



25 October 2018

Dear Shareholder

Mount Ridley Mines Limited – pro rata non-renounceable rights issue

As announced on 19 October 2018 Mount Ridley Mines Limited (ACN 092 304 964) (**MRD** or the **Company**) is undertaking a one for three pro rata non-renounceable rights issue of approximately 583,216,077 fully paid ordinary shares (**New Shares**) to raise approximately \$583,216, together with one free attaching option (exercisable at \$0.003 on or before 30 November 2022) for every two New Shares subscribed for and issued (**Rights Issue** or **Offer**). The issue price of New Shares under the Offer is \$0.001 per Share (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC on 18 October 2018 and ASX on 19 October 2018.

The funds raised will be used for expenditure at the Company's Mount Ridley project and working capital.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00 pm (WST) on 30 October 2018, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 583,216,077 New Shares resulting in total Shares on issue of approximately 2,332,864,306.

Ineligible shareholders

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Rights Issue, please contact your financial adviser or Johnathon Busing, MRD's Company Secretary, on +61 8 6165 8858.

Yours sincerely

Peter Christie
Non-Executive Chairman