

ASX: MRD

20 August 2015

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**Company Announcements Office
ASX Limited**

Exploration Drilling Update

Mount Ridley Mines Ltd (ASX: MRD) (or “the **Company**”) is pleased to advise that it has completed the first diamond drill hole MRDD005 testing the bedrock conductor T19C01 at its 100% owned Mt Ridley Project in the Albany-Fraser Range Province.

Detailed moving loop ground EM surveying has now been completed in the vicinity of T19C01. Data was processed and interpreted post the commencement of the new diamond drill hole, MRDD005. MRDD005 was originally designed to pass through the central up-dip portion of the modelled conductor at around 150m downhole (see announcement dated 31st July 2015).

Modelling of the new data has more accurately positioned the best part of conductor T19C01. This refined position is located to the north-east in-between diamond hole MRDD002 and the recently completed hole, MRDD005 (See Figure 1.0). The refining of the T19C01 conductor meant that hole MRDD005 would not hit the best part of the conductor and would be likely to skirt its southern edge.

MRDD005 intersected approximately 45m of lightly disseminated and globular to blebby sulphides from 126-171m downhole, hosted in a very coarse grained pyroxene-olivine mesocumulate. These sulphides are interpreted to represent a cloud or halo style mineralisation surrounding a potential massive or semi massive sulphide accumulation located nearby.

The presence of globular Ni and Cu sulphides is highly encouraging (see Figures 2.0 and 3.0). Coarse globules indicate molten settling environments and are interpreted to be sulphides proximal to a massive sulphide body.

MRDD005 **did not** intersect any sediments at all down the entire 384m length of the hole.

Several other diamond holes have been planned to test conductor T19C01 at various depths down dip and along strike. Hole MRDD006 has already commenced and is designed to intersect the centre of the conductor at around 270-330m downhole. These new holes are expected to take around 4-6 weeks to complete.

Downhole EM surveying will also be carried out in holes MRDD005 and MRDD006 to locate any off-hole conductors which will aid in the design of future diamond holes.

