

25 July 2016

Company Announcements Office, ASX Ltd

Deep Diamond Drilling Recommences at Target 19

Mount Ridley Mines Ltd (ASX: MRD) (or “the Company”) is pleased to advise that a program of deep diamond drilling has re-commenced at its 100% owned Mt Ridley Project in the Albany-Fraser Range Province.

Replacement Hole MRDD016 Underway

Following on from the drilling incident in hole MRDD015, a new replacement hole MRDD016 has commenced. This new hole has been designed to test the AMT phase anomaly along with the down dip/plunge of thick widths of minor disseminated, globular and blebby nickel and copper sulphides intersected in holes MRDD010, MRDD011 and MRDD012. MRDD016 has a designed depth of 750-800m and is expected to take several weeks to complete.

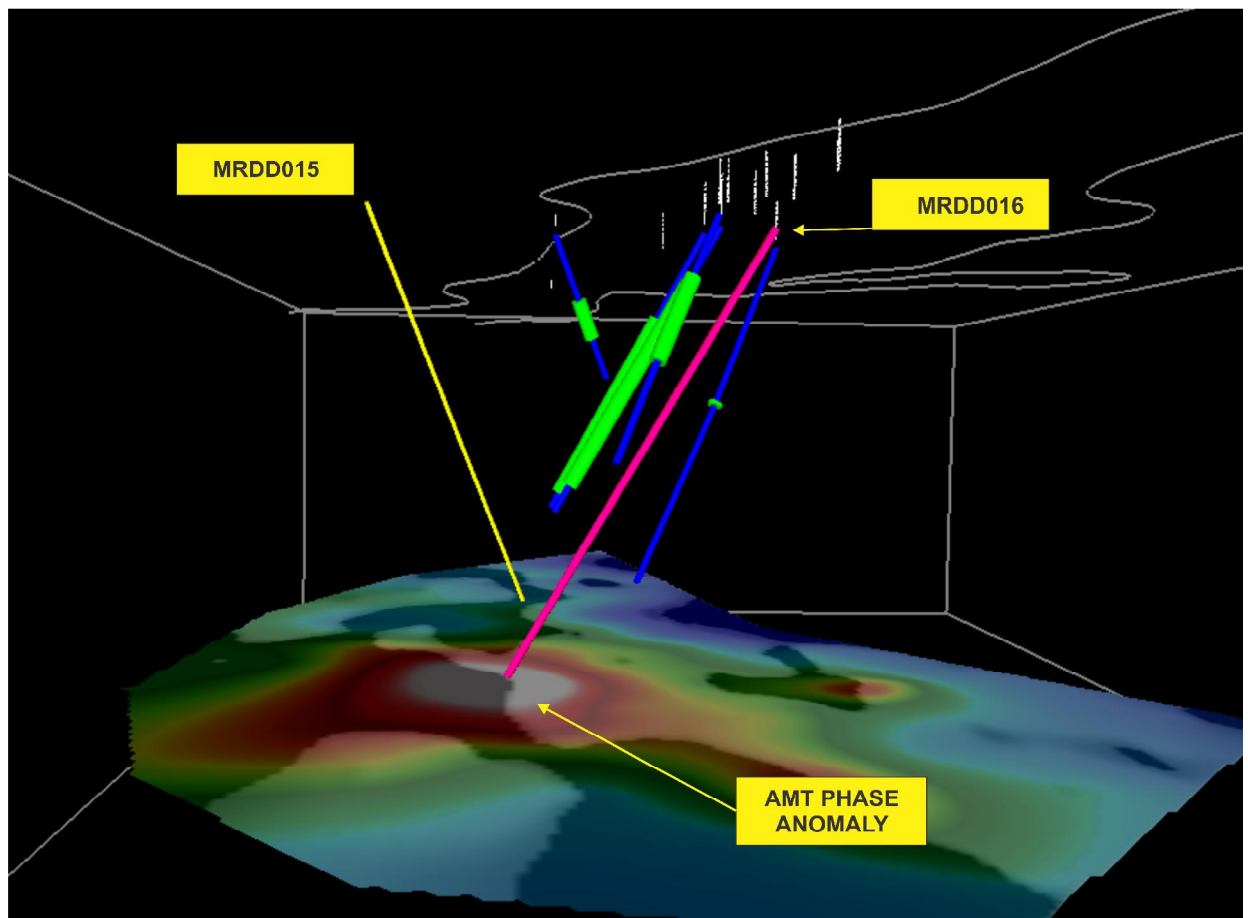


Figure 1.0 – 3D perspective view showing the location of the new deep diamond hole MRDD016 shown in magenta. Hole MRDD015, shown in yellow, failed to adequately test the AMT phase anomaly. The green cylinders depict minor disseminated, globular and blebby Ni-Cu sulphides intersected in MRDD010, MRDD011 and MRDD012.

