



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 (**Eligible Shareholders**).

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.

A copy of the Prospectus is available on ASX's and MRD's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 2 November 2018. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

### **Actions required by Eligible Shareholders**

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlement**). To take up all of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Advanced Share Registry (**Share Registry**) by no later than 5:00 pm (WST) on 13 November 2018 (**Closing Date**), by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form **OR** by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.

- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5:00 pm (WST) on the Closing Date, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies **OR** by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.001 per New Share).
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

### Key dates for the Offer

| Event                                                                                 | Proposed Date    |
|---------------------------------------------------------------------------------------|------------------|
| Lodgement of Prospectus with the ASIC                                                 | 18 October 2018  |
| Lodgement of Prospectus & Appendix 3B with ASX                                        | 19 October 2018  |
| Notice sent to Optionholders                                                          | 26 October 2018  |
| Notice sent to Shareholders                                                           | 26 October 2018  |
| Ex date                                                                               | 29 October 2018  |
| Record Date for determining Entitlements                                              | 30 October 2018  |
| Prospectus despatched to Shareholders & Company announces despatch has been completed | 2 November 2018  |
| Last day to extend Closing Date                                                       | 8 November 2018  |
| Closing Date*                                                                         | 13 November 2018 |
| Shares quoted on a deferred settlement basis                                          | 14 November 2018 |
| ASX notified of under subscriptions                                                   | 16 November 2018 |
| Issue date/Despatch of holding statements                                             | 20 November 2018 |
| Quotation of Shares issued under the Offer*                                           | 21 November 2018 |

*\*The Directors may extend the Closing Date by giving at least 3 Business Days notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.*

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Johnathon Busing, MRD's Company Secretary, on +61 8 6165 8858.

Yours sincerely

**Peter Christie**  
**Non-Executive Chairman**