

17 October 2016

Mr Chris Bailey
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By email: chris.bailey@asx.com.au
tradinghaltspert@asx.com.au

Dear Mr Bailey

Response to ASX Aware Query

Mount Ridley Mines Limited (ASX: MRD) (the 'Company') refers to your letter of 13 October 2016 in relation to the above matter (*attached*) and responds using the same numbering as your letter:

- 1 Yes.
- 2 Not applicable.
- 3 The DHTeM survey referred to in the Exploration Update and in paragraph 4 of ASX's letter was completed on Sunday, 9 October 2016. The interpretation of the results of the survey was completed on Tuesday, 11 October 2016.
- 4 The terms of the Placement were proposed by the Chairman at 1.00pm (AWST) on 6 October 2016. The Board approved and executed the Placement mandate after close of trading on 7 October 2016.
- 5 No securities have yet been issued under the Placement. The Company confirms no securities will be issued under the Placement to related parties of the Company or their associates.
- 6 No. The Company could not make an announcement in relation to completion of the DHTeM survey prior to requesting the Trading Halt as the ASX Company Announcements Platform is not open on weekends. In circumstances where the interpretation of the results of the survey was not able to be completed prior to ASX Company Announcements Platform opening on Monday, 10 October 2016 the Company requested the Trading Halt.
- 7 The Company confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

- 8 The Company confirms that the responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its Board or an officer of the Company with delegated authority from the Board to respond to ASX on disclosure matters.

For and on behalf of the Board



Mr Ashley Hood
Managing Director



13 October 2016

Mr Keith Bowker
Director and Company secretary
Mount Ridley Mines Limited
PO Box 964
West Perth WA 6872

By Email

Dear Mr Bowker

MOUNT RIDLEY MINES LIMITED (the "Entity"): ASX Aware Query

ASX Limited ("ASX") refers to the following:

1. The Entity's announcement entitled "Completion of Diamond Drilling" released on the ASX Market Announcements Platform on Tuesday 4 October 2016 disclosing, in part, the following:

"MRDD016 has been completed at 801m downhole depth."

"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."

2. The Entity's announcement entitled "Placement of Shares" lodged on the ASX Market Announcements Platform at 12:48am AEDT on Monday 10 October 2016 and released at 08:26am AEDT on Monday 10 October 2016, disclosing, in part, a capital raising via a placement of 158,763,031 shares at \$0.005 each to raise \$793,815 with a free attaching option exercisable at \$0.0125 on or before 31 August 2019 on a 1 for 2 basis (the "Placement").
3. The Entity's trading halt request received at 12:50am AEDT on Monday 10 October 2016 and released on the ASX Market Announcements Platform at 09:34am AEDT on the same day, requesting a halt in trading in the Entity's securities pending an announcement regarding an exploration update ("Trading Halt").
4. The Entity's announcement entitled "Exploration Update" released on the ASX Market Announcements Platform at 01:11pm AEDT on Wednesday 12 October 2016 ("Exploration Update") disclosing, in part, the following:

"[The Entity] is pleased to announce the progress to date in relation to down hole electro-magnetic surveying (DHTEM) on the recently completed diamond drill hole MRDD016."

"A DHTEM survey has now been completed and the Company is pleased to announce that a localised off hole conductor has been detected."

“Given the encouraging geology, presence of disseminated magmatic nickel and copper sulphides at this depth together with the off-hole conductor, the results are interpreted to be consistent with a pocket of massive sulphide within the vari-textured mineralised mafic-ultramafic intrusive complex.”

5. The change in the price of the Entity’s securities from a closing price of \$0.009 on Friday 7 October 2016 to an opening price of \$0.014 at the time of reinstatement to trading of the Entity’s securities on Wednesday 12 October 2016. The Entity’s securities closed at \$0.014 on Wednesday 12 October 2016 after reaching an intra-day high of \$0.017.
6. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
7. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

8. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

5. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider

information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, ASX asks the Entity to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the information in the Exploration Update (“the Information”) to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did the Entity first become aware of the Information?
4. When did the Entity finalise the terms of the Placement?
5. Please advise whether any securities issued under the Placement were issued to related parties of the Entity or their associates.
6. If the Entity first became aware of the Information before requesting the Trading Halt on 10 October 2016, did the Entity make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
7. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that the Entity’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **3:00pm AWST on Monday 17 October 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at Chris.Bailey@asx.com.au and copied to tradinghaltsperth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This

is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Chris Bailey

Adviser, Listings Compliance (Perth)

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