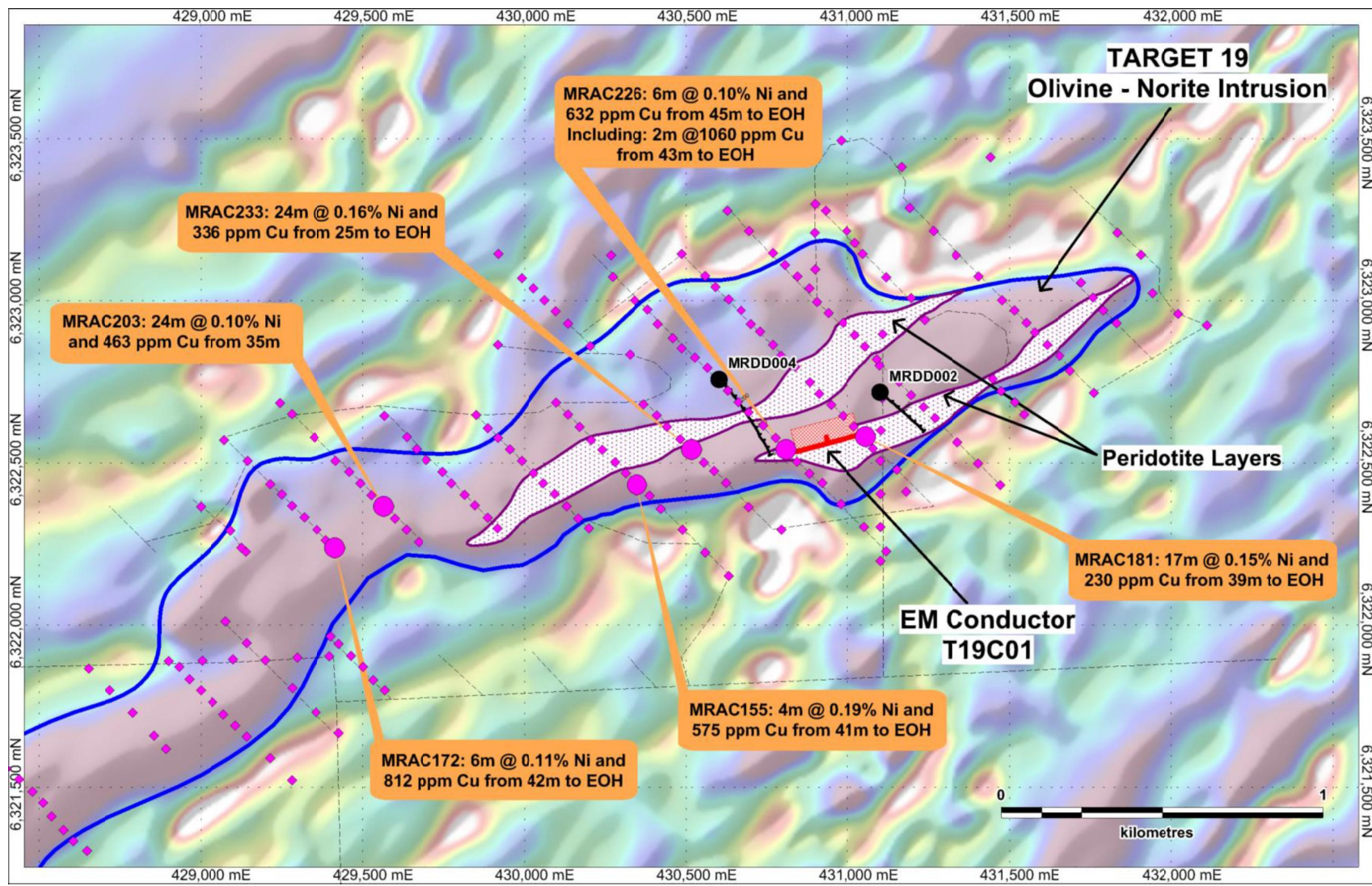


FIGURE 2.0 – Aeromagnetic image showing position of peridotite zone and location of EM Conductor
Pink dots represent aircore drillhole locations and black dots represent diamond hole locations.

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PLATE 1.0 – NQ Core from MRDD002 at 183.00 metres downhole. Blebby sulphides in coarse grained olivine norite. Sulphides include pyrrhotite, pentlandite, chalcopyrite and pyrite. Hole located approximately 130m along strike from newly identified conductor T19C01 at Target 19.

