

4 October 2016

Company Announcements Office, ASX Ltd

Completion of MRDD016

Mount Ridley Mines Ltd (ASX: MRD) (or “the **Company**”) provides the following exploration update on the Company’s flagship project Mt Ridley.

MRDD016 has been completed at 801m downhole depth. This diamond hole was previously terminated at 620m in disseminated sulphide-bearing varitextured gabbronorite to peridotite intrusive rocks (refer ASX announcements 13 & 21 September 2016). MRDD016 was originally planned for a target depth of 750 - 800m based on an interpreted Audio Magnetotelluric (AMT) phase anomaly previously modelled at this depth (refer ASX announcement 25 July 2016). On review, the Company decided to complete MRDD016 to its original planned depth as the footwall contact of the intrusive had not yet been encountered, and the presence of sulphide bearing varitextured mafic-ultramafic rocks at the terminated depth was encouraging and required further testing.

MRDD016 encountered numerous zones of weakly to moderately disseminated magmatic sulphide (pyrrhotite-chalcopyrite-pentlandite) bearing varitextured mafic and ultramafic rocks, intercalated with barren mafic-ultramafic, from the recommencement depth of 620m to 758m downhole. Widths of these zones varied from 10’s of centimetres to up to 10 metres. Assays are pending and results will be announced to the market once received. The footwall contact of the mafic-ultramafic intrusive with the barren wall rock was encountered at 783m.

High power downhole electromagnetic surveying (DHTEM) by HPEM Geophysics will be used to detect any off hole conductors at and beyond this depth, that may be associated with the disseminated nickel sulphide mineralisation encountered in the hole. DHTEM survey work will be completed shortly and the Company will provide an update of the results to the market in due course.

The Target 19 area is still a compelling target as it has demonstrated potential due to the discovery of previously unknown disseminated nickel sulphide mineralised varitextured mafic-ultramafic intrusive rocks. The Company will await the completion of the Company’s comprehensive independent review by CSA Global nickel sulphide expert Tony Donaghy (refer ASX announcement 2 September 2016) to provide recommendations for the next stage of exploration activities. Tony has officially been appointed as the Company’s lead geological consultant, working closely with geophysics specialist Russell Mortimer of Southern Geoscience Consultants.

For and on behalf of the board



Mr Ashley Hood
Managing Director

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.