ASX ANNOUNCEMENT
30 October 2014

Quarterly Activities Report for the Period Ended 30 September 2014

Riedel Resources Limited **(ASX: RIE, "Riedel"** or **"the Company"**) is pleased to present its 2014 September Quarter Activities Report:

HIGHLIGHTS

Marymia Project

Australian Mines Limited ("Australian Mines") Earning Up to 80%

- In October, Australian Mines advised that they have elected to continue with the Stage 1 earn-in pursuant to the farm-in and joint venture agreement and will **pay $250,000 to Riedel** on or before 12 November in order to proceed to the next stage.
- Moving Loop Electromagnetic Survey (MLEM) delineates potential Kambalda-style nickel sulphide conductor in ultramafic host rock ("Simmons" prospect).
- Two diamond drill holes (1,230 metres) at the Simmons target **each intersected distinct sulphide zones (>10% sulphides)** in ultramafic rocks similar in nature to those which host the rich Kambalda-type nickel deposits.
- Follow-up MLEM survey commenced in October over the Simmons prospect and nearby areas in search of additional bedrock conductors.

Charteris Creek JV

FMG Resources Pty Ltd ("FMGR") Earning Up to 80%

- Mineralised rock chips samples including **8.41% Cu/1.22g/t Au** and **7.9% Cu/0.41g/t Au** associated with porphyry-style copper-molybdenum mineralisation and related base-metal-bearing quartz veins at the Lightning Ridge prospect.

Corporate

- $0.298M raised from a successful partially underwritten Share Purchase Plan.
- Cash at 30 September 2014 - **$0.246M**.

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Riedel's assets include a portfolio of gold, copper and nickel projects and significant land holdings in prospective Archaean- and Proterozoic-age terranes of Western Australia *(see Figure 1 for location of projects).*

The Company has a mixture of advanced and early stage prospects, including:

- Marymia – Australian Mines earning up to 80% *(copper, gold, nickel and base metals)*;
- Charteris Creek – FMGR earning up to 80% *(copper, molybdenum, gold and iron-ore);*
- Cheritons Find *(gold - [1]Inferred Resources of 1.4Mt @ 2.4g/t Au for 108,000 oz)*;
- Millrose *(gold - [2]Inferred Resources of 4.0Mt @ 2.4g/t Au for 309,000 oz)*.

Furthermore, the Western Australian Projects are augmented with a number of additional prospects, including existing joint ventures, royalty agreements and free carried interests.

Figure 1: Western Australia Project locations

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[1] *Sons of Gwalia – 29 November 2000. This information was previously prepared and disclosed on the basis of compliance with the JORC Code – 2004 Edition. The Inferred Mineral Resources have not been subsequently updated to satisfy compliance with the JORC Code - 2012 Edition as the information has not materially changed since it was last reported.*

[2] *Phil Jones (Al Maynard & Assoc) – 2010. This information was previously prepared and disclosed on the basis of compliance with the JORC Code – 2004 Edition. The Inferred Mineral Resources have not been subsequently updated to satisfy compliance with the JORC Code - 2012 Edition as the information has not materially changed since it was last reported.*

MARYMIA PROJECT JOINT VENTURE

Australian Mines earning interests up to 80%

On 30 April 2014 Riedel announced the key terms and conditions of a farm-in and joint venture arrangement over exploration licences 52/2394 and 52/2395 ("the Marymia Project") with Australian Mines Limited (ASX: AUZ, "Australian Mines"). A Heads of Agreement was signed by the parties and if the farm-in and joint venture arrangement proceeds to its full conclusion, **the earn-in will be worth up to $3.3M**.

Key Terms of Heads of Agreement

- ✓ **$50,000** paid to Riedel upon signing the Heads of Agreement;
- ✓ Australian Mines has the right to withdraw from the arrangement subject to spending a minimum of $150,000 in exploration on the Marymia Project within six months from commencement ("Minimum Expenditure") ***(completed)*;**
- ✓ If Australian Mines exercises its option to continue with the farm-in arrangement after satisfying the Minimum Expenditure, Australian Mines must make a **cash payment to Riedel of $250,000** ***(notification received from Australian Mines that payment will be made on or before 12 November 2014)***;
- ✓ By spending **$1,000,000 (including the Minimum Expenditure) on exploration** within an initial two year period from commencement Australian Mines can earn a 51% interest in the Marymia Project ("Stage 1 Earn-in");
- ✓ By spending a further **$2,000,000 on exploration** within a further 3 year period following the Stage 1 Earn-in, Australian Mines can earn an additional 29% interest (taking the total interest to 80%) in the Marymia Project ("Stage 2 Earn-in");
- ✓ If all milestones are met by Australian Mines within the Stage 1 and Stage 2 Earn-in periods, **Australian Mines will have earned an interest of 80%** in the Marymia Project **by the expenditure of $3,000,000 on exploration** within the Joint Venture Area and by **cash payments of $300,000** to Riedel;
- ✓ Once Australian Mines has satisfied either its Stage 1 or Stage 1 plus Stage 2 Earn-in obligations and notified Riedel of its election to form a joint venture, with a resulting joint venture interest of either 51% or 80%, Riedel may elect to contribute on a pro-rata basis or dilute its interest according to standard dilution formulae;
- ✓ If a Joint Venturer's Joint Venture interest reduces to 10% or less, the interest is converted to a 2% Net Smelter Royalty;
- ✓ Australian Mines will be the operator and manager of the Project.

Marymia Project tenement location and geology

Riedel holds two exploration licences (E52/2394 and E52/2395) which collectively form the Marymia Project and cover an area of more than 425 square kilometres in the highly prospective Doolgunna-Thaduna region of the Proterozoic volcano-sedimentary Bryah and Yerrida Basins and Archaean Baumgarten Greenstone Belt in the Marymia Inlier.