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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
				<i>Including</i>	39	41	2	0.11%	
Target 19	MRAC111	6322656	430694	34	60	26	0.25%	372	60
				<i>Including</i>	34	46	12	0.33%	
Target 19	MRAC112	6322723	430628	48	63	15	0.21%	110	63
				<i>including</i>	53	59	6	0.32%	
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	0.13%	187	44
Target 19	MRAC132	6322864	431615	28	48	20	0.11%	86	51
Target 19	MRAC155	6320008	428305	41	45	4	0.19%	575	70
Target 19	MRAC156	6322502	430280	33	45	12	0.22%	180	45
Target 19	MRAC164	6322437	429775	44	48	4	0.11%	130	48
Target 19	MRAC165	6322369	429847	27	37	10	0.23%	170	38
Target 19	MRAC173	6322501	430554	21	45	24	0.13%	317	45
Target 19	MRAC126	6323075	430844	34	44	10	0.13%	187	44
Target 19	MRAC155	6322433	430348	41	45	4	0.19%	575	45
Target 19	MRAC156	6322502	430280	33	45	12	0.22%	180	45
Target 19	MRAC172	6322239	429414	42	48	6	0.11%	812	48
Target 19	MRAC173	6322501	430554	21	45	24	0.13%	310	45
Target 19	MRAC178	6322574	430482	39	51	12	0.22%	249	51
Target 19	MRAC181	6322582	431055	34	56	22	0.14%	205	56
Target 19	MRAC202	6322437	429493	28	40	12	0.15%	177	54
Target 19	MRAC203	6322367	429564	35	59	24	0.10%	463	69
Target 19	MRAC224	6322613	431020	21	41	20	0.11%	190	62
Target 19	MRAC226	6322542	430809	45	51	6	0.10%	632	51
Target 19	MRAC233	6322542	430516	25	49	24	0.16%	336	49
Target 19	MRAC258	6322895	431022	26	53	27	0.27%	200	53
Target 19	MRAC261	6322329	429599	33	81	48	0.12%	117	81
Target 19	MRAC265	6322472	429748	32	35	3	0.15%	125	35
Target 19	MRAC266	6322402	429816	29	51	22	0.20%	228	55
Target 19	MRAC269	6322963	430940	42	54	12	0.23%	63	73
Target 19	MRAC270	6323039	430881	47	53	6	0.12%	102	53
Target 19	MRAC272	6322750	431159	49	57	8	0.20%	62	57
Target 19	MRAC273	6322672	431233	45	64	19	0.12%	400	64
Target 19	MRAC306	6322331	429887	32	50	18	0.17%	128	50

TABLE 1: Better nickel and copper intersections at Target 19 from the March -June 2015 reconnaissance aircore program. Four metre composites and one metre re-samples. The tables explaining sampling techniques and other reporting standards for the above results have previously been released to ASX.

CORPORATE

During the quarter the Company continued an aggressive exploration program with over \$1m spent on exploration.

Two small loans that were outstanding were repaid in full during the quarter and the Company is now debt free.

Cash on hand at the end of the quarter was \$1.37 million. Subsequent to the end of the quarter the Company increased its cash reserves by raising \$532,000 (before costs), through a capital raising of 28 million shares at \$0.019 each.