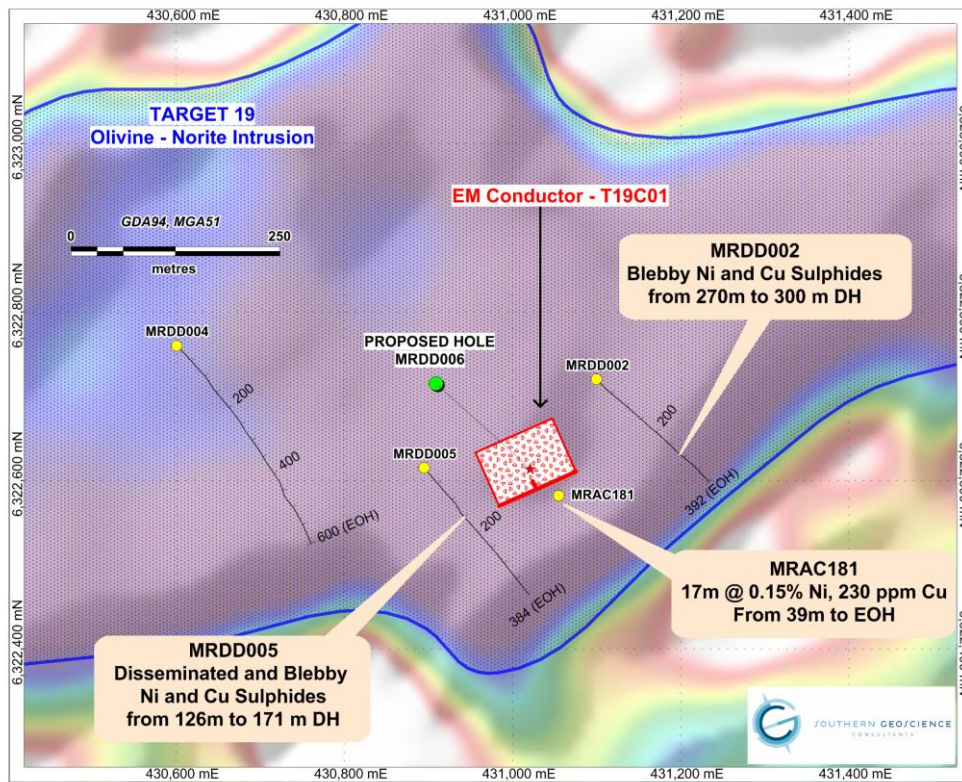


FIGURE 1: Aeromagnetic image showing new location of bedrock conductor T19C01 together with the location of recently drilled diamond hole MRDD005 and surrounding diamond holes MRDD002 and MRDD004.



FIGURE 2: Core from MRDD005 showing globular sulphides at depth 127.3m.

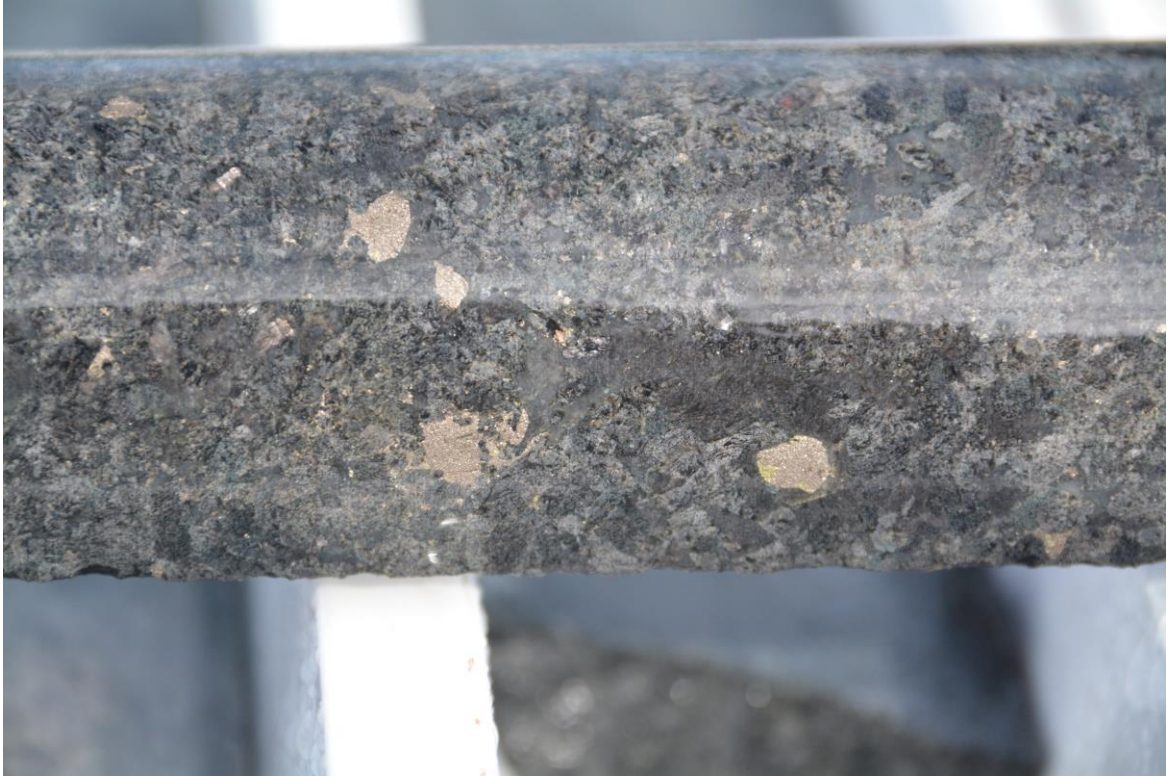


FIGURE 3: Core from MRDD005 showing globular sulphides at depth 155.1m.



FIGURE 4: Core from MRDD005 showing blebby sulphides at depth 171.7m.

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.

About Mount Ridley Mines Ltd

Mount 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.

Mount 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.