The Marymia Project is located approximately 30 kilometres east of the 4.7M oz Plutonic gold mine, 55 kilometres north-east of Sandfire Resources NL's DeGrussa copper-gold mine (550,000 tonnes contained copper metal), and 12 kilometres east-north-east of Ventnor Resources Limited's Green Dragon and Thaduna copper deposits (100,000 tonnes contained copper metal) in Western Australia's Mid-West region *(see Figure 2)*.

Significant regional structures identified in the project area include the Jenkin Fault and prospective, mineralised geology including the Archaean-aged Baumgarten Greenstone Belt and Proterozoic-aged sediments belonging to the Yerrida and Earaheedy Groups. The project is prospective for copper, gold and nickel mineralisation and Riedel has delineated numerous high priority targets for each of these commodities.

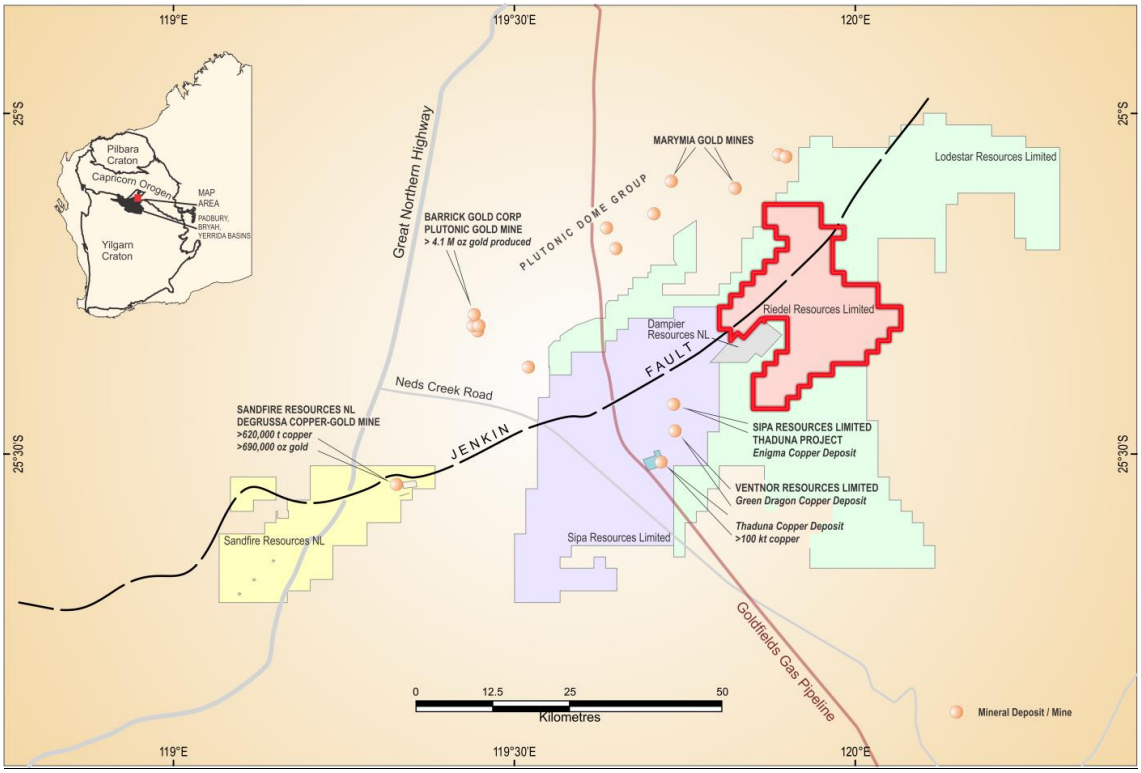

Figure 2: Marymia Project - Location Map

Activities for the Quarterly period ended 30 September 2014

Australian Mines refined its exploration activities to focus on the emerging Simmons prospect in response to a ground-based EM survey which identified a strongly conductive body beneath an historic nickel-in-soil anomaly. As a result, two diamond drill holes were completed at Simmons and the Company has since commenced a follow-up EM survey across a broader area to investigate additional priority targets prospective for nickel sulphide mineralisation.

In August 2014, a ground-based EM survey detected a strongly conductive body beneath a historic nickel-in-soil anomaly[3]. This geophysical anomaly, named the Simmons prospect, became the focus of exploration activities with Australian Mines systematically working to identify potential nickel sulphide mineralisation.

Modelling of the Simmons prospect by Southern Geoscience Consultants indicated that the source of the anomaly is a 400 metre long body, which appears to parallel a previously reported 1,200 x 600 metre nickel and copper soil anomaly. The top of the conductive body is estimated to be approximately 250 metres below surface and continues to a depth of at least 700 metres.

Southern Geoscience concluded that the Simmons prospect is a high priority target prospective for massive sulphide mineralisation that could be related to nickel (-copper) or possibly DeGrussa-style VMS copper-gold mineralisation.

The identification of a strong late-time conductor within a proven geological setting was the catalyst for Australian Mines to devise a strategic diamond core drilling programme to test the source of this bedrock conductor.

In late September, Australian Mines reported that it had completed an initial two diamond drill holes for a total of 1,230 metres at the Simmons prospect[4]. Encouragingly, drilling intersected ultramafic rocks similar in nature to those which host the rich Kambalda-type nickel deposits *(see Table 1 for drill hole details)*.

Australian Mines and Riedel are both very encouraged by these initial results from the maiden drilling programme at Simmons. Two distinct sulphide zones (>10% sulphides), *(see Figure 3)* were observed in drill core from both holes, with both zones appearing to contain iron sulphides with trace amounts of other sulphides including chalcopyrite (copper sulphide) in hole number SMDD001.

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[3] Australian Mines Limited - ASX release 1 August 2014.
[4] Australian Mines Limited – ASX release 30 September 2014.