For and on behalf of the board



Mr Dean Goodwin. AIG
Managing Director

TEL: +61-8-9358-2877

FAX: +61-8-9358-3344

web: www.mtridleymines.com.au

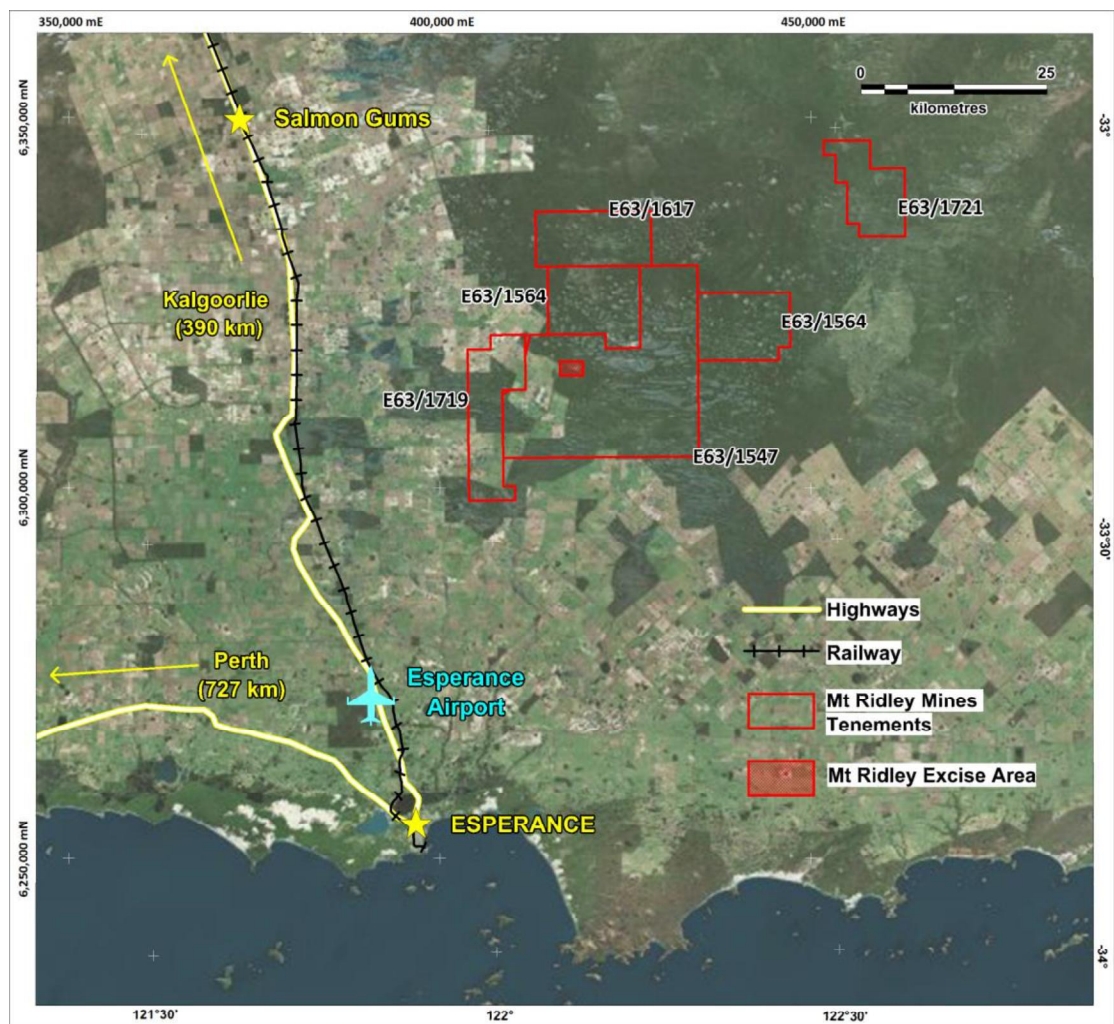
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dean Goodwin who is a Member of the Australian Institute of Geoscientists. Mr Goodwin is the Managing Director of the Company. Mr Goodwin has sufficient experience 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.

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.



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

MOUNT RIDLEY MINES LIMITED

ABN

93 092 304 964

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,057)	(1,837)
(b) development	-	-
(c) production	-	-
(d) administration	(191)	(562)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	20
1.5 Interest and other costs of finance paid	-	(30)
1.6 Income taxes paid	-	-
1.7 Other – GST paid	(45)	(132)
Net Operating Cash Flows	(1,281)	(2,541)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(11)	(35)
(b) equity investments	-	-
(c) other fixed assets	(20)	(79)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	1	23
(c) other fixed assets	-	-
1.10 Loans to other entities	(75)	(145)
1.11 Loans repaid by other entities	-	-
1.12 Other – Security Bond	-	(16)
Net investing cash flows	(105)	(252)
1.13 Total operating and investing cash flows (carried forward)	(1,386)	(2,793)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,386)	(2,793)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	4,348
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Capital raising costs	20	(186)
	Net financing cash flows	20	4,162
	Net increase in cash held	(1,366)	1,369
1.20	Cash at beginning of quarter/year to date	2,735	-
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,369	1,369

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	188
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments for exploration and finance consulting services and directors fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	-
4.3 Production	-
4.4 Administration	210
Total	1,210

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,369	2,735
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,369	2,735

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

6.3 Interests in mining tenements at end of the quarter

Location	Project Name	Tenement #	Ownership	Titleholder
Western Australia	Mt Ridley	EL63/1547	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/1564	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/1617	100%	Proto Resources & Investments Ltd**
Western Australia	Mt Ridley	EL63/1719	100%	Mount Ridley Mines Limited

** Mount Ridley Mines Limited has exercised its option and paid the consideration for this tenement which is awaiting formal transfer.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	797,174,646	797,174,646		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	1,785,714 94,469,366 5,201,982 7,500,000 5,000,000 10,000,000 275,000,000	- - - - - - -	<i>Exercise price</i> \$0.070 \$0.021 \$0.021 \$0.015 \$0.070 \$0.021 \$0.0125	<i>Expiry date</i> 30 June 2016 30 June 2016 31 December 2016 31 December 2016 31 March 2018 31 August 2019 31 August 2019
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

7.11	Debentures <i>(totals only)</i>		
7.12	Unsecured notes <i>(totals only)</i>		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Dean Goodwin
(Managing Director)

Date: 27 July 2015

Print name: Dean Goodwin

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.