Deep Diamond Drilling Testing other AMT Targets

Deep diamond drilling will also be conducted at other AMT conductor anomalies within Target 19 (See ASX releases dated 16th March and 22nd June 2016). Holes have been designed to test at least 4-5 priority AMT targets over the coming 4-6 months.

New hole MRDD016 will also go close to testing the AMT conductor zone depicted on section 46,300N below. Geological data from MRDD016 will aid in the planning of the proposed deep hole shown in figure 2.0.

The program may be altered depending on results from ongoing diamond drilling and geophysical surveying however the aim is to test as many AMT anomalies as possible.

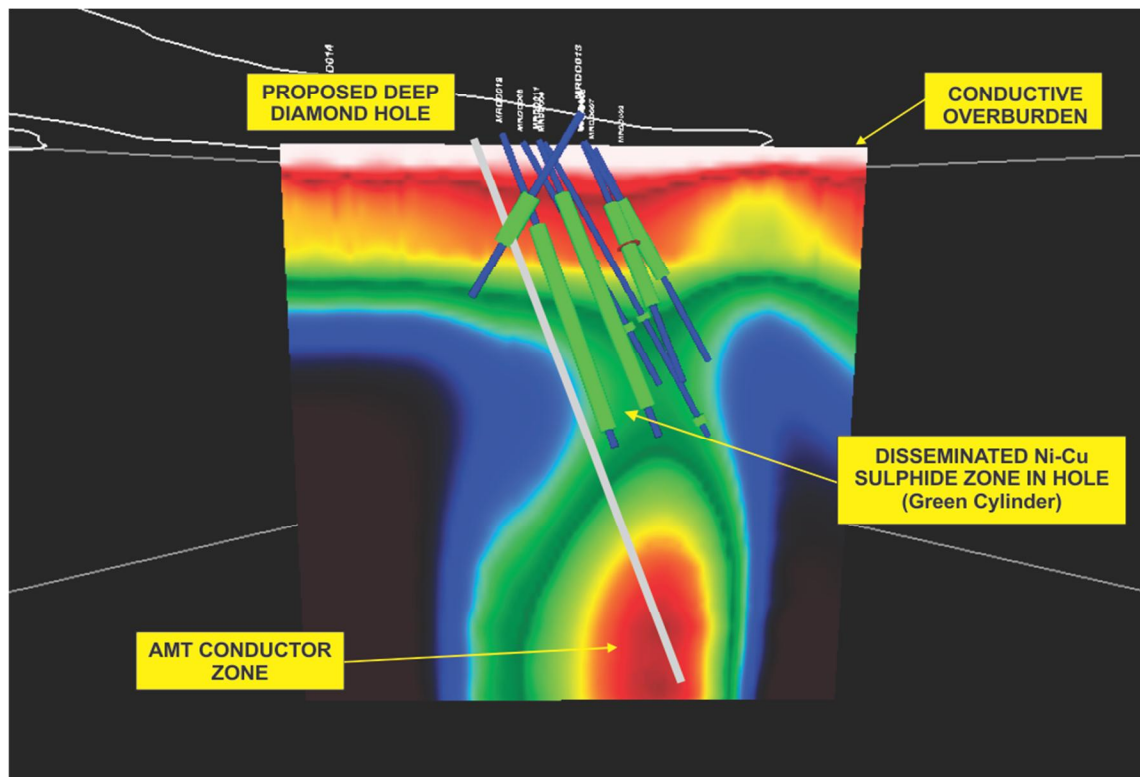


Figure 2.0 – Cross section 46,300N showing planned diamond hole testing deeper AMT conductor zone. Red and white colours indicate more highly conductive material while the green and blue colours indicate less conductive. The stronger conductor zone is located approximately 200-250m down dip/plunge beneath the existing diamond drilling.

Upcoming Exploration Programs

Downhole EM surveying will be conducted on the deep diamond holes once they are completed. Downhole EM is designed to locate any nearby off-hole conductors aiding in the targeting and planning of future diamond holes.

Detailed gravity surveying is currently being carried out on a 400m x 200m grid across the regional gravity trend from the SW to the NE tenement boundaries, a strike length of almost 25km. The aim of this survey is to identify denser objects within the regional gravity trend that are closer to the surface within reach of potential diamond drilling. These shallower dense objects could represent feeder zones tapping into much deeper magma chambers containing significant sulphide mineralisation, as is the case potentially at Target 19. Once these shallower dense objects have been identified geophysical surveying will be conducted.

For and on behalf of the board



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Competent Person's Statement

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.

Forward Looking Statements Disclaimer

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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 success.

Mount Ridley Mines Ltd is actively targeting nickel and copper sulphide deposits in the Albany-Fraser Range Province of Western Australia, the site of Independence Groups Nova Nickel-Copper Deposit. The Company currently has a portfolio of tenements totaling in excess of 1000sq/kms in what is fast becoming a new and exciting emerging nickel province.