Table 1: Simmons Diamond Core Drill Programme

Hole ID	Depth (m)	North (MGA50)	East (MGA50)	RL (m)	Dip	Azimuth	Comments
SMDD001	600.7	7199080	801780	580	-60°	140°	No significant nickel intersections returned Observed sulphides predominantly pyrrhotite & pyrite, and minor chalcopyrite 3 metres @ 0.10% copper from 578 metres Ultramafic intersected at 526.6 metres down hole
SMDD002	630.8	7199076	801775	580	-60°	140°	No significant nickel intersections returned Observed sulphides predominantly pyrrhotite & pyrite 1 metre @ 0.16% copper from 516 metres 3 metres @ 0.82% zinc from 516 metres 9 metres @ 827ppm nickel from 560 metres Ultramafic intersected at 504.8 metres down hole

All co-ordinates are recorded in MGA Zone 50.
Drill hole collar co-ordinates were obtained using handheld GPS and are accurate to within +/- 5 metres.
Reduced Level (RL) is reported in metres above sea level.
Data entry and electronic storage of Australian Mines' assay data adheres to the industry's accepted protocols and is managed by rOREdata in Perth, Australia

Figure 3: A section (515.6 to 516.8 metres) of the four-metre wide sulphide zone intersected by drill hole SMDD002 at the Simmons prospect.

Although drilling intersected multiple sulphide zones, neither of the drill holes adequately explain the strong nickel and copper soil anomalies previously reported across the prospect area or the strong conductive EM anomaly.

The mineralogy of Kambalda-style nickel deposits is dominated by pyrrhotite, pentlandite (nickel sulphide) and pyrite, therefore the presence of sulphides at Simmons is considered significant. Subsequently, Australian Mines commenced down hole EM surveys to ascertain whether additional conductive zones (which may provide further evidence of a massive nickel sulphide zone) are present below or adjacent to the drill holes.

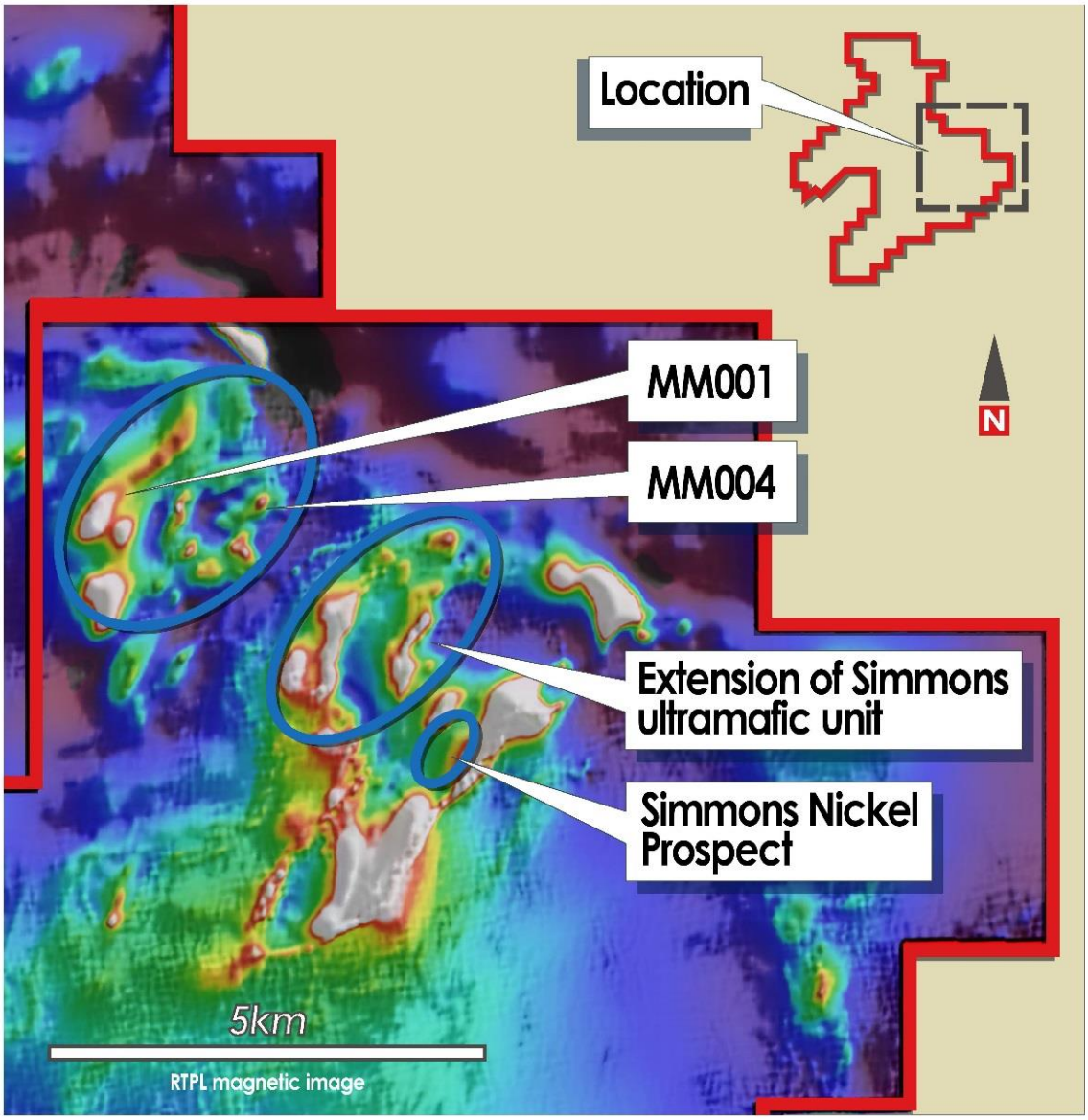

Figure 4: Marymia Project - Ground EM survey currently in progress on aeromagnetic background.

In October 2014, Australian Mines commenced a follow-up EM survey over priority nickel sulphide targets. The most recent EM survey has been specifically designed to identify further

Kambalda-type bedrock conductors within the northern continuation of the Simmons ultramafic (komatiite) sequence *(see Figure 4)*, including:.

- **MM001** – a surface geochemical anomaly extending for 1,200 x 800 metres with a strong coherent nickel and copper response; and
- **MM004** – a surface geochemical anomaly covering 2,400 x 1,200 metres, developed on a sub-cropping ultramafic lithology.

CHARTERIS CREEK PROJECT JOINT VENTURE

FMG Resources Pty Ltd earning interests up to 80%

In January 2014, Riedel announced that FMG Resources Pty Ltd ("FMGR"), a wholly-owned subsidiary of Fortescue Metals Group Ltd, has entered into a Farm In and Joint Venture Agreement worth up to $1M over Exploration Licence 45/2763.

The Company's 100%-owned tenement is 131km^2 in area and is located approximately 45km north of Nullagine and 50km south-east of Marble Bar in the Pilbara Region of Western Australia *(see Figures 1 and 5 for project location)*.

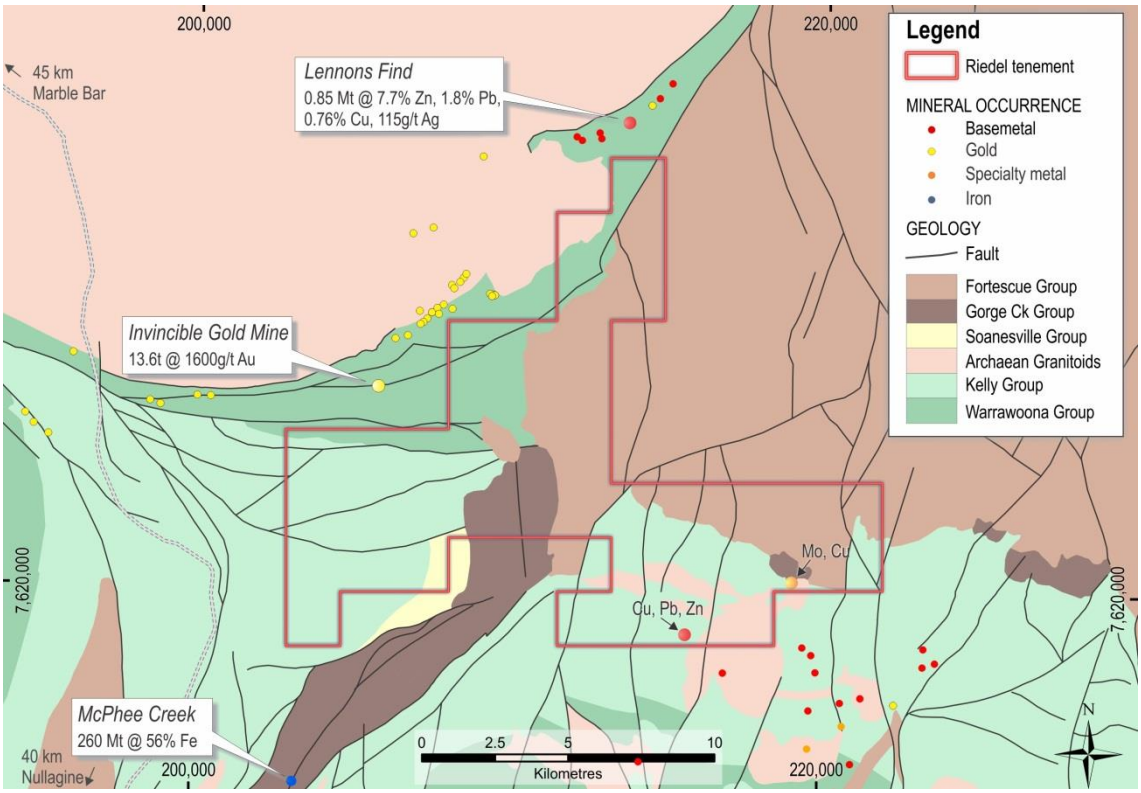

Figure 5: Charteris Creek Project – Geological Map highlighting known mineral occurrences and deposits

Tenement Location and Geology

E45/2763 is located within the East Pilbara Granite Greenstone Terrain. Tectonically, it is encompassed by the Marble Bar and Kelly Greenstone Belts and Mount Edgar Granitoid Complex in the west and northwest and McPhee Dome and Hamersley Basin to the east and southeast.

The Charteris Creek Project focuses on Archaean intrusive rocks, which are intruding the greenstones overlying the McPhee Dome structure. These are described as Gobbos Granodiorite, a locally porphyritic biotite granodiorite and monzogranite. Various copper and copper-molybdenum occurrences are reported in association with these intrusive rocks. Indications for a porphyritic source of the minerals have been given in previous exploration reports *(see Figure 5)*.

Activities for the period ended 30 September 2014

During the quarter, FMGR continued field work around the Lightning Ridge prospect. This included further detailed geological mapping and rock chip sampling as well as stream sediment and soil sampling. The rock chip sampling, including assays from samples taken in the previous quarter, produced some highly anomalous results with the best summarised in Table 2 below.

Table 2: Summary of most significant rock chip assays

Sample ID	Cu (%)	Au (ppb)	Mo (ppm)	Pb (ppm)	Ni (ppm)	W (ppm)
D167533	**8.41**	1220	59.5	340	74	5.5
D167410	**7.91**	413	3	123	106	2
D167419	**5.73**	95	12.5	270	12	9.5
D167512	**3.93**	45	288	90	52	1.5
D167411	**3.20**	120	30	67	62	19
D167464	**2.48**	284	9.5	339	70	17.5
D167453	**1.06**	95	202	27	26	8.5
D167418	**0.79**	16	9	7	54	4
D167513	**0.78**	16	13	34	20	4.5
D167459	**0.29**	24	6.5	20	24	81

In total 2 rock chip, 122 stream sediment and 271 soil samples were collected during the Quarter. Copper results from the stream sediment sampling are presented in Figure 6 (includes assays from sampling taken in the previous quarter) and copper results from the soil sampling are presented in Figure 7. Regional geological mapping was also completed over areas identified as anomalous by the stream sediment sampling.

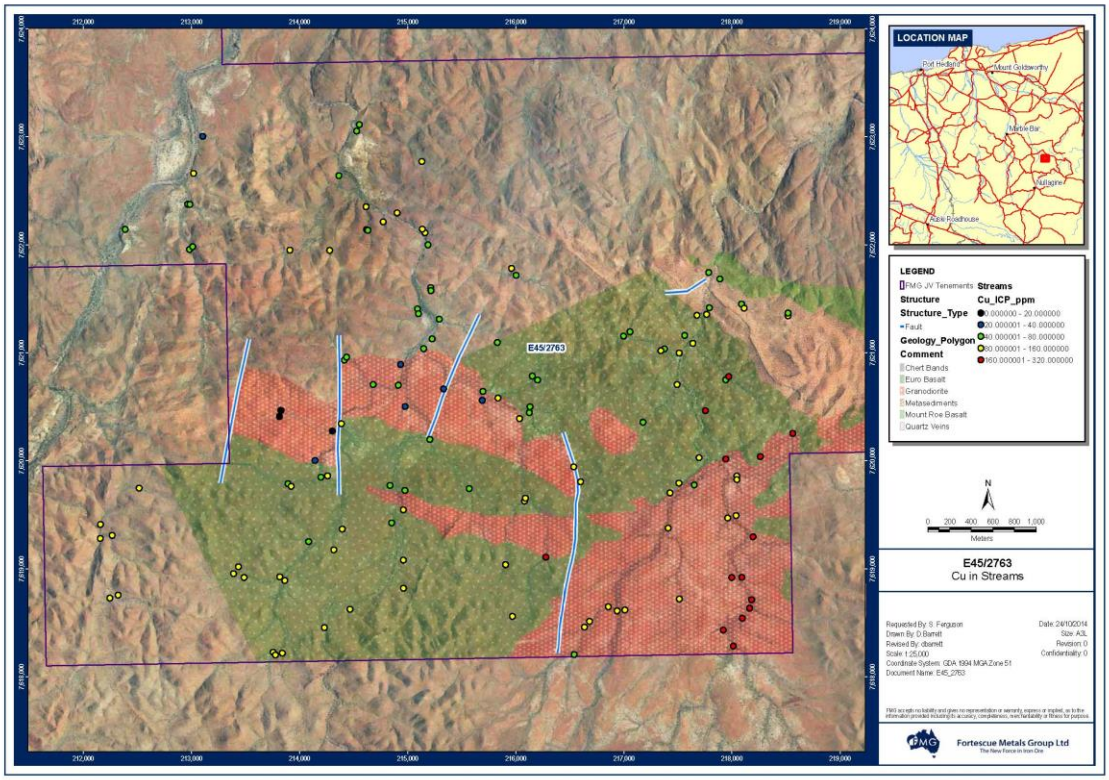

Figure 6: FMGR stream sediment Cu results over mapped geology background

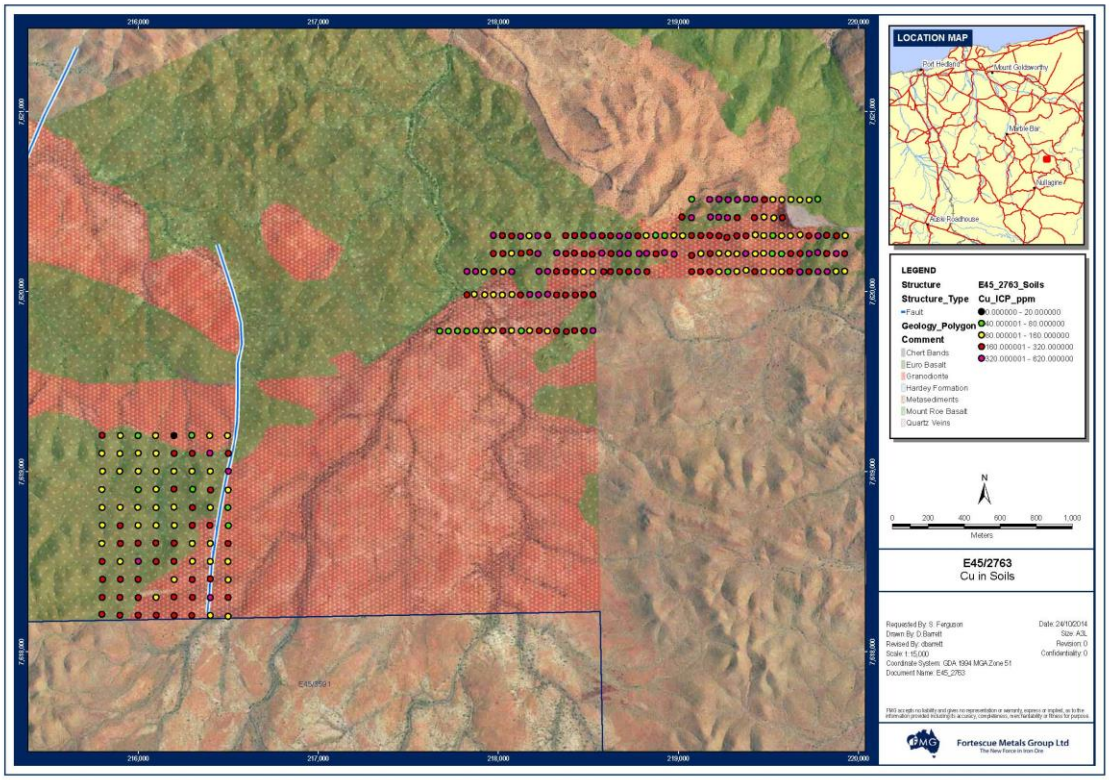

Figure 7: FMGR soil sampling Cu results over mapped geology background

The Archaean porphyry system at Lightning Ridge is currently poorly understood due to its age and differing geochemical characteristics when compared to much younger known analogues. Detailed information relating to alteration, structures, goethite/jarosite ratios, structural orientation and abundance of quartz veins is required to build a more comprehensive picture of the geological setting. In combination, these observations will enable FMGR to vector towards the potential mineralised centre of the porphyry system.

Mapping in the September Quarter focussed on the areas where encouraging mineralisation and alteration had been previously identified and subsequently confirmed to be the surface expression of a copper porphyry system (historic Lightning Ridge area). Detailed mapping was completed at 1:5,000 and 1:2,000 scale in areas of greater interest. In addition, further mapping around the prospect was completed at 1:5,000 and 1:10,000 scale. The regional scale mapping was undertaken to try to identify alteration that could indicate a broader porphyry system at depth.

During the mapping programme porphyry-style copper-molybdenum mineralisation and related base-metal-bearing quartz veins were noted to be spatially related to the granodioritic intrusions and are considered broadly contemporaneous in age (Barley, 1982; Bagas, 2005; Williams and Bagas, 2007). There appears to be simplified zoning to the metal prospects in the area, characterized by central Cu-Mo and peripheral Cu-Ag-Zn±Au assemblages. This type of metal zoning is common in porphyry copper districts elsewhere and is indicative of the cooling of hydrothermal fluids away from an intrusive heat-source. The majority of the mineral prospects in the area occur along granodiorite pluton margins.

Rock chip samples collected were dispatched for petrological geochemical analysis. The results from the petrology samples are still outstanding. Integration and further interpretation of the petrological results is a key step in increasing FMGR's understanding of the geological setting. It is hoped that this additional information will clarify the origin of some key lithological types identified in the project area.

To date the empirical data acquired indicates that there are structural and porphyritic elements interacting to control the distribution of anomalous copper seen within the project area. The observed alteration systems around what has historically been believed to be the core of the copper porphyry system show typical alteration assemblages, however they are less prominent than those seen in younger known analogues.

Hydrothermal alteration at Lightning Ridge is characterised by mafic mineral-destructive quartz-clay-mica-pyrite (phyllic) alteration. The sites of the magmatic mafic minerals (e.g., biotite, hornblende and pyroxene) have been obscured and the feldspars replaced primarily by sericite. This type of phyllic alteration is common in the late-stage overprinting of porphyry copper systems. Relict potassic alteration was not observed in outcrop during the field review. External to the phyllic zones, chlorite clearly replaces mafic minerals.

One of the concepts being investigated is that the majority of the porphyry intrusion is possibly concealed beneath younger, sedimentary and volcanic rocks. If this is the case then the alteration seen in the field observations may only be the peripheral alteration halo to a much broader concealed system.

Stream and soil geochemical results appear to be largely consistent with the metal zoning that characterises other global porphyry systems such as Yerington (Nevada), Batu Hijau

(Indonesia) and Butte (Montana). Figures 6 and 7 illustrate the coherent nature of the copper anomalies in the stream and soil sampling. When examining distribution patterns it is possible to see that the higher anomalous copper values in particular are focussed at the edges of the intrusive body.

OTHER PROJECTS

Riedel continues to investigate options to commercialise the Millrose and Cheritons Find Gold Projects, including project development by way of toll treatment and/or other treatment opportunities or by project divestment.

CORPORATE

The Company held Cash Reserves at 30 September 2014 of **$0.246M**.

TENEMENT SCHEDULE

Following is the schedule of Riedel Resources minerals tenements as at 30 September 2014.

Area of Interest	Tenement reference	Nature of interest	Interest
Charteris Creek	E45/2763	Direct	100%
Bronzewing South	E36/623	Indirect	80%
Bronzewing South	M36/670	Indirect	80%
Delaney Well	E36/734	Direct	100%
West Yandal	M36/615	Royalty	0%
Marymia	E52/2394	Direct	100%
Marymia	E52/2395	Direct	100%
Millrose	E53/1304	Direct	100%
Millrose	E53/1305	Direct	100%
Porphyry	M31/157	Royalty	0%
Dulcie	P77/3727	Direct	20%
Dulcie	P77/3728	Direct	20%
Dulcie	P77/3729	Direct	20%
Cheritons Find	E77/1793	Direct	100%

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About Riedel Resources Limited

Riedel Resources Limited listed on ASX on 31 January 2011 and is an Australian-based exploration company established to explore for and develop mineral deposits.

Further information can be found at the Company's website www.riedelresources.com.au

Appendix 1: JORC Code, 2012 Edition

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	**Marymia Project** No assay results or significant intersections are included in the accompanying report. The HQ diamond core was half-cut and sampled at one metre intervals. Sampling is guided by AUZ protocols and QAQC procedures which were designed in consultation with SRK Consulting, Perth. All samples were submitted to the Bureau Veritas (UltraTrace) assay laboratory in Perth for Fire Assay and Four Acid ICP-OES analysis. AUZ analyse for the following elements: Au, Ag, Al, As, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Te, Ti, Tl, V, W, Zn. **Charteris Creek Project** Stream sampling was undertaken as part of reconnaissance mapping and prospecting program. The regional sampling program was designed to target the secondary drainage and creeks. Samples were obtained from low energy locations within the drainage. Material was passed through a 210um mesh sieve in order to recover 200g samples of the fine fraction material for analysis. Soil samples were taken as part of a reconnaissance mapping and prospecting program. Sampled material was obtained for the B horizon typically 20-30 centimetres below the surface. Material was passed through a 210um mesh sieve to recover 200g samples of the fine fraction material for analysis. Samples were taken at 100x50 meter spacing over the main target area. Additional sampling over a secondary target area was completed at 100x100m spacing. Rock chip samples were obtained as part of reconnaissance mapping and prospecting program. These samples were collected form the surface by hand and ranged in size from 0.5-1

		kilogram, sample were subsequently crushed and pulverized for analysis. All samples were sent to Bureau Veritas for sample preparation and assay.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.)	**Marymia Project** The Simmons drill program referred to in the accompanying report involved two diamond core drill holes. Drill hole SMDD001 had an RC pre-collar to 96 metres down hole, with an HQ diamond tail to end of hole (being 600.7 metres). Drill hole SMDD002 had a rock roller pre-collar to 36 metres down hole, with an HQ diamond tail to end of hole (being 630.8 metres). The core was oriented and marked by the drill contractor (DDH1 drilling) using ACT Mk II electric core orientation. **Charteris Creek Project** No drilling undertaken.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	**Marymia Project** Diamond core recoveries are recorded during drilling and reconciled during the core processing and geological logging. No significant sample recovery problems appear to have occurred in either drill hole. Insufficient drilling and geochemical data is available at present to evaluate potential sample bias. AUZ protocols, however, are followed to preclude any issues of sample bias due to material loss or gain. **Charteris Creek Project** No drilling undertaken.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	**Marymia Project** Geological logging of drill core have been recorded for this drill hole, including lithology, mineralogy, texture, weathering, oxidation, colour and other features of the samples. Drill core was not logged to any geotechnical standard and the data is insufficient to support Mineral Resource estimation at this stage. The drill hole was logged in full to the end of the

	• The total length and percentage of the relevant intersections logged.	hole. **Charteris Creek Project** No drilling undertaken.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	**Marymia Project** No AUZ assay results or significant intersections are included in the accompanying report. The diamond core resulting from the Company's Simmons drill program was cut using an Almonte Diamond saw by Australian Mines personnel. Half core was sampled on one-metre intervals. Samples are dried and pulverised using industry standard methods by Bureau Veritas (UltraTrace) at their Perth assay laboratory. All samples are pulverised to produce a 50-gram charge, which is analysed by Fire Assay and Four Acid ICP-OES. The sample sizes are considered to be appropriate to correctly represent the sought after mineralisation style. **Charteris Creek Project** The samples have been sorted & dried. The whole samples have been pulverized in a vibrating disc pulveriser. Standard QAQC procedures adhered to during the acquisition of Stream and Soil samples. Field duplicates were acquired at a frequency of 1 in every 20 sample taken. Standards were acquired at a frequency of 1 in every 33 sample taken. Internal laboratory QAQC was completed to the required standard Only internal laboratory QAQC was completed on the rock chip samples submitted.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and	**Marymia Project** No AUZ assay results or significant intersections are included in the accompanying report. Samples were submitted to Bureau Veritas (UltraTrace) in Perth and will be assayed using a Fire Assay and mixed four acid digest. The samples are digested are refluxed with a

	model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric acids and conducted for multi-elements including Au, Ag, Al, As, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Te, Ti, Tl, V, W, Zn. This method approaches a total digest for many elements although some refractory minerals may not be completely attacked. The quality of the analytical results is monitored through the use of internal laboratory procedures to ensure the results are representative and within acceptable ranges of accuracy and precision. **Charteris Creek Project** The samples have been sorted & dried. The whole samples have been pulverized in a vibrating disc pulveriser. Gold analysis was completed using an Aqua Regia digest. Results were determined by Inductively Coupled Plasma (ICP) Mass Spectrometry. Multi Element analysis was completed using a digest and reflux with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. Results were determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. Internal laboratory QAQC includes repeat assaying of at least 1 in 20 samples in the batch. Internal laboratory QAQC includes repeat assays for verification of significant gold results. Internal laboratory QAQC includes inclusion of standards and blanks to test equipment for accuracy and efficiency.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	**Marymia Project** No AUZ assay results or significant intersections are included in the accompanying report. Primary data was collected using a set of standard Excel templates using lookup tables. The information was sent to the Company's external database consultant, rOREdata, for validation and compilation into Australian Mines' database.

	• Discuss any adjustment to assay data.	No twinned hole drilling is proposed by Australian Mines at this stage. No adjustments or calibrations were made to any assay values. **Charteris Creek Project** All assay data is internally verified upon receipt from the laboratory and subsequently stored in an Acquire database.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	**Marymia Project** Drill hole collar locations were recorded using handheld Garmin GPS. The expected accuracy is +/- 5 metres for easting and northings and 10 metres for elevation coordinates. Elevation values were in AHD. The grid system used is Map Grid of Australia (MGA) GDA94 Zone 50. **Charteris Creek Project** All sample points were located using a hand held GPS. Data captured in GDA 94, Zone 51.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	**Marymia Project** AUZ's maiden drill program at the Simmons prospect (Marymia Project) involved two diamond core drill holes targeting a geophysical anomaly interpreted for the Company's recently completed moving loop electromagnetic survey. This drill data is not being used for estimating a Mineral Resource or modelling of grade at this stage in exploration. No sample composting was applied to the exploration results. **Charteris Creek Project** Soil grid used over the main prospect was100x50m, 100x100m was used for the secondary target. Stream sampling was designed to test catchment areas roughly 1km^2 in size, reducing dilution of any metals present.

Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	**Marymia Project** The diamond core holes are drilled towards 140 degrees at an angle of -60 degrees to intersect a modelled mineralised zone at a near perpendicular orientation. The orientation of the body however may be locally variable and any relationship to mineralisation has yet to be identified. **Charteris Creek Project** The regional stream sediment sampling program was used as a reconnaissance tool. Sampling the tributaries generated data which highlighted areas with elevated metal anomalism that required further investigation. Soil sample grids have been designed in an east-west direction to test targets which including possible structures that appear to be predominately orientated in a north-south direction.
Sample security	• The measures taken to ensure sample security.	**Marymia Project** The chain of custody is managed by AUZ. Samples are stored on site and are delivered by AUZ personnel directly to the assay laboratory.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	**Marymia Project** AUZ sampling techniques and data collection processes are of industry standard and have been subjected to internal reviews. Any data received from the assay laboratories are independently verified by rOREdata in Perth, Australia. **Charteris Creek Project** Standard internal verification of assay data did not reveal any inaccuracy. General advice from an external consultant was obtained regarding sampling and assay techniques prior to the commencement of the sampling program.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	**Marymia Project** The Marymia Project (and Simmons prospect) is located within the Western Australian exploration licences of E52/2394 and E52/2395. On 30 April 2014, Australian Mines announced it had signed a Heads of Agreement with Riedel Resources Limited (ASX code: RIE) in relation to the Marymia Project. Exploration licences E52/2394 and E52/2395 are within the Marymia and Ned's Creek Pastoral Leases and contained within the Native Title Claim boundaries of the *Gingiran*a (WAD6002/03) and *Yugunga-Nya* (WAD6132/98) Traditional Owners. Exploration activities on E52/2394 and E52/2395 are permitted under agreements dated; 7 October 2010 between Audax Resources Ltd (a subsidiary of Riedel Resources) and the Yamatji Marlpa Aboriginal Corporation as agent for the *Yugunga-Nya* people; and 23 October 2010 between Audax Resources and Gingirana Pty Ltd. Australian Mines is permitted to operate under these agreements as the company is joint venturing with Riedel Resources on this project. Exploration licences E52/2394 and E52/2395 are in good standing with no impediments to exploration known to exist at the time of writing. **Charteris Creek Project** Exploration activities were all undertaken on EL 45/2763, which comprises the Charteris Creek Project. The Licence is held by Riedel Resources Ltd ('Reidel') and registered in the name of Audax Minerals Pty Ltd. The Licence was granted on 8 November 2011 and is due to expire on 8 November 2016. On 16 January 2014 FMG Resources Pty Ltd entered into a Farm In and Joint Venture Agreement with Reidel to earn an 80% interest in the tenement over a six year period. The Licence is in good standing. The minimum expenditure commitment has been exceeded in

		the first and second terms and will be met in the third year of term.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	**Marymia Project** Limited exploration and drilling programs have previously been undertaken across the Marymia Project by other companies. A summary of the historic anomalous gold and nickel intersections are outlined in the Prospectus released by Riedel Resources Limited on 23 November 2010. **Charteris Creek Project** Exploration around the Gobbos Granodiorite intrusion started in the mid-1960s. Five main project areas were identified, namely the Bridget, Gobbos, Lightning Ridge, Otways and Wallabirdee Ridge prospects by previous explorers.
Geology	• Deposit type, geological setting and style of mineralisation.	**Marymia Project** AUZ are targeting three types of mineral deposits at Marymia; (i) DeGrussa-style volcanogenic massive sulphide copper-gold, (ii) Kambalda-style komatiite-hosted nickel sulphide, and (iii) Plutonic-style Archaean gold. The Marymia Project overlies the Baumgarten Greenstone Belt, which is the interpreted northern extension of the Eastern Goldfields Province of the Yilgarn Craton. The geology of the Marymia Project comprises an Archaean greenstone sequence of basalts and komatiitic ultramafic rocks. **Charteris Creek Project** Copper porphyry target. Porphyry systems within or marginal to the intrusions. Granodiorite and tonalite intrusives rocks of Archean age are situated within the McPhee Dome and have intruded volcanic and sedimentary rocks of the also Archean Yilgalong (or: McPhee) Greenstone Belt. Copper-molybdenum-silver-zinc-gold

		mineralization proximal and distal to porphyry systems has been reported.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	**Marymia Project** Refer to Table 1 of the accompanying report. **Charteris Creek Project** No drilling undertaken.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	**Marymia Project** No AUZ assay results or significant intersections are included in the accompanying report. No metal equivalents have been used in the accompanying report. **Charteris Creek Project** No drilling undertaken.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	**Marymia Project** There is insufficient understanding of the bedrock geology at present to determine the true thickness of any reported drill intersections. Any intersections included in the accompanying report are down hole lengths. The true widths of these intersections are not known. **Charteris Creek Project** No drilling undertaken.

Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	**Marymia Project** Appropriate maps and sections are included in the body of the accompanying report. **Charteris Creek Project** The images in this report show the geology of the general region and more detailed Fortescue mapped geology in the main project area. Additional images depict those copper and gold values that are considered to be anomalous in the stream and soil sediment sampling completed by Fortescue.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	**Marymia Project** The accompanying document is considered to represent a balanced report. **Charteris Creek Project** Geological mapping and geochemical sampling have been the primary exploration tools used to date. Maps displaying copper and gold were chosen for inclusion in this report as at this early stage their distributions are the easiest to recognise. Interpretation of the acquired data is preliminary and by no means comprehensive.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	**Marymia Project** AUZ released the results of its ground-based moving loop electromagnetic (MLTEM) survey on 1 August 2014. This MLTEM survey identified a strong bedrock conductor at the Company's Simmons prospect. This EM conductor formed the basis of the drilling program referred to in the accompanying report. The specifications, description and analysis of the MLTEM survey are included in Australian Mines' 1 August 2014 announcement. AUZ released an announcement on 30 September 2014, which provided preliminary geological observations of the diamond core of holes SMDD001 and SMDD002. These observations include that two distinct sulphide zones (>10% sulphides) were noted in both drill holes. These sulphide zones appear to comprise iron sulphides (pyrrhotite and, to a lesser extent pyrite) with trace amounts of other sulphides

		including chalcopyrite (copper) in hole number SMDD001. Further data collection will be reviewed and reported when considered material. **Charteris Creek Project** Table 2 has been included to highlight some of the more encouraging assays results obtained from follow up mapping within the project area to date. These results should not be considered indicative of the overall prospectivity of the project as a whole.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	**Marymia Project** Further work will include drill testing of any resulting EM anomalies. The Company may also seek to undertake down hole electromagnetic survey of these drill holes to test for the presences of any off-hole conductors. **Charteris Creek Project** Finalising the interpretation of data gathered to date which will lead to a more robust mineralisation model for the project area.

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Ed Turner, who is a Member of The Australian Institute of Geoscientists. Mr Turner is a full time employee of Riedel Resources Limited. Mr Turner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Turner consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